Tourism Production Function: An Approach for Local Food Producers

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The role of locally produced food is directly connected to tourism because it enhances the tourist experience and develops additional economic activity for the destination. The importance of local food production for places and consumers gives credence to the existence of a value-added process through consumption of local/regional food products. This study discusses the theoretical approach and influence of the Tourism Production Function by Smith (1994), with local food producers. The approach is linked with producer perceptions and experiences of tourism development and how it impacts their business operations. It focuses on the local food producers as an integral part in strengthening the destination tourism development as a result of its ability to transform food resources into a unique food tourism product.

Key words: Tourism production function, Food production, Food tourism development.

Introduction

Food has proven to be a significant tourism product and activity, creating the added-value effects at destinations (Nelson, 2016; Ab Karim and Chi, 2010). However, in developing a food tourism destination, it is important to identify the processes and routes to improve the linkages between production and consumption. As argued by Sidali, Kastenholz and Bianchi (2013), most regional food networks share the aim of (re)establishing closer connections between food producers and consumers, although food tourism is a relatively new term, which began to get recognised in the early 2000s (see e.g., Hall and Sharple, 2003). Studies linking local food with agriculture, supply and tourism date back to the early 1970s and 1980s, including seminal studies on the tourism development and agriculture linkages by Gooding (1971) and Bélisle (1983, 1984). These classic studies of the Caribbean describe the integration of food production and tourism in the Caribbean as challenging (see e.g., Telfer, 1996). The challenges identified in these early studies pointed to the scarcities in communication and understanding between the tourism industry and local producers, large
trading-economic leakages, competition for land and labour resources, resources quality, marketing and storing inadequacies and lack of government supports.

Skuras, Dimara and Petrou (2006) argued that the importance of local food production for destination gives multitudinous advantages to local/regional food products. Therefore, by highlighting the role of food producers, this conceptual study aims to understand the producers’ perceptions on tourism and scrutinises their experiences regarding tourism development. This would include how this has impacted their business operations. This study also focuses on the local food producers as an integral part in strengthening the destination tourism development due to its ability to transform food resources into a food-based tourism product.

**Food Production in the Context of Tourism**

The early literature on the impact of tourism on food production developed by Bélisle (1983, 1984) and Bryden (1973: 218), covered a range of investigations in the Caribbean. The primary issue of leakages reduces the net economic impact of tourism in the Caribbean, including the degree of foreign ownership in the industry, the employment of skilled foreigners and professional industries, and government provisions on infrastructure and incentives (Bélisle, 1983). The issues also involved the failure to generate economic development due to the excessive dependence on imported goods and outsourced food production.

Food production for tourism since its emergence as an area of study in the 1970s, is predominantly related to local agricultural economies. Building on this, more recent work by Lopez and Martin (2006) debated that agro-food products have achieved new levels of appreciation as a result of quality designations. In this context, agro-food products can be considered as gastronomic tourism resources. Tourism becomes an effective and profitable platform to promote and distribute agro-food products. Lopez and Martin (2006) also pointed out some of the tourism and agro-food production strategies as follows; basic tourism infrastructure (restaurants, rural guest houses, hotels, etc.) is developed so that food producers can market their products to local establishments: museums, wine centres, educational centres, food programs, and food markets are established and organised. Additionally, the initiative is important for the public to learn more about the local grown food sources, and tourism promotion is linked to the existence of quality agro-food products. Hüller, Heiny and Leonhäuser (2017) referred to the effects of tourism as providing opportunities for local agri-food producers to improve their socio-economic status and create potential market growth for the surplus of agricultural production. The tourism sector thereby not only offers opportunities for non-agricultural entrepreneurial activities but also for increasing income-generating activities of local agri-food producers.
Meanwhile, Bélisle (1984) had gathered the input of the Jamaican agricultural food-related sector between the 1970s and 1980s. In comparison with a more recent study of food production in North Jutland, Denmark by James and Halkeir (2016), they indicated that with the decline and inactive food tourism practice which shifted into a more generalised tourism promotion; the case of Jamaican small-scale agriculture and food production has its own conflict that was interfered by the colonialism traces. Cargill (1979: 96) explained, "Virtually everything about Jamaica was the creation of the colonial power. The sugar cane plant was imported, which brought wealth to the estates. Most of the estate owners were absentees and lived in England. The ancestors of what everybody now called Jamaicans were imported. Even the main protein for the slaves, salted cod, was imported. Jamaica was an estate put together for the convenience, the defence and the enrichment of England; and those purposes were the reasons for the island’s existence.” This quote from Cargill showed the conflict between small/peasant agriculture and major plantations that were mostly regulated by colonial powers. This inhibits the growth of local food production due to the competition for resources (land, labour) and biasness.

Many studies, as explained by Telfer and Wall (1996), warned of the major issues that could affect tourist destinations when the tourism industry relies on imported foods (Taylor, Morison and Fleming, 1991; Wilkinson, 1987; Bélisle, 1983). Telfer and Wall (1996) also reinforced the approach of increasing local resources’ reliance. They clarified the relationships between tourism and food production which can be placed on a continuum, which resulted from the conflict between coexistence and symbiosis. Within this continuum, agriculture and fishing activities, for example, can be seen as being more than sources of food, as they may contribute positively to tourism experiences through the landscapes and rural activities that visitors can observe. Food and tourism are parts of a systematic network of production; in this case, tourism alone is not able to increase the value of quality food (Montanari and Staniscia, 2009). The complex relationship between food production and tourism can be observed from past failures in predicting such linkages to be better (Momsen 1998; Telfer and Wall, 1996, 2000). According to evidence in the early 2000s, Torres (2003) argued that many factors influence the elements of building mutual linkages of food production and tourism, including; demand-related, supply or production-related and marketing/intermediate related.

Torres (2003) prolonged the discussions of the important aspect of demand-related factors in defining tourism and production linkages. She suggested that tourist food consumption and preferences are also important in defining tourism and agriculture relationships. Studies such as Telfer (2000) provided the theoretical basis for Torres’s (2003) study by suggesting that the opportunity for creating demand for local foods is greater among certain nationalities and more adventurous among non-mass tourists. Furthermore, in terms of the supply or production related element, the factors concerned are: physical conditions; the nature of local
farming systems, and the quality, quantity, reliability, seasonality, the elevated price of local production, technological capabilities and the existence of food processing facilities also influence the linkages. However, despite the quality devoted in assessing and reducing tourism and production leakages, this literature is still unable to identify the most effective process to merge production and tourism. Many prior studies (e.g., Telfer and Wall 2000, Andreatta 1998; Momsen, 1998; Telfer 1996, 2000; Bélisle, 1983, 1984) lack the holistic approach needed to investigate tourism and production linkages that extend beyond a narrow assessment of certain geographical locations or food systems.

**Food Tourism Production Function**

Local food tourism in other words requires strategic decisions about supplying food products and services relevant to particular types of tourists or destinations. In addition, the organisational micro-dynamics of the interaction between private and public actors within food and tourism and around the destination, become a specific focus point because it is through these interactions that particular food experiences for tourism consumption are selected, communicated, and made available for consumption (Halkier, 2012). Smith (1994) set out a model of the tourism production function, which indicates how tourism production requires active involvement of consumers in the production. Smith argued that tourism is not an ‘industry’ in the conventional sense as there is no single production process, no homogeneous product and no location confined market involved. The production process as shown in Figure 1 did not overlap with other initial concepts developed by other researchers but, interestingly, it defined certain identical similarities with Torres’ (2003) work.

**Figure 1. The tourism production function**

![Diagram of the tourism production function](Image)

**Source:** Smith (1994: 591)
The model is formed by four distinct elements: primary inputs (resources exploitation); intermediate inputs (facilities to convert the resources into a product); intermediate outputs (tourism services to commercialise the product); and final outcome (tourist experience generated from product involvement activities). The production process according to Smith (1994) creates two specific features: (i) added-value is injected at each stage of the process and; (ii) the consumer becomes an integral part of the entire process because the tourism products experience only exists until a consumer (tourist) activates the process and actively gets involved/consumes/purchases in the final phase.

Each stage incorporates the transferable aspects of physical plant, service and hospitality and freedom of choice and involvement. Smith (1994) places consumption as part of the production process, which differs from other ideas. For example, Bowen, Cox and Fox (1991) developed a conceptual model of market linkages between tourism and agriculture, outlining the involvements of sectors (external economy, visitors, visitor’s industry, agricultural production and agriculturally based services, and resources). In contrast, Shaw and Williams (2002: 24) identified the distinctions between production and consumption in tourism but not as an interplay. Shaw and Williams also addressed the nature of production and the quality of labour at the point of service delivery, which they argue is an essential part of the labour production process and related to a high degree of self-provisioning.

Conversely, tourism consumption or ‘participation in tourism’ is conditioned by tourist social structures and life values more than just the end product (tourist) in the tourism process (Shaw and Williams, 2002: 24).

Despite the different ideas of the transferable values of the tourism product to the end user’s ‘participation’, the emergence of tourism in the local production system is a viable alternative, as identified by Bowen et al. (1991); tourism-induced improvement may encourage the production of high-value, non-traditional agricultural products as well as stimulating the production landscapes and services. Guthrie, Guthrie, Lawson and Cameron (2006) realised that a growing desire for better food not only benefited producers, but it increased perceptive mindful customers who observed and attained knowledge on how food is grown, distributed and sold. This type of consumer, who is very concerned about how food is produced, proves that local food products can appeal to tourists on a number of levels, from the simple demand to purchase and consuming of a popular food product as symbol of place, through to the complex and deep-seated quest for a more authentic food and environmental consequence of contemporary production (Sims, 2009). Indeed, Guthrie et al. (2006) pointed out the emerging debate that questions how the whole food production system works. This debate is supplemented by a movement including policymakers, representative bodies and special interest organisations that promote the need to adopt ethical food practices to reflect changing consumer, environmental and societal demands. James and Halkier (2016)
highlight the traditional ‘feeding tourists’ paradigm, where the transformation of raw materials into meals involves two very different types of catering practices, namely self-catering and eating out.

This contradicts the current food production paradigm in North Jutland (Denmark), where development strategies within the region are based more on tourism promotion alone. Halkier (2012) noted the connectivity to local tourism as part of the local food production scene, and handling, can be integrated with local players (e.g., farmers' shops, farmers' markets and restaurants) and creates additional economic activity in and around the destination. Consequently, Everett and Slocum (2013) also found that it could expand economic opportunities cumulatively for producers and food service providers, encouraging economic growth through job creation and increases in earnings. These suggestions and views claimed that the collaboration of tourism and food production would redefine the local socio-economic paradigms and open up a vast market opportunity for domestic food producers to expand. Destination development requires an accurate understanding of the importance of food tourism. This context of destination development is emphasised by Sotiriadis (2015), who supported the perspective of McKercher, Okumus and Okumus (2008), that “destination development” is to enrich and differentiate the destination’s food supply process as its primary function. Robinson and Getz (2014) clarified that the destination supply of food tourism is more on how to plan, develop and market food tourism or its connections to agriculture, fisheries, heritage, and culture. In this notion, the food tourism supply chain is linked with local producers, tourism-related business, and establishing a network within the industry at all levels (Sotriadis, 2015).

Tourism and food production contribute to each other, reflecting the destination or place development. The approaches are more about how to plan, develop, and market food tourism or linkages to food production, among other things (Robinson and Getz, 2014). One of the key subjects in food production is the interpretation of the local food according to local producers. Sims (2010: 328) identifies four different perspectives of understanding based on her qualitative findings: the local product (food) was one that used local ingredients and not just something that was manufactured in the region; “It’s a local product if it’s grown here”; the local product (food) should have some form of historical and symbolic association with the region; “Rooted in people’s minds with an element of tradition”; the local product (food) is “adding value” to the product within the region and supporting the local economy by employing local people; and the local product (food) was bound-up in the importance of safeguarding the health and the local environment, “providing food, nourishing food.” Underpinning the perspectives by Sims (2009), it is a rational move to strengthen the local products based on the descriptions contemplated by the authors in order to maintain and enhance local economic and social vitality (e.g., human capital in rural areas), creating back linkages between the tourism and food production sectors (Boyne and Hall, 2003). Aldergihi,
Bianchi and Lorenzini (2016) supported that attention should be paid to improve the quality and palatability of products; producers should guarantee both the quality of content and recognisability of the products in the tourist market.

**The Rationale of Tourism Production Function in Food Tourism**

Smith (1994) depicts strategic approaches as to how producers/destinations move through various stages to penetrate the tourism market. In this study, it is important to stress that this understanding of production in tourism is not an attempt to provide yet another food tourism typology. On the other hand, it can be seen that the production function in food tourism is conceptually equivalent to the production of a tourist food experience. It is also connected to the collective effort of a number of actors and food producers as an integral part of the destination development (Andersson, Gez, Vujivic, Robinson and Cavicchi, 2016). Kim, Eves and Scarles (2013) trace the development of local food consumption, showing its relevance to other studies on tourism motivations in experiencing local or regional distinctive food or culinary and food products, as well as their relationships with destination choice and satisfaction (Everett and Slocum, 2013; Su, 2013; Everett, 2012; Kim and Eves, 2012; Au and Law, 2002). A number of studies have examined different situations in tourism, whereby food is a source of value. According to Novelli, Schmitz, and Spencer (2006), there is an increasing demand from tourists for tailored tourism experiences. This is where small- and medium-sized enterprises (SMEs) have a significant role and participation at a destination.

Interestingly, past literature suggested that many forms of food tourism linkages are centred on these elements: Resources, activities and actors (Håkansson, Ford, Gadde, Snehota, and Waluszewski, 2009). These elements are interpreted as: resources which refer to any type of intangible and tangible items that have potential to be exploited and distributed into a product, transactional activities, between producers and customers, and actors, which are involved in the performance and provisions of activities. Other forms of linkages also benefit from the networks which exist in tourism - under the inter-sectoral linkages (exchange of the similar product in the same sector) in rural regions, such as between food and tourism (Saxena, 2005). Advantages obtained from the intra-sectoral linkage are product innovation and development, knowledge transfer and local tourism development. In this regard, supply chain is also a type of linkage. It covers a broad spectrum where coordination aspects are concerned in tourism, from full integration to contractual arrangements between individual firms (Zhang, Song, and Huang, 2009). Meanwhile, as reported by Ljunggren, Markowska, Mynttinen, Samuelsen, Sæmundsson, Virtanen and Wiklund (2010) from a case study of Nordic food providers, production of food “uniqueness” is based on location, culture and the building of suppliers’ infrastructure is critical to the creation of valuable tourism experiences.
Despite these assertions, uncertainty still exists in the connection between producers and tourists to conceptualise and analyse both roles in developing local food tourism. Svenfelt and Carlsson-Kanyama (2010) mentioned that there is a connection between direct consumer-producer communication and consumers’ knowledge about food production. This requires further exploration and development. Such a connection requires greater attention, which demands understanding of supply and demand activities of local food, allowing more opportunities to draw attention and interest to attract tourists. In addition, by analysing the capabilities and capacities of food products, producers can emphasise a product’s strengths and improve weaknesses (Lin and Mao, 2015). For this reason, the connections established from food tourism activities can be the platform for producers and tourists to engage and share their common values. It can be integrated into a wider perspective or concept, based on the view that production and tourism linkages are necessary in any food business and play an important role in value creation (Håkansson and Snehota, 1989). Given these distinctions and evidence, the current work needs a conceptual framework to be able to distinguish between the influences of food production and tourist food consumption factors, for food tourism development at a destination. Later work will utilise this conceptual framework using various methods, both qualitative and quantitative.

Smith’s (1994) model is selected because his model provides an explicit concept of the product in tourism, from the planning, development, and management aspects until the final stage that is delivery and consumption. Smith also reviews the concept of the tourism product development from both supply and demand perspectives, in which this study is also intended to explore. Nevertheless, despite the utilisation of Smith’s model, there are ways to improve and expand the model further. The model never addresses in-depth the role of tourist involvement and experience (final outcome stage) throughout the production process. For that reason, Smith’s concept can be integrated with other tourism models, concepts or theories, for example, local food consumption or tourist food consumption (TFC).

In further validation of the conceptual approach, Sims (2010) has attempted to draw fine perspectives of the interplay between producers and tourists, providing important insights and rationales into Smith’s work. Sims asserts that: (1) The collaborative approach re-conceptualises producers, consumers and suppliers not as separate entities; (2) How a tourism approach-based food system permits us to develop a more sophisticated understanding of the discourses and practices surrounding the issue of local food. Such a conclusion adds weight to Leslie and Reimer’s (1999) argument, which states that a commodity or value chain is not unidirectional in nature. The development food tourism production process allows us to see how consumer attitudes and behaviour can influence what have traditionally been thought of as ‘upstream’ activities, such as production and processing, and vice versa. Smith also exhibits the concept by O’hara and Stagl (2001), who state the significance of bringing together urban dwellers, tourists and producers. In this case, the farmer lives far from
production sites or farms and has limited experience witnessing how food is produced, while
the latter, seldom meet the consumers of their produce. Hence this becomes an avenue for the
three parties to establish a bond which is an important first step in the process of modelling a
mutual relationship and trust between producers, destinations and tourists.

Discussions

By understanding the conceptual aspect of food tourism production function, Smith’s model
confirms the existence of producers’ and tourists’ inter-relationships able to produce a
collaborative approach between these two entities, representing a proactive approach to
achieve a status of a food tourism destination. The model also indicated that the link between
the production process and the primary production (resources) until the final outcome
(experience) provide a platform and most importantly a ‘direction’ as the main interface for
producers and tourists in co-creating food tourism values.

By integrating both concepts, it is not just suggested how food producers create a tourist food
experience or how tourist patterns influence the food production process, but the model
would reinforce the idea of bringing actors together to build a ‘collaborative approach’ for
food tourism development in ECM. The use of the model is also supported by Andersson et
al. (2017) who argued that the consumer, producer and destination associations contribute to
a comprehensive understanding of food tourism, which considers the multitude of interests at
stake, but also the multitude of resources that producers across sectors and public-private
divides as well as consumers, can contribute to. Smith’s work also identified local food
producers as lifestyle entrepreneurs who take pride in what they produce and are dedicated to
the local area where they are based. These characteristics are primary contributing factors to
an authentic and unique food experience (Henriksen and Halkier, 2015). However, these
producers were small medium enterprises (SMEs) in terms of resources and limited capacity
to acquire the market knowledge necessary for meeting consumer demands. Growth also may
not be the end goal, and this may result in the actual supply of local products and meals being
too limited to meet consumer demands. This is supported by a wide range of literature (e.g.,

The producer-tourist integrations presented in the tourism production function also reinforces
the approaches mentioned by Tregear (2007), who suggested that there was a strong
connection between the local producers and consumers connected together by a product
through market-driven direct produce systems (MDDPS), in which the nature of the relations
between producers and consumers are translated based on level of shared knowledge and
understanding and Close Typicity Systems (CTS), in which the links between the product and
the territory or destination play a pivotal role in the consumer’s purchasing power and
decision-making. The interpretation from Tregear is associated with the roles and
responsiveness of ECM producers to achieve operational and production goals by thinking about the tourist experience, such as food qualities, food traits and emotional factors, which can support the local economy and increase producers income and reputations (see e.g., Penney and Prior, 2014).

In the same vein, Smith’s model affirmed that experience is driven by tourists and produced by producers. It supports the ideas of Morris and Young (2000) who concluded that the collaboration has been asserted to update into modern market orientation and to respond more proactively to consumer demand for products offering specific qualities and added value. In addition, the collaboration process in the local supply chain gathers producers to engage in more direct relationships with tourists. The avenue of such collaboration is to produce, process and market products, using tourism production function as an alternative local food network, that would specifically implement the tourism industry.

**Conclusion**

The study shows that linkages of food production and local tourism require major transitions, as it is one of the major contributors in creating additional yet vital economic activity in a destination. The inclusion of the production function is justified by the concern of Boesen, Sundbo and Sundbo (2017) on local food, who identify that locally produced food has not been successfully and entirely related to tourism. These authors also mentioned that the effective collaboration in tourism networks between food production and destination actors have not been explored in-depth. In relation to regional food tourism development, the evidence presented in this study indicated that food produced by local producers could play a critical role in strengthening the destination’s tourism industry by transforming food resources (e.g., raw items and financial resources) into a food-based tourism product. In this case, it is important for producers, as mentioned by Sims (2010), to adopt a geographical context of local food that provides a distinction between the origin and cultural aspects of the ingredients and the place of manufacture.

Understanding the tourism production function as applied to food producers and destination can promote greater recognition of the process and elements in food tourism development. The production function was a clear concept for food producers in understanding the nature of tourism and its planning, development, management and delivery of the tourism product. It is important to note that the features in the model involved different elements in product supply or production that was not only limited to Smith’s ideas. The different elements in Smith’s work corroborates the ideas of Torres (2003), who suggested that the critical factors such as physical condition, the nature of the food system, the resources quality, quantity, reliability, seasonality, technological capabilities and the existence of food processing facilities were critical to allow the positive impact of production in tourism.
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497


