

THE QUANTITATIVE STRATEGIC PLANNING MATRIX (QSPM) APPLIED TO AGRI-TOURISM: A CASE STUDY IN COASTAL PROVINCES OF IRAN

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ABSTRACT

This article presents the current situation of agri-tourism in rural areas of the coastal provinces of Iran from a strategic management perspective and offers and prioritizes appropriate strategic recommendations using SWOC and QSPM analysis to make this industry more developed and effective. Data for determining the internal and external environment of agri-tourism development were collected using a formal group discussion consisting of twelve experts in the field of rural tourism and technical experts from the agriculture sector employed by the Ministry of Agriculture of Iran. Two questionnaires were developed using the identified external and internal factors, and determined strategies administered to rural tourism and agricultural experts at the Agricultural Organization of intended Provinces. Further, experts participated in the formal group discussion in order to weight SWOC factors and prioritize the identified strategies, respectively. Results showed that conservative strategies best support development of agri-tourism in the field sites of the study.

Keywords: agri-tourism, strategic planning, SWOC analysis, QSPM.

INTRODUCTION

Agri-tourism -as a new kind of rural tourism- is being gradually adopted in some rural areas especially in the coastal areas of Iran (Espahbod & Yadollahi Farsi, 2012; Papzan et al., 2012; Tiraieyari & Azimi, 2012). The word “agri-tourism”- also known as farm tourism, agro-tourism, or agricultural tourism- is used to describe “rural enterprises which incorporate both a working farm environment and a commercial tourism component” (McGehee, 2007, 111).

Many activities are classified as agri-tourism, including daily visits (e.g., orchard tours, hayrides), recreational self-harvest (e.g., pick-your-own operations), hunting and fishing for a fee, nature and wildlife observation (Barbieri et al., 2008; Wilson et al., 2006; Che et al., 2005), agricultural festivals and educational events, farm tours for children and various types of overnight accommodations like bed-and-breakfasts (McGehee & Kim, 2004).

There is a huge potential for agri-tourism in Iran. Three provinces namely Golestan, Gilan, and Mazandaran, in the southern coast of the Caspian Sea can help explore this potential. These provinces are main beach tourist destination places characterized by a high seasonality in summer with a peak in September which attracts around 10 million visitors per year. Some of the agri-tourism farms in these three provinces offer some kinds of recreational activities, including fishing, hospitality services (such as food services, hosting-related weddings and private parties, and overnight stays of farms), recreational self-harvest, and u-pick fruits or vegetables. The activities most commonly offered are hospitality services, eating at local restaurants, and shopping along the way. In spite of favorable geographic and climate condition, beautiful scenery and dominating agricultural activity, the full benefits of agri-tourism are yet to be utilized by the policy makers and local people, and the need for formulating strategies has been less felt (Ghaderi & Henderson, 2012).

Strategic planning is needed in developing agri-tourism as unplanned development can yield unfavorable and negative results (Asadi & Daryaei, 2012). In developing a strategic planning system, planners and managers should initiate identification and evaluation of strategic factors which affect the process in reaching its full potential, and determining the most appropriate strategies for agri-tourism development (Houben et al., 1999).

The main purpose of this study was to analyze the current situation of agri-tourism in Iran from a strategic management perspective, and determine and prioritize appropriate strategic recommendations to make this industry more developed and effective.

METHODOLOGY

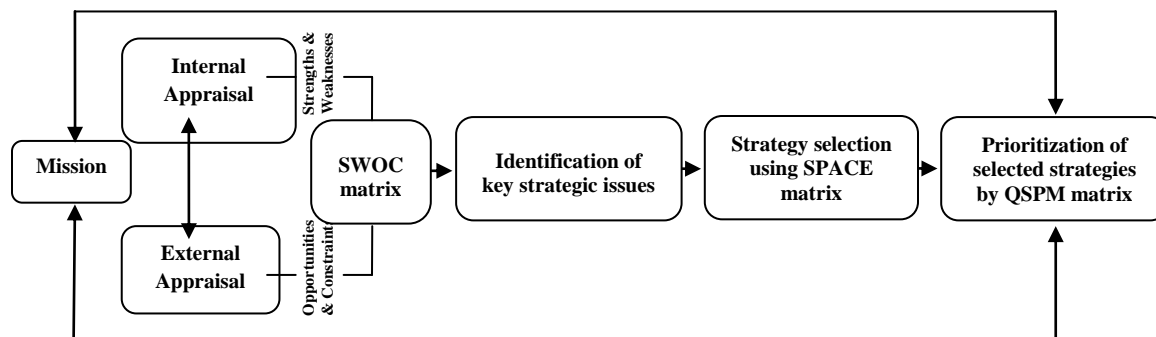
For the quantitative strategic planning of agri-tourism development, the following stages were followed. First, the business’s mission statement was determined. Internal and external environment of the business were analyzed to specify opportunities and constraints (external factors) and the strengths and weaknesses (internal factors), and using the SWOC matrix, the business’s strengths, weaknesses, opportunities and constraints were evaluated.

Data required for determining the internal and external environment of agri-tourism development in rural areas of Caspian coastal provinces in Iran were collected using a formal group discussion with experts in the field of rural tourism and technical experts from the agriculture sector. Twelve rural tourism and agriculture experts employed by the Ministry of Agriculture of Iran participated in the discussion. These experts were purposively selected based on their in-depth knowledge of rural tourism and agricultural activities, as well as their professional experience. It is notable that the obtained information from these formal group discussions was complemented by secondary information contained in the literature about rural tourism and agri-tourism implementation.

A questionnaire was developed using the identified external and internal factors, and administered to rural tourism and agricultural experts at the Agricultural Organization, and Agricultural Management Center of Golestan, Gilan and Mazandaran Provinces in order to weight SWOC factors. The population for this part of the study consisted of all full-time agricultural and rural tourism experts at the Agricultural Organization, and Agricultural Management Center of Golestan, Gilan and Mazandaran Provinces (N=267). A random sample of 159 rural tourism and agricultural experts was selected (Gall et al., 2007) using the procedures suggested by Krejcie and Morgan (1970). After two follow ups a total of 103 valid questionnaires were returned and a final response rate of 65.19% was obtained.

Then, using Strategic Position and Action Evaluation (SPACE) Matrix, the most appropriate type of strategy (including competitive, defensive, conservative, and aggressive) to be undertaken by an organization or a business was determined. On analyzing the data and determining the appropriate strategies, a questionnaire was developed using the determined strategies and was completed by the experts who participated in the group discussion. Finally, QSPM matrix was used, as recommended by David et al. (2009) for prioritizing the obtained strategies based on internal and external evaluations and SWOC analysis. Figure 2 shows the steps of the research methodology adopted in this study.

Figure 1.
The process of strategic planning (Shervin, 2012; Riston, 2008)



RESULTS AND DISSCUSSION

Mission Statement

As figure 1 presents, the first step to begin strategy formulation is setting out a mission statement. The current mission of sustainable agri-tourism implementation in rural areas of coastal provinces of Iran is to; “Improve the living quality of local community residing in rural areas, provide maximum satisfaction to tourists and prevent the agricultural and natural recourses degradation”.

External Factor Evaluation (EFE) matrix

Table 1 shows EFE factors that affected agri-tourism development in the coastal provinces of Iran. Based on experts’ inputs, each item was ranked and the importance ratio coefficient was identified. The EFE total weighted scores for agri-tourism was 2.814. This signifies that it is managing these constraints and opportunities above the average of 2.5. Since there are some serious constraints, it can be restructured. Overall checks of rating in opportunities column shows, experts are so optimistic, and they hope to increase or move up agri-tourism abilities toward better results.

Table 1.
External Factors Evaluation (EFE) Matrix

	External factor	Weight	Rating	Weighted score
Opportunities	An increasing demand for this kind of tourism by tourists	0.081	4	0.324
	Existence of NGOs and foundations in the field of agri-tourism in urban areas	0.060	3	0.180
	Increasing attention of government to planning and investment in the tourism sector	0.058	4	0.232
	Increased attention to sustainable development and preserving the environment and natural resources in policies	0.058	4	0.232
	Implementing “Tourism Target Villages” scheme by the Cultural Heritage and Tourism Organization	0.056	3	0.168
	Increased government attention and support to rural development paradigm with an emphasis on job creation	0.062	4	0.248
	Short distances to the capital of the country	0.060	3	0.180
	Increasing the motivation of private sector for investment in agri-tourism	0.056	4	0.224
	An increasing demand for rural products, healthy and quality lifestyle	0.064	4	0.256
Constraints	Inadequate participation of local people in agricultural and rural development programs	0.063	2	0.126
	Lack of existence of a government scheme to encourage agri-tourism initiatives and low support for enterprises	0.059	1	0.059
	Degradation of the plant and animal life during the early years	0.056	2	0.112
	Decreased income from agriculture and land use change	0.071	2	0.142
	Lack of spatial relation of some rural areas with main roads	0.065	1	0.065
	Lack of co-operation and coordination among the institutions and organizations involved in agriculture, tourism and rural development	0.063	1	0.063
	Weak informing system and adverting activities regarding agri-tourism	0.058	2	0.116
		1	2.814	

Internal Factor Evaluation (IFE) Matrix

Scores on internal factors as depicted in Table 2 indicated that agritourism in Iran is facing fourteen strengths and eleven weaknesses among which “favorable climate conditions, high quality of natural attraction, suitable agri-tourism farms, and high tourism potential in these areas” and “lack of financial resources of producers for investment and shortage of start-up capital” with weight equal to 0.043 and 0.044 are the most important strength and weakness respectively for agri-tourism development in the coastal provinces of Iran.

Table 2.
Internal Factors Evaluation (IFE) Matrix

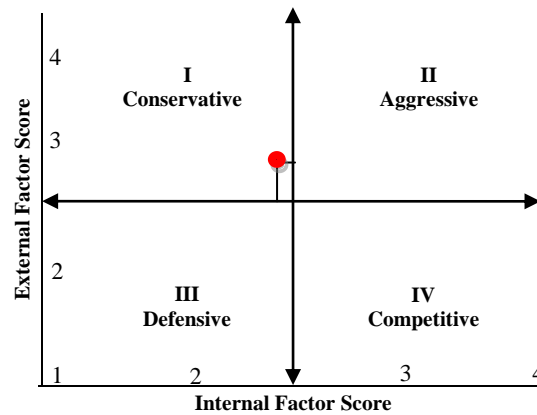
	Internal factor	Weight	Rating	Weighted score
Strengths	Favorable climate conditions, high quality of natural attraction, suitable agritourism farms, and high tourism potential in these areas	0.043	4	0.172
	Generation of additional income, increase farm revenues for inhabitants of rural areas and economic development of rural areas	0.042	4	0.168
	Creation of new jobs in agricultural sector	0.042	4	0.168
	Improvement of education, sanitary and housing	0.041	3	0.123
	Increase the attractiveness of rural areas and reduce the immigration rate	0.040	4	0.160
	Improving the rural arts and handicrafts market	0.040	3	0.120

	Low level of necessary investments for starting up the agri-tourism businesses	0.038	4	0.152
	Increase the knowledge and awareness of tourists regarding rural areas and agriculture activities	0.036	4	0.144
	Settlement of most of the rural areas near the cities and existence of appropriate roads	0.040	4	0.160
	Cultural exchange and improvement	0.038	3	0.114
	Rich traditional customs, cultural heritage and historical background of some rural areas (archaeological and architectural remains, handicrafts, traditional dance and music, traditional foods, and etc.);	0.041	4	0.164
	Revival of traditional agricultural festivals such as harvest festival	0.036	3	0.108
	Increased social cohesion and participation	0.035	3	0.105
	Hospitality of the inhabitants	0.032	3	0.096
	Poor infrastructure in some rural areas (especially internet, sewage systems and road transport)	0.042	2	0.084
	Decreased cultivated area and the increase of land use changes	0.042	2	0.084
	Low level of government investment in agri-tourism	0.040	1	0.040
	Poor functioning of markets for agri-tourism services	0.039	2	0.078
	Lack of professional management and highly skilled human capacities	0.035	2	0.070
	A limited level of training of producers in the field of entrepreneurship, marketing and diversification of agricultural activities	0.035	1	0.035
Weaknesses	Progress may be slow due to extra levels of policy-making, i.e. ministries of tourism/commerce, environment, agriculture, which may also conflict	0.035	1	0.035
	Lack of financial resources of producers for investment and shortage of start-up capital	0.044	1	0.044
	A high rate of inflation and the unsuitable domestic economy which increases the expense of traveling and causes the tourists` staying time to decrease	0.041	1	0.041
	Low level of entrepreneurial spirit and business skills in farmers	0.040	2	0.080
	Neglected and sometimes damaged natural resources and cultural heritage	0.035	2	0.070
		1		2.46

Strategic Position and Action Evaluation (SPACE) Matrix

Figure 2 shows the SPACE matrix of agri-tourism development in the coastal provinces of Iran. Based on this matrix, the group I strategies are the suggested strategies for agri-tourism development in rural areas of coastal provinces of Iran.

Figure 2.
SPACE Matrix of agri-tourism development in Iran



Quantitative Strategic Planning Matrix (QSPM)

After obtaining appropriate strategies using SWOC matrix analysis, QSPM matrix as suggested by David et al., (2009) was used to select the best possible strategies. Total attractiveness scores (TAS) indicate the relative attractiveness of each key factor and the related individual strategy. However, the sum of the total attractiveness score (STAS) is calculated by adding the total attractiveness scores in each strategy column of the QSPM. This score (STAS) reveals which strategy is most attractive. Higher scores point at a more attractive strategy, considering all the relevant external and internal critical factors that could affect the strategic decision (Ommani, 2011).

Table 3.
QSPM Matrix for Agritourism Development

Factors	Weight	WO1		WO2		WO3		WO4	
		AS	TAS	AS	TAS	AS	TAS	AS	TAS
O1	0.081	3	0.243	3	0.243	3	0.243	3	0.243
O2	0.060	3	0.180	2	0.120	4	0.240	4	0.240
O3	0.058	3	0.174	4	0.232	4	0.232	4	0.232
O4	0.058	4	0.232	2	0.116	3	0.348	2	0.116
O5	0.056	3	0.168	4	0.224	3	0.336	2	0.112
O6	0.062	4	0.248	2	0.124	2	0.496	4	0.248
O7	0.060	2	0.120	3	0.180	4	0.480	2	0.120
O8	0.056	3	0.168	3	0.168	3	0.336	2	0.112
O9	0.064	4	0.256	2	0.128	2	0.128	1	0.064
T1	0.063	3	0.189	3	0.189	3	0.189	3	0.189
T2	0.059	3	0.177	1	0.059	4	0.236	3	0.177
T3	0.056	3	0.168	2	0.112	2	0.112	2	0.112
T4	0.054	3	0.162	2	0.108	3	0.162	3	0.162
T5	0.065	2	0.130	3	0.195	3	0.195	4	0.260
T6	0.063	4	0.252	3	0.189	4	0.252	4	0.252
T7	0.058	2	0.116	2	0.116	3	0.174	3	0.174
S1	0.043	3	0.129	2	0.086	3	0.129	2	0.086
S2	0.042	3	0.126	4	0.168	4	0.168	4	0.168
S3	0.042	3	0.126	2	0.084	4	0.168	4	0.168
S4	0.041	2	0.082	3	0.123	3	0.123	2	0.082
S5	0.040	3	0.120	4	0.160	4	0.160	3	0.120
S6	0.040	3	0.120	2	0.080	3	0.120	4	0.160
S7	0.038	3	0.114	3	0.114	4	0.152	4	0.152
S8	0.036	3	0.108	4	0.144	2	0.072	2	0.072
S9	0.040	3	0.120	4	0.160	4	0.160	4	0.160

S10	0.038	4	0.152	2	0.076	1	0.038	2	0.076
S11	0.041	4	0.164	2	0.082	2	0.082	3	0.123
S12	0.036	4	0.144	3	0.108	2	0.072	2	0.072
S13	0.035	3	0.105	1	0.035	3	0.105	4	0.150
S14	0.032	3	0.096	2	0.064	2	0.064	3	0.096
W1	0.042	2	0.084	4	0.168	3	0.126	3	0.126
W2	0.042	3	0.126	3	0.126	2	0.084	3	0.126
W3	0.040	4	0.160	4	0.160	4	0.160	4	0.160
W4	0.039	3	0.117	3	0.117	4	0.156	4	0.156
W5	0.035	4	0.140	2	0.070	3	0.105	4	0.140
W6	0.035	4	0.140	1	0.035	3	0.105	4	0.140
W7	0.035	3	0.105	3	0.105	4	0.140	3	0.105
W8	0.044	4	0.176	3	0.132	4	0.176	4	0.176
W9	0.041	2	0.082	1	0.041	4	0.164	3	0.123
W10	0.040	2	0.080	1	0.040	2	0.080	4	0.160
W11	0.035	4	0.140	1	0.035	1	0.035	3	0.105
STAS			6.039		5.016		7.103		6.015
Priority			2		4		1		3

Table 3 shows the results of QSPM, the WO strategies are prioritized as follows:

1. WO3: Encouraging local rural communities to participate, and reinforcing them through training regarding entrepreneurship, marketing and management of sustainable agri-tourism attractions.
2. WO1: Developing an approach for marketing sustainable agri-tourism services in coordination with public sector, private companies and local community organizations.
3. WO4: Investing in agri-tourism areas through devoting public funds, and encouraging the NGOs and private sector to participate.
4. WO2: Enhancing the quality of infrastructures and increase access to new technologies such as internet, telephone, guiding software and etc.

CONCLUSIONS AND RECOMMENDATIONS AND IMPLICATIONS

Local control of agri-tourism businesses and decentralization of planning and implementation are valuable approaches to encourage the creation of a more pleasant and acceptable environment for the host community. Moreover, within the decentralized administration structure, purposeful teaching is one of the key mechanisms for development. In order to achieve long term success and economic benefits from agri-tourism, special education and training programs should be designed to enable small family enterprises to provide and manage the agri-tourism businesses and become involved in the agri-tourism development process as entrepreneurs and employees.

Currently there are few specific learning opportunities provided in rural areas by advisory services that directly address this. Lack of training for potential and current agri-tourism providers results in providing nonstandard services and a lack of long-term and overall points of view.

Marketing is an essential mechanism to the success of agri-tourism enterprises that establishes the planning required to attract visitors to the agri-tourism farms. Private sector and non-governmental organizations have different areas of experience and expertise in terms of providing market information, marketing know-how, capacity-building, financial resources, as well as establishing a favorable policy framework for trade. Instead of pursuing individual support strategies, it is necessary for the government to develop combined approaches of marketing assistance, in coordination with public sector, private companies, local community and non-governmental organizations. Local community organizations like farmers' associations are also perceived as one of the more efficient actors in service delivery which can offer a number of marketing-related services to individual members and thus should be considered as one of the main intermediaries in development and marketing processes of agri-tourism enterprises.

Obviously, providing financial support to the agri-tourism activities by the government may enable many new entrepreneurs to get into this sector in Iran and without the financial support of the government the dynamic development of agri-tourism will not be possible. Special arrangements also need to be made to enhance appropriate

and comprehensive financial cooperation between government, private sector, support organizations and local communities.

The results of this study showed that investments in infrastructures related to agri-tourism accommodations and new technologies (especially the internet, sewage systems and road transport) have still been quite insufficient. Telecommunication and improved infrastructures are generally one of the key factors for rural community development because of their impact on improved business, education, health, and social cohesion. In this regard, private-public partnerships to create infrastructure and facilities could also be helpful to organize and to build capacity in agricultural communities. This will also improve the sustainability of agri-tourism by helping local people become informed and benefit from the opportunities that result from agri-tourism.

Finally, it should be considered that, although there are a lot of strengths and positive impacts of developing agritourism to Iranian economy; the strategic planning of developing an area for agri-tourism business needs more attention to reinforcement of domestic agri-tourism by preparing legislatures and supporting policies and plans and sustainable development of agri-tourism in rural areas by protection and conservation of the environment, customs and cultural heritage so that in addition to providing maximum profit for local communities and offering a different experience to the visitors, it will result in the least negative effects on the environment and living style and help the local societies to conserve their traditional characters.

The results of such work would help cast light on agri-tourism development in general and the distinctive destination of the Caspian coastal provinces of Iran in particular. The results of this study may be used as a basis for formulating effective plans and policies framing this type of tourism as an approach to cope with the economic challenges of family farmers in rural areas of Iran. However, more thorough social and economic impact analyses of agri-tourism can be conducted to better evaluate the dynamics of formal decision making.

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