

MARKETING

What Should I Call the Farmstay?

Like designing your farmstay, naming it can also be a rewarding, creative, and fun process. Many farmers use the name of their farm for their farmstay, while others choose a completely new name because it's a distinct activity and experience on the farm. The farmstay name should be memorable and reflect the experience that you're creating on your farm. Once a name is determined, you may want to create a logo that represents the farmstay in a visual way. The name and logo seek to quickly establish what your farmstay is about in the mind of your potential customer.

What Price Do I Charge My Guests?

Setting a price for your accommodations can be a tricky balancing act. When establishing fair prices, you'll need to ask yourself two essential questions: Can I make money with the price I have set? and, Is this price acceptable to the customers I need to attract? You may consider setting multiple prices for rooms with different features, or one rate for the nightly room plus additional fees for added amenities such as an in-room breakfast or a one-hour tour of the farm. If you have multiple rooms or accommodations of different types, pricing them at different levels gives customers with various budgets options.

Especially for a beginning innkeeper, it is wise to compare the rates you establish with those of other guest accommodations or similar businesses nearby and adjust them if necessary. Your prices don't need to be identical to other farmstays, but do make sure your rates are justified by differences in the amenities and the guest experience you provide. Also remember that you will have to add lodging and sales tax to your prices, as per Minnesota law.

A 2008 study by the University of Minnesota Tourism Center surveyed 14 agritourism destinations in Minnesota and found that 37.5 percent of respondents charged between \$51-\$100 per night for their accommodations and the same percentage charged between \$101-\$150 per night. Fourteen percent of respondents charged \$50 or less per night and seven percent charged \$151 or more. Occupancy rates were inversely correlated with

prices, so the more expensive farmstays tended to have their accommodations filled more of the time! Higher-end farmstay operators likely devote a greater percentage of their time to hosting guests and may have invested a greater amount of money in such things as private bathrooms and upgrades to guest quarters.

Note that these numbers come from a small sample of respondents and cannot be considered statistically representative of the state, but they do provide a good baseline for comparison. Investigating similar accommodations in your immediate area will generate the most valuable information for establishing your own pricing structure.

Other pricing structures you can consider include seasonal pricing, weekday versus weekend pricing, multiple night pricing, and package pricing.

While staying competitive among other farmstays may be appealing, chances are that your farmstay is unique among the accommodations in your area, and price competition is not as relevant for a farmstay as it is for traditional hotels. You're also reaching out to a unique type of traveler. When adding up your costs to run the farmstay, make sure you include cost of supplies, your time and labor in hosting them. Every guest will use items like bath soaps, clean linens, food (if you serve your guests), and most important, your time. Once you establish what it costs for you to host a guest, use that as a starting point to establish a nightly rate. Remember that state law requires you add lodging and sales tax.

After your farmstay has been operating for a while, you can use your records of reservations to establish an average occupancy rate, and this long-term data can be used to further refine your room rates. It can be helpful in seeing the bigger financial picture, in addition to ensuring each reservation covers its individual costs. Calculating your total yearly costs and dividing that by the number of guests you expect to host (projected from a previous year's occupancy rate) can provide another helpful factor for establishing a fair and financially sustainable price for your hospitality.

How Do I Manage Reservations?

There are many ways to handle reservations at your farmstay. They range from high tech to technology-free. You can utilize online systems to let customers make their own reservations or you can simply take phone calls and pencil reservations onto a desktop or wall calendar. The method you use to take reservations may relate somewhat to how visitors learn about you and what method they are given for contacting you. Regardless of how the reservation is made, most guests will feel more comfortable if you can send a written confirmation of their stay that reiterates your farmstay price, the reservation dates, and cancellation policies.

Phone or Email

For people interested in talking to guests prior to their arrival, it may be most sensible to accept all reservations by telephone. This approach allows you to get a better feel for your guests before they come as well as to answer their questions upfront and personally. If you spend most of your day in the farm fields, however, using email to take reservations may make more sense and has many similarities to phone conversations—just slightly less personal. Email may require more back-and-forth communication than the phone, but not always.

Online Reservations

Travelers increasingly use the Internet to both plan and book their vacations. There are a number of software programs and online systems that can be integrated into your website that makes managing reservations relatively simple. The costs of these systems vary, and it is helpful to talk with other farmstay and small lodging operators to learn the pros and cons. If you are interested in online reservations, you should be willing to accept a high degree of anonymity until your guests arrive. Therefore, it's especially important to have clear and upfront policy statements visible on your website.

Related to both reservations and marketing, you'll want to find an easy way to manage guest information and inquiries. To start with, you may just do this on index cards or in a spreadsheet, but using a simple database can make these tasks much easier. Many simple programs⁸ are available for your computer that can help you track your guests and even send out intermittent newsletters or email correspondence. Keeping track of information about your guests may help you with your business down the line. For example, you can include notes about what your guests like best about your breakfast or how they learned about your farmstay.

How Do I Market My Farmstay?

Before you begin marketing your new business, it is important to consider the kind of customers you want to reach out to and how to target those customers. Your target customer may fit a broad range of demographics (people who love the outdoors) or may be very specific (people interested in learning about artisanal cheese making). Some destinations may welcome families, while others appeal to adults or couples. Some farmstays may be perfectly designed for an urban customer very demanding of comfortable and exquisite accommodations, but others may be more rustic and not for those who are unaccustomed to "roughing it." Some farmstay operators want to speak directly with each customer and "feel them out" before making a reservation, while others will take reservations through a short voicemail, email, or other online reservation system.

Whatever type of experience you have designed for your visitor, it is essential to be honest with customers about what they can expect when they arrive. Often the most problematic guests are those who arrive at your property with misguided expectations about what they are going to find.

There are many ways to communicate with your future guests. Learning how your target customer searches for his or her next travel destination is valuable information that will guide your marketing practices. If you have several different target audiences, your marketing approach might vary with the audience. Each marketing strategy has advantages and disadvantages, and no single portfolio of marketing outlets is right for every situation, but there are general trends that tend to work quite well for existing farmstays, foreststays, inns, and B&Bs.

Word of Mouth

Word of mouth is a powerful form of marketing. Satisfied customers will tell their friends and family about their experience and thus refer new customers. Don't hesitate

⁸ The website Small Business Notes provides a partial list of guest management systems at www.smallbusinessnotes.com/businesses/leisure/bandb.html.

to mention to guests how helpful this is. You might even offer special discounts to those who refer new business (or for those who are referred). Establishing a dedicated clientele that returns often and refers new customers is an invaluable way of maintaining long-term stability for a farmstay business. Keep in mind that word of mouth these days is often done on Facebook, Twitter, and Trip Advisor.

Website

For the past several years, most guest accommodations have considered the Internet to be a key part of their marketing practices. A good website is simple, aesthetically pleasing, intuitive to navigate, well-linked through other websites, and is optimized for search-engine response. Unless you have experience with computers and web design, it may be necessary to hire an outside professional web developer to build your website. Look at the websites of local businesses and identify ones you like. Then find out who created them and contact them about what services they offer and at what cost.

Most start-up businesses like a farmstay shouldn't have to spend more than a few hundred dollars to get a website up and running. The more complexity you want, the more you will have to pay. There will also be costs to annually register the URL, update information, and design and change your site over time. You may, however, be able to barter out stays in your farmstay in exchange for website design services.⁹

If you go with a web developer, you need to find one who is responsive should problems occur. If your website is your primary mechanism for attracting customers, or especially for handling reservations, you can't afford to have problems persist. Your customers depend on a functional website to patronize your business. If they become frustrated with an error-prone website, they may take their business elsewhere.

Paid Advertising

A classic advertising option is to purchase ad space in a local newspaper or magazine or air-time on a local television or radio station. You may also choose to advertise through publications based in a target market area, likely the Twin Cities, St. Cloud or another nearby urban hub. While this type of advertising has the benefit of wide exposure, it can also be one of the most expensive options for the benefit you will receive. There are many farmstays that thrive without any use of traditional paid advertising, focusing instead on the other forms of marketing. Your customers, too, are going to know that an advertisement is paid for and understand it will always portray your destination in the most positive light possible. That said, it is still a way to help new audiences learn about your business and get it on the radar of potential customers.

Public Relations

A relationship with a local reporter or an editor at a regional travel and leisure magazine may be one of the most valuable relationships you can cultivate. Unlike a paid advertisement, a feature article about your destination will not be scrutinized by readers in the same way because the message they receive is coming from an independent third party. When you first open your doors, or anytime you have an event at your destination, let your local paper or magazine know by sending a press release. If it's effectively written, and geared towards their readership, they may publish it—adding value to their business and yours, without the cost associated with taking out an ad.¹⁰

⁹ For tax rules for bartering see: www.irs.gov/taxtopics/tc420.html

¹⁰ A Public Relations Toolkit with worksheets and sample press releases is available on the Renewing the Countryside website at <http://renewingthecountryside.org/content/blogcategory/70/51/>.

Business Name: Poplar Creek Guesthouse

Website: www.boundarycountry.com

Operators: Ted and Barbara Young

Located on the Gunflint Trail in Northern Minnesota and on the edge of the Boundary Waters Wilderness Canoe Area, Poplar Creek Guesthouse offers a B&B, year round cabins, and wilderness yurts as options at their foreststay. Ten years ago, Ted and Barbara did all their advertising in print. Today 90 percent of their marketing is online.

Getting listed through collaborative marketing organizations, maintaining an easy to find and use website, and even employing an online reservation system, are all ways that Ted and Barbara use the Internet to make their business run smoothly.



"We figure 5 percent of gross should go into marketing," Ted says. And especially for destination businesses in rural communities, marketing is essential. Poplar Creek has used "word-buys" on Google and Yahoo to make their ad appear when potential customers search for targeted keywords.

The web has not replaced, but merely complements, the old-fashioned marketing methods. The Youngs regularly send press releases to local and regional publications, and if they have a good story heading to press, they may even back it up with a purchased ad. Word of mouth, too, remains a powerful driver; the Internet will never replace past guests, neighbors, and friends who refer others to Poplar Creek.

SAMPLE PRESS RELEASE¹¹

FOR IMMEDIATE RELEASE

Contact: **Ollie and Maria Farmer**

Farmstay Name: **Sample Farmstay**

Phone number: **123-456-7890**

E-mail: **OllieandMaria@samplefarmstay.com**

Website: **www.samplefarmstay.com**

Headline: Local Farm Family Offers City Folks a Window into Farm Life

TOWN NAME, STATE (USE CAPITAL LETTERS):

While waterparks and the Mall of America will continue to be important components of Minnesota's tourism sector, a growing number of people are seeking vacation alternatives. In a study by National Geographic Traveler and the Travel Industry Association of America, 55.1 million US travelers are classified as "geo-tourists," travelers who are interested in nature, culture, and heritage tourism. Family-run operations like **Sample Farmstay** in **Town Name** are finding opportunities in this trend.

Since **Year Established**, **Sample Farmstay** has been running a (insert short farmstay description) on its (insert a short description of your farm). **Ollie and Maria Farmer** are committed to sustaining a vital countryside, and see an opportunity to both diversify their income and share their love of farming and the land with visitors.

(Quote from farmer): "At **Sample Farmstay**, my family and I are committed to raising food that positively adds to the health of our region and protects our rural landscape for future generations," explains **Maria Farmer**, co-owner of **Sample Farm** along with her husband, **Ollie Farmer**. "The farmstay gives us the opportunity to share our passion with those who are interested in where their food comes from, but don't have direct connections to the land."

(Paragraph describing upcoming event/current news tie-in, e.g.): Area residents can experience **Sample Farmstay** first hand on **Date of Event**, at their annual **Name of Event**, a free day-long public open house where local families can engage in a range of activities that include taking a farm tour, meeting the new flock of baby chickens and playing in a maze made out of straw bales.

(Additional farmer quote): "Our Summer **Sample Farm** Festival gives us the opportunity to share our farm with our local community," adds **Ollie Farmer**. "The more we can help increase awareness and education about the importance of raising fresh, local food while supporting a healthy environment, the more **Town Name** will be a quality community for our children and grandchildren."

For more information on **SAMPLE FARMSTAY** and a detailed schedule of the Summer **SAMPLE FARM** Festival, see **www.samplefarm.com** or call **Maria** and **Ollie Farmer** at **123-456-7890**.

or -30-

¹¹ Adapted from <http://sustainableagriculture.net/wp-content/uploads/2010/04/PressKitTemplate-PressRelease.doc>.

Associations and Collaborative Marketing

Small or nonexistent budgets for advertising are common among small businesses. However, just because you opened your farmstay doesn't mean people will start showing up on your farm. They need to know what your farmstay offers, where it is located, and why people may enjoy staying on your farm.

Groups of similar businesses have found that by pooling their resources they can market their industry collaboratively. There are several options for getting involved with such projects and, for a farmstay, a third-party membership or certification can be a way of assuring customers that the values of your business align with their own. The Minnesota Bed and Breakfast Association, the Congress of Minnesota Resorts, The Minnesota Resort and Campground Association, and Green Routes are a few local examples. The Bed and Breakfasts along the St. Croix Valley are an excellent example of how operators not only have a joint website (www.innsofthevalley.com), but also work together to plan, market, and implement joint events, such as their famous Chocolate March.

Like the investment in a good mattress for the comfort of your guests, you'll need to evaluate your advertising investment in the growing list of marketing opportunities with associations, as well as on the Internet. One strategy may be to try out different options one at a time to determine if your investments result in guests patronizing your farmstay. Also check to see if the service has any special offers—such as a free listing until you receive your first booking through their service. Again, it is a matter of not losing sight of making sure your farmstay enterprise is, in fact, achieving the financial goals you've set for your business. Below are a number of state and national organizations that have Internet listings. Check your regional and community-based tourism or chamber of commerce offices to see if they have websites or publications in which you can be listed.

Green Routes is a sustainable travel initiative coordinated by Renewing the Countryside. Its goal is to promote one-of-a-kind, locally owned, and environmentally conscious travel destinations as a strategy for building strong rural communities. It offers several outlets for marketing and adding value to your business. Website: www.greenroutes.org.

The Minnesota Bed & Breakfast Association works to support and develop a strong Bed & Breakfast industry in Minnesota through collaborative marketing, sound policymaking, and conferences and workshops for aspiring innkeepers. Website: www.minnesotabedandbreakfasts.org.

The Congress of Minnesota Resorts is an industry association dedicated to the mission of helping family owned and operated resorts in Minnesota continue as a viable segment of the Minnesota tourism industry. It offers members assistance in marketing and education and assures a voice at the state capital. Website: www.minnesota-resorts.com

The Minnesota Resort & Campground Association is the professional trade association for resorters and campground operators in Minnesota. The MRCA is a not-for-profit organization that protects, educates, and promotes the resort and campground industry. Website: www.hospitalitymn.org/displaycommon.cfm?an=4

Explore Minnesota – Explore Minnesota is Minnesota's state tourism agency and industry advocate. It works to market tourism opportunities big and small for Minnesotans and others interested in visiting. Website: www.exploreminnesota.com or industry.exploreminnesota.com.

Minnesota Grown – Minnesota Grown is a project of the Minnesota Department of Agriculture committed to supporting Minnesota growers and helping them to market their agricultural products to local consumers, buyers, and distributors. Website: www.minnesotagrown.com.

Green America – The Green Business Network is a certification program offered by Green America, the organization that prints the Green Pages and offers an Internet directory of green businesses accessed by millions of people annually. Website: www.greenamericatoday.org.

Professional Association of Innkeepers International – PAII was born in 1988 to serve the national industry by providing programs and services that enhance the professional skills of both active and aspiring innkeepers. Website: www.innkeeping.org.

There is a growing list of Internet directories where you can add a free listing of your farmstay. In many ways, marketing on the Internet is about having a web presence that involves your main website as well as securing listings in various directories and perhaps, even, a blog (“web log”) about your operations. Some free websites include:

- localharvest.org
- itsagreenworld.com
- greenvacatiohub.com
- facebook.com
- ecosector.com
- farmstayus.com

There are numerous websites offering the opportunity to set up a free blog on the Internet. A few include:

- blogger.com
- typepad.com
- livejournal.com
- wordpress.com

Travel Packaging and Cross Promotion¹²

Farmstays are often located well off the beaten path, but partnering with nearby businesses and other destinations is a great way of marketing your farmstay along with other businesses in your community. Offering packages with other local businesses will help your community better define itself as a desirable travel destination.

Consider other local businesses and services in your area that might complement your guests’ farmstay experience. Is there a cozy local restaurant where your guests can eat? A friendly outfitter where they can rent bikes to tour the countryside? A historic theater where they can enjoy evening entertainment? Or, perhaps, you can feature products from a local artisan who in turn will promote your farmstay at his or her studio.

Connecting with local business owners to cross promote and offer your guests discounts will add value to your guests’ stay. There are a couple of ways to approach this. One is to contact business owners and work out special pricing for your guests.

¹² Pam Thorsen, co-owner of the Classic Rosewood Inn in Hastings, has been a leader in developing packages in the Bed and Breakfast industry. She has graciously provided much of the information in this section.

Another option is to offer add-on or inclusive packages for multi-night guests. In this scenario guests pay more, but in addition to their room they receive a gift certificate to a local restaurant and two theater tickets. If you commit to helping your neighbors attract new business, chances are they will return the favor when recommending local lodging to their next patrons.

Another opportunity involves marketing in conjunction with special events and festivals in your community. The key to making package tours and cross promotion viable, of course, is making sure the legwork needed to arrange a package tour adds to your profitability. Another way to look at this is: if packages increase room nights, you are adding to your bottom line. It is far better to have guests stay longer with more opportunities to enjoy your area and cement their relationship with you, thus increasing the likelihood that they'll return.

To get ideas on the types of packages you might offer, visit the Classic Rosewood Inn website at www.thorwoodinn.com/packages.html