



Factors Affecting the Establishment and Development of the Agri-Tourism Business Model

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ABSTRACT

The paper aims to figure out the factors impacting the establishment and development of an agri-tourism business model. The paper uses a comparative case study method for analyzing and comparing the factors influencing the businesses of the Moku Moku farm (in Japan) and Vineco Tam Dao farm (belonging to Vingroup, Vietnam), to answer two research questions: What factors affecting the establishment and development of the agri-tourism business model? And to what extent, the business model of Moku Moku farm, Japan, could apply to establish a new business model of Vineco Tam Dao farm, Vietnam. The study contributes to both theoretical and practical aspects as it provides a framework to examine the factors influencing the establishment and development of the agri-tourism business model and also provide recommendations for transferring the business model of a Japanese farm to a Vietnamese farm in the field.

Keywords: agri-tourism business model, sustainable business model Moku Moku farm, Japan, and Vineco Tam Dao farm, Vietnam, comparative case study.

1. Introduction

Vietnam is an agricultural country with about 70% of its population living in the countryside and about 40% working in the agriculture industry. Agriculture-related tourism is increasingly developed and accounts for a relatively large share of the total tourism industry. Tourism is now required to develop new products, especially those emerging from agriculture, contributing to preserving traditional culture and protecting the environment. Vietnam's agriculture sector is in need of new steps to increase the real value of agricultural production in order to attract investment into this industry and help the agriculture sector reaffirm its value on the national economic map. Therefore, the combination of agricultural production and tourism is one of the priorities of the government in recent years. However, the creation of agricultural products which are suitable for tourism purposes is still in its early stages of development. The tourism business companies are small, spontaneous, and not corresponding with the potential and advantages of the country. Some tourism farms are formed but they either do not maintain efficient agricultural production or focus solely on the development of small groups of agricultural products. In general, there is no business model combining both agricultural production and tourism development on a grand scale in Vietnam at this moment. Therefore, building a large-scale business model combining agricultural production and tourism activities to complement each other should be strongly encouraged in Vietnam. In order to figure out the factors impact on the establishment and development of this business model, the paper uses a comparative case study method to analyze and compare the factors influencing business at the Moku Moku farm and Vineco Tam Dao farm. With qualitative approach, the primary data is collected on the basis of observation, experts, and customer in-depth interviews.

2. Literature review

2.1 Concepts of agricultural tourism (hereby called as agri-tourism)

Since 1960, agri-tourism (or agro-tourism with the same meaning) has gained a popular awareness. In a research of Phillip et al. 2010, agri-tourism is considered as a "muddled" concept between realities and expectation of the owners (Phillip, Hunter, & Blackstock, 2010). In his research, a theoretical classification of agri-tourism operations based on three criteria is built: a working farm, the level of contact between the tourist and agricultural activity (i.e: passive, direct or indirect), and whether the visitor's experience is authentic or staged (Phillip, Hunter, & Blackstock, 2010). From those of three criteria, there developed a non-hierarchical five-class typology of agri-tourism relating to the concepts of the non-working farm, working farm, passive contact agri-tourism, direct and indirect contact agri-tourism, authentic agri-tourism (Phillip, Hunter, & Blackstock, 2010). Amongst five-class typology, the image of Moku Moku farm agri-tourism business matches with the typology of working farm, direct contact, authentic agri-tourism but more extended activities (farming products in meals on the farm, farming demonstration, helping with farming jobs...etc).

It is undoubtedly that agri-tourism has been proved bringing great benefits to the owners and farmers. It has been supposed to help farming families stay in business, protect the national agricultural heritage and increase the productivity of farm resources through their recreational use, and even to improve

the economic situation of local communities (Ollenburg & Buckley, 2007); (Wilson, Thilmay, & Watson, 2006). In short, agri-tourism brings many benefits for the very farms, their owners, and the local communities as well as society in general. Agri-tourism has a positive influence on the farming family income and the local community economics via sales taxes, local employment as well as stimulating local businesses by tourism services, accommodations, restaurants and shops (Barbieri, 2009). It is believed that at the farm level, tourism business helps to create a more stable, and higher income for the producer (Brandth & Haugen, 2007). Generally speaking, the previous studies mostly focused on clarifying the role and development of agri-tourism. It is noted that not many researchers found discussing the model for the establishment and development of an agri-tourism business model.

2.2 Factors influencing the agri-tourism business

An overview of which factors that are influencing the agri-tourism business will be discussed in this part. Frankly, in agri-tourism sector, the environmental aspects researched often describes a wide range of natural factors like water resource, geomorphology, topography form, landscape, and climate. Such factors allow the agri-tourism business to have favorable conditions for tourist activities, entertainment, leisure, recreation, contemplation. In other words, these aspects benefit the development of agri-tourism (Sznajder, Przebórska, & Scrimgeour, 2009).

In the study in 2017, Cristina & Fidalgo stated strongly that there are aspects influencing agri-tourism: natural environmental; Socioeconomic (local population; the strong partnership among small rural producers, historical and cultural origins); Land use and agriculture production; Tourist infrastructure (restaurants, hotels and lodgings, and leisure options); Historical and cultural attractions; Tourism management and planning (Pedreira & Fidalgo, 2017). In addition, they said that the lack of specific norms and legislation (or policy) to guide and organize agri-tourism activities and the threats to the environment due to inappropriate management of natural resources are the aspects that may limit the agri-tourism progress in both municipalities (the two research objectives in the study) (Pedreira & Fidalgo, 2017).

Based on these of literature review on the previous agri-tourism studies, the factors influencing the agri-tourism business are pointed out as natural environment (geography, climate, water & soil resource and land use); socioeconomic (local population; partnership among producers, historical and cultural origins; norms and legislation, tourist infrastructures (hotels, restaurants, lodgings, leisure options); land use and agriculture production, tourism management and planning.

2.3 The development of research framework

Adapted from Harold Koontz comparative management model

Learning about different models of comparative management in the history, it can be seen that the model of Harold Koontz, 1969, is the most accurate one in term of criteria and factors. Hence, his model will be adapted to become the framework for comparing conditional factors influencing the transferability of the agri-tourism business from Japan to Vietnam in this paper (research on conditional factors only). However, in this study, the author would like to not divide the factors into managerial and non-managerial to make the model easier for understanding and applying in analyzing factors, but still keeping the main factors with the influencing flow.

Adjusting influencing factors in the framework

Based on the literature review in agri-tourism research history, the thesis use suitable factors that influence the agri-tourism business to put in the list of factors in the model of Harold Koontz, hence, make the model be more accurate for the purpose of studying in the research of conditional factors affecting transferability of agri-business model from Japan to Vietnam. Factors include natural environment (geography, climate, water & soil resource and land use); socioeconomic (local population; partnership among producers, historical and cultural origins; norms and legislation, tourist infrastructures (hotels, restaurants, lodgings, leisure options); land use and agriculture production, tourism management and planning.

The model of Harold Koontz built in 1969 in which the factors are out of date in such today's business environment. Nowadays, for external factors, it is getting more and more popular to use the tools of PESTLE analysis to analyzing the macro environment as well as taking the Michael Porter' five-forces analysis to analyzing the micro environment (Aldehayyat & Anchor, 2009). The PESTLE here is standing for Political Factor, Economic Factor, Socio-cultural Factor and Technological factor, Legal factor and Environmental factor. And the five-forces are in short of threat of new entrants, threat of substitutes, bargaining power of customers, bargaining power of suppliers, industry rivalry (Porter, 1985). For factors of "Enterprise function sciences" mentioned in the model of Harold Koontz, it is also now equal and well-known as internal value chain (Porter, 1985). The internal value chain focuses on the internal business environment of a company: business concept; inbound and outbound logistics; operation; marketing & sales; firm infrastructure; human Resource management; procurement and technology. Due to the lack of data on the logistics, hence, the inbound and outbound logistics will not be mentioned in this model for analysis, but replaced by the distribution factor.

Research Framework

After all these above analysis, under a careful consideration and explanation, the model used in this paper could be displayed as the following framework. It is proposed based on adaptation from the model of (Koontz, 1969), combined with the influencing factors collected in literature review of agri-tourism and be updated with the tools of PESTLE, five-forces analysis and Internal value chain (Porter, 1985).

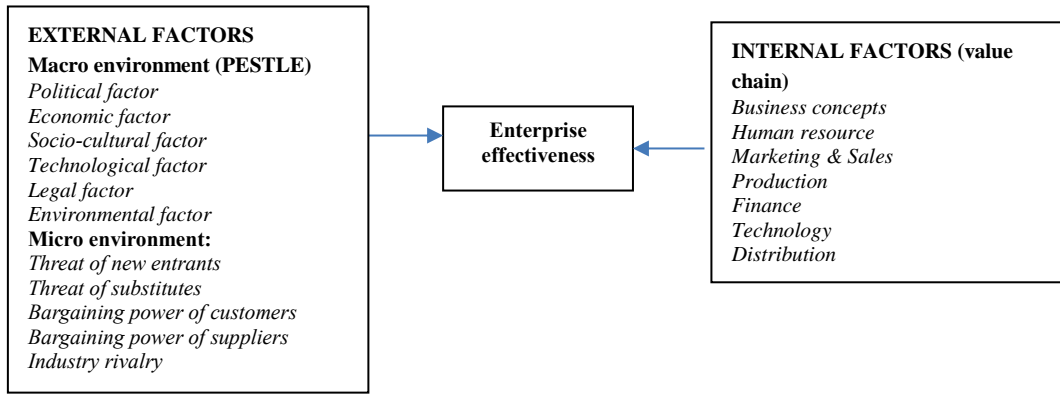


Fig. 1: Research Framework

3.Methodology

3.1 Case study method

It is known that the case study approach is to help to make clear of a decision on why and how and with what results the research objective is implemented (Schramm, 1971). This research is applying the case study method with two cases of Moku Moku farm in Japan and Vineco Tam Dam farm in Vietnam.

Introduction to Moku Moku farm.

Iga no Sato Moku Moku Tezukuri Farm (hereby called Moku Moku farm) developed from individual farmers who were trying to survive within the big market. Moku means wood in Japanese. Moku Moku Farm is a working farm and agricultural theme park located at 3609 Nishi-Yubune, Iga City, Mie Prefecture 518-1392 JAPAN. Moku Moku Farms (モクモクファーム) plays the role of an organic farm and an agricultural theme park and tourism farming in Iga (Moku Moku Farm, 2018). The farm cultivates and produces diversified farming products, especially famous for its pork and beer. There are approximately 1,000 employees with over 140 permanent staff, 160 part-time staff with long-term contracts, and 700 part-time employees with short-term contracts. In the acreage of the main farm of about 14 hectares, the farm organizes the business with accommodation of cottage, studios, factories, service areas, and farming areas. Coming to the farm, visitors can observe the agricultural life and process of making fresh products as well as doing shopping of safe and high-quality food with the slogan of "Produce by Ourselves, Process by Ourselves, and Provide by ourselves.. Moku Moku Farm created various activities toward engagement in authentic experiences, with participative learning in art and culture, involvement in the processing and production of food, beer, bread, sweets, and bean curd, as instructed in professional workshops for tourism purposes.

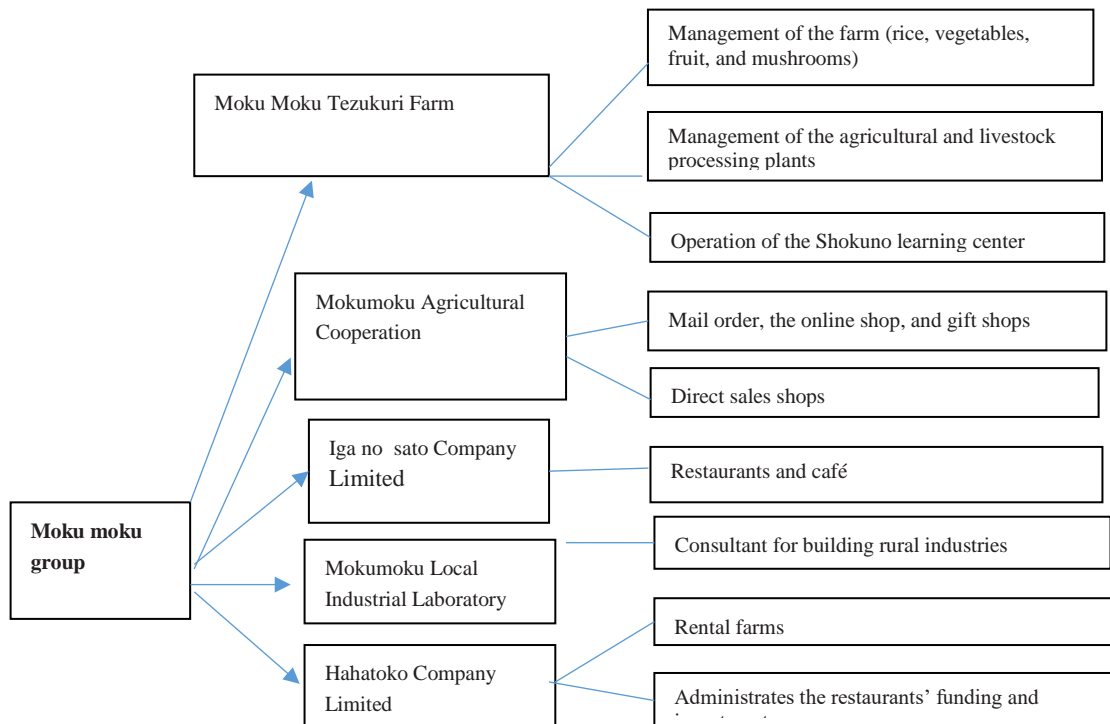


Fig. 2: Organizational chart of Moku Moku farm

Vineco Tam Dao Farm

Vineco Agricultural Investment Development and Production Limited Liability Company (hereafter called Vineco) is a member of Vingroup - the strongest and largest private corporation in Vietnam at present. Vineco runs a business in agriculture since March 2015 with the registered financial capital of 2000 billion Vietnam dong and about over 500 workers. Vineco Tam Dao farm located in Minh Quang commune, Tam Dao district, Vinh Phuc province, Vietnam. This is the very first farm of the Vineco system. The farm is over 50 km from Ha Noi, started growing vegetables since 2015 with a land size of about 75 hectares which is being able to be extendable if needed. At the moment, on the land size of about 75 hectares, Vineco is producing vegetables and herb using such most-advanced agricultural technologies of glass-house and net-house, drip and sprinkler irrigation systems, and microgreen technology. Vineco Tam Dao farm is daily providing tons of sprouts, herbs, vegetables, fruits, and mushrooms to the market. In this part, the study collects and analyzes the data on corresponding factors may influencing the business of these two companies. Based on that, an assumption may be given to know whether the farm is able to receive the transfer of this agri-tourism business model to Vietnam.

3.2 Data collection

To conduct this qualitative study, the author used the observation method that were made through field visits to the farms. The author has two days to observe and record data at the Moku Moku Farm in Mie Prefecture, Japan in early January 2018. And one day to observe and record data at Vineco Tam Dao Farm, Tam Dao district, Vinh Phuc province, and one day to observe the working place of Vineco Tam Dao farm's head-quarters in Hanoi city in March 2018. In addition to observation method, the author also conducted archival research to examine secondary information of the factors that were introduced in the framework of this research. Archival research is particularly useful in finding information on the external, micro-and macro-factors of the business.

To assess the effectiveness and potential of the business model of Moku Moku Farm when transferring to Vietnam, the author has sought the opinions of experts in the fields of management business, marketing, travel and tourism. With in-depth knowledge of the above areas, experts will have a more accurate assessment of the appropriate factors in Vietnam's condition that Vineco has as well as the potential and feasibility of this business in Vietnam. Simultaneously with in-depth interviews with experts, the author also performs in-depth interviews with a number of potential customers of this business model in Vietnam market. The purpose of these interviews is to understand the customer's practical needs for this agri-business model when it is put into operation in the Vietnamese market. The interviews will help to better understand the expectations that Vietnamese customers want to receive from this business model, assess the customer's willingness to visit and level of spending on the business.

Interviews are open-ended interviews. The question is designed in semi-structured form to be more flexible when talking with the interviewees and dig deeper into their opinions on the issues involved. There are 8 interviews with experts who have at least 5 years of working in the field of marketing and sales and tourism conducted. In addition, there are also 6 in-depth interviews with potential customers to know how the customers react to this agri-tourism business and what they are really looking for from this business in order to make suggestions to design the business after that. The customers are selected with some basic criteria of at the age of 25 to 45, having a family with children and enjoying the annual income of from 200 million Vietnam dong, to over 500 million Vietnam dong (middle-income family). The number of interviews is set based on the learning from the previous studies in this field.

Table 1: List of Expert and customers for interviewing in Vietnam

No.	Expertise	Exp.	Organization and current status
List of expert			
Expert 1	Marketing and International Business	17 years	Lecturer at Vietnam Japan University, Vice-Rector at Vietnam-Japan University, VNU
Expert 2	Human resort management, business administration, marketing	19 years	Lecturer Head of Academic & Training Department, College of International studies, VNU
Expert 3	Business administration, marketing and leadership	12 years	Lecturer at Vietnam Japan University, VNU
Expert 4	Marketing and Business administration	25 years	Lecturer at University of Economics and Business, VNU
Expert 5	Management Sciences Human resource management	20 years	Lecturer, Management sciences, University of Social Sciences and Humanities, VNU
Expert 6	Market research specialist	5 years	Japanese market research company
Expert 7	Sales&marketing	20 years	Sales director, Newland travel company
Expert 8	Sales&marketing Customer relationship	15 years	Director, Anh Thuy travel
List of Vineco Customers			
1	Ms.Nguyen Thi Xuan	Office worker	01 child of 1 year old. Family income of under 50 million đ/month, less than 500 million dong/ year
2	Ms. Le Thu Cuc	Bank teller	02 children, 4 and 8 years old. Family income: over 500 million dong/year
3	Ms. Vu Cam Thanh	Lecturer	02 children, 2 and 6 years old

4	Ms. Nguyen Thi Hanh	University officer	Family income: less than 500 million dong/ year 01 child, 5 years old Family income: N/A
5	Ms. Nguyen Thi Kim Chi	Lecturer	02 children Family income: about or less than 500 million dong/ year
6	Mr. Mai Dinh Phuong	Salesman	01 child of over 1 year old Family income: less than 500 million dong/year
7	Ms. Nguyen Thi Loan	Accountant	01 child of 2 years old Family income: less than 500 million dong/year
8	Ms. Do Thi Loan Phuong	Businesswoman	01 child of under 1 year old Family income: over 500 million dong/year
9.	Ms. Tran Thi Bich Hanh	Lecturer	01 child 4-5 years old. Annual family income: less than 500 million dong/year

3.3 Data Analysis

The data of interviews is recorded on tape in Vietnamese and then written down in the transcription before being translated in English. The participant will be provided the information and explanation about the research before recording the interview to make sure the participant understands the context and questions. Then, transcriptions are done by using the recordings. The transcripts are analyzed to get insights of the expert opinion and the customer demands. The factors of two farms will be analyzed and compared based on the score that expert gives to each indicator of factors about the similarities of Vineco Tam Dao Farm and Moku Moku farm. The comments and discussion will help to clarify and evaluate the similarity and difference of the data. An assumption shall be stated afterward.

Percentage of ratio of the factors and scoring principles

From the literature, the writer has outlined the factors that affect the business of the two farms. Based on data collected from expert opinion, potential client interviews, from field trip data collection, and secondary data collected from some other information sources, the writer provided the assessment indicators for the above factors. These indicators are then included in the comparison table for similarity and differences analysis between the two farms and will be measured through ratio and scoring system. Each group of key factors (macro-environment factors, micro-environment factors, and internal value chain factors) will be given a total score of 10, corresponding to a ratio of 100%. Based on the impact of each factor on the business operation, each factor will be given different percentages. The ratio of factors in each main group, and the proportion of indicators of each factor, will be given based on the expert opinion and the author's assessment in the process of collecting and analyzing the data information. Thus, the ratio giving is just relatively accurate, not entirely objective. In other words, giving the relative ratio for each indicator is quite subjective based on the perspective of the experts as well as the information collected and analyzed by the author. The reason is that the weighting and scoring principles for these factors have not been found in previous studies for the author to follow. Hence, this can be considered as a limitation of the paper and should be addressed in further studies.

Specific numbers for ratios will be shown in the table in the next part.

4. Results of Comparative analysis of Factors between Moku Moku Farm and Vineco Tam Dao Farm

A comparative table of factors between two farms was made as follows base on the data collection to understand the similarities and differences of conditions that Vineco has and with the conditions that Moku Moku farm needs.

In this table, corresponding to each factor, there will be indicators for measuring the significance of the factors (percentages) are given respectively. Based on the evaluation of experts and the data analysis the author then calculates the scores of those indicators. Scores will be given from 0 to 10 with increasing relevance. The paper sets the influencing factors of Moku Moku Farms at the highest level of 10 scores. If the conditions of Vineco are consistent with the conditions for developing the agri-business model of Moku Moku Farm (combining agri-production and agri-tourism), then the highest score will be 10 points. On the contrary, the score will be lower with the lowest score is 0 point.

Based on expert's opinion on the important level of factors influencing the business operation, each factor and indicator will be given different ratio over 100%. The higher the proportion of the indicator has, the more important indicator is.

The sum of macro environment factors is 8.115 over 10. The sum of micro environment factors is 9.28 over 10. The sum of internal environment factors is 8.8 over 10. They lead to the average score of all factors is 8.73 over 10, equal to 87.3%. Based on this result, the similarity of factors between two farms is basically accepted of 87.3%, and considered as a relatively high level.

It is generally seen that Vineco has a good results on the influencing of the macro-environment factors, micro-environment factors, and internal business environment factors. In other words, it can be said that these factors can have a positive impact on Vineco's agricultural business. Vineco is more likely to succeed if it develops an agri-business model that combines agri-production and on-farm-experience tourism in the way that Moku Moku farm is doing. However, among these factors, there are a number of factors that have relatively low scores, including the infrastructure factor is only 4 points, more detail on business infrastructure for Tourism is even not graded. In addition, the group of factors of economic situation of Vietnam compared with Japan also scored quite low. Of that, the macro-economic infrastructure for tourism was rated at only 5 points. In addition, the factor of effectiveness of the law

index is not appreciated too. The low scoring factors are also considered the weaknesses and difficulties of that Vineco Tam Dao farm must overcome when developing their agricultural business which combines agricultural production and business. It is sad that the factor of infrastructure for tourism in Vietnam in general and at farm in particular is underestimated, it is even equal to 0. This will require a huge financial investment and management from Vineco if the company decides to invest in agricultural tourism. Although other factors have shown that investing in agricultural tourism is entirely feasible for Vineco. But when comes to the financial and profitability of the business, it is necessary to have a further consideration and detailed plan before making a decision.

Table 3: Comparative analysis results of the influencing factors between Moku Moku farm and Vineco Tam Dao Farm

Explanation of average score (ration) calculating: (F) = F * C. For example: (3.0) = 6*50%.

Factors [A]	Percentage of ratio [B]	Measurement and sub-ratio [C]	MOKU MOKU FARM [D]	VINECO FARM [E]	Average score (ratio) [F]	Sum of score (over 10) [I]
Macro environment factors: 100% in total						
Political factor	15%	Political stability: 50%	Stability index run from 0.88 to 1.07 during period of 2010-2016 – a good index	The average value for Vietnam during that period was 0.25. This figure is quite low in comparison with other nations. But there is an improvement in political environment in Vietnam recent years	6 (3.0)	(3.0 + 5.0) x 15% = 1.2
		Governmental support: 50%	Governmental financial support to build the business facility at first stage	On 15/7/2016, in Ha Noi, under the witness of Ministry of Agriculture and Rural Development, Agribank and Vingroup have signed a cooperation agreement "To invest in developing safe and sustainable agriculture". Vingroup has received great support in term of finance and policy from the Vietnamese government	10 (5.0)	
Economic factor	20%	GDP and growth rate: 30%	Japan is a developed country, the current growth rate is low around 1%. GDP per capital is of 38,000 USD per capital per year.	High economic growth rate, form 2010-2016 is around 5-7 %. GDP is low, around 200 usd/capital/month	6 (1.8)	(1.8 + 1.5 + 2.0) x 20% = 1.06
		Inflation: 30%	Low point, negative or around 1 point.	The average value for Vietnam during the period of 2000-2016 was very high with a minimum of -0.63 percent in 2000 and a maximum of 19.89 percent in 2008. But the situation is getting better since 2012	5 (1.5)	
		Infrastructure for tourism 40%	Advanced transportation system. Complete infrastructure for tourism purposes in farm.	Transportation system is not in a favorable condition.	5 (2.0)	
Socio-Cultural factor	15%	Population : 50%	Aging population, difficult to hire labor, especially in agriculture.	This area has a crowded population of 22.133,8 thousand, accounts for 22,8% of the total national population. Easy to hire labor	10	(5.0 + 5.0) x 15% = 1.5
		Cultural origins and	Various cultural and historical origins. Easy to	The diversity of cultural and relational place in Vinh Phuc	10	

		tourism attraction: 50%	create the tour to attract tourism to visit the farm.	province creates a favorable condition to make the traveling tours combined between Vineco and other tourist spot in the area.		
Technological factor	15%	Advance technologies used in agriculture: 70%	Advanced technology country in the world, applied in all economics sectors, including agri-tourism	Easier for agricultural companies to access the agricultural high-technologies from developed countries with strong agriculture development like Japan, Israel and Korea	8 (5.6)	(5.6 + 2.1) x 15% = 1.155
		Internet subscribes: 30%	about 39,842,037 subscribers in 2016, growth rate is 14%	About 8,500 internet subscribers in 2016, after nearly 20 years of having internet access.	7 (2.1)	
Legal factor	15%	Legal index: 40%	Rule of law index: average value from 1996-2016 is 1.34 points, considered as legally effective.	The average value for Vietnam during that period was -0.46 points with a minimum of -0.64 points in 2002 and a maximum of 0.05 points in 2016	5 (2.0)	(2.0 + 6.0) x 15% = 1.2
		Legal support: 60%	Encouraged from OVOP program, the government accepted to adjust policy and law to support the business of Moku Moku farm	the latest policy was issued Decree No. 57/2018 of the that the Government has announced a series of preferential policies for enterprises investing in agriculture and rural areas	10 (6.0)	
Environmental factor	20%	Climate: 25%	Monsoonal climate with 4 seasons in a year with a very cold winter and hot summer.	Monsoonal weather template with 4 seasons in year with cold winter and hot summer	10	(2.5 + 2.0 + 2.0 + 3.5) x 20% = 2.0
		Soil: 20%	Brown forest soil, suitable for agriculture cultivation.	Having alluvium of major river systems such as Red River, Lo River, Day River, the land is very fertile, which is the ideal condition for the development of intensive agricultural economy	10	
		Water: 20%	Annual rain level in Japan is approximate 2000 mm/year	Average rainfall is 2,570 mm / year, and is usually concentrated in June to September of the year	10	
		Geography location: 35%	Moku Moku farm is located in Kansai area, one of the two most crowded and developed areas in Japan. It takes about 30 minutes to 2 hours to travel to farm from surrounding cities.	It takes about 30 minutes to 1.5 hours to reach the farm from surrounding big cities. Vineco Tam Dao farm is located nearby the national road 02. Hence, it is convenient to approach the farm from other places	10	
Sum of macro environment factor (over 10)						8.115
Micro environment factors: 100% in total, equal with 10 points						
Threat of new entrants	20%	Population working in agriculture: 25%	Re-entry into farm is substantial drop over 6 years from 2006-2012. The number of "back to home" farm in 2016 is 72,300 people, in 2012 decreased to 44,980 people	The number of people working in the agricultural industry is declining gradually, from 46,6% in 2013 to 41.9% in 2016	10	(2.5 + 2.5 + 2.5 + 2.5)

			New farms formed in 2006 is 2100 farms, in 2012 is 3020 farms.			x 20% = 2.0
		Trend of new entry: 25%	The number of farm is increasing but the new entry trend is in downward trend.	Downward trends, more and more farmers leaving their farming business to go to cities for being industrial workers	10	
		Encouraged to join in industry: 25%	Government encourages the current farmer to stay in the industry and new one to join by some quite attractive policies	From government support and market demand, there are really a big encouragement for new comers to join in the industry	10	
		Capital requirement: 25%	High cost of initial investment on the fix assets.	High fixed costs to join in this kind of business	10	
Threat of substitutes	20%	Buyer switching cost: 50%	Not high, difficult and not beneficial for buyer to switch to other substitute products	The buyer of switching costs is relatively high	8	(4.0 + 4.0) x 20% = 1.6
		The substitute products: 50%	Several substitute products but not many, especially the area of Kansai.	There are several farms and resorts provide agricultural products and services of both animal and vegetable cultivation. the matter is that they are doing business in a small scale and focusing on some specific agricultural products, but not be able to provide both agri-tourism activities and agri-production to trade their own agricultural products on the market	8	
Bargaining power of customer	20%	Buyer switching cost (15%)	Difficult and not beneficial for buyer to switch to other substitute products	The buyer of switching costs is relatively high	8 (1.2)	(1.2 + 1.2 + 1.5 + 4.0) x 20% = 1.88
		Available information (15%)	Information of the products are available for buyer to understand and make the choice.	Available to search	8 (1.2)	
		Buyer price sensitivity (15%)	Buyer accepts higher price for higher quality and valuable products	Customers accept higher prices for value products.	10 (1.5)	
		Diversity of customer: (15%)	Targeted customers are diversified, from kindergarten children to university student, from the young to the retired and the old, from nuclear family to groups of tourist...etc	Diversified, children from Kindergarten to 12th grade, university students and young people, nuclear family having small children, the people who need a place for organizing meeting or reunion with good services and facilities....etc	10 (1.5)	
		High market demand for (40%)	Having high market demand for service, especially at the weekend. About 500,000 people visiting the farm annually.	High demand (potential customer interview, 2018)	10 (4.0)	
Bargaining power	20%	Supplier switching cost (50%)	Not high	The switching cost of supplier is not high	10 (5.0)	(5.0 + 5.0)

of supplier		Supplier competition (50%)	Being kept at stable status	The competition between suppliers is supposed to be in fierce	10 (5.0)	x 20% = 2.0
Industry rivalry	20%	Positioning strategy 50%	The farm set its position in the market of providing high quality products which deserves higher price.	Setting its products and services at a high level in the market so that can not only satisfy the thirsty of domestic customers for safe and quality agricultural products, but also export to other nations soon	10 (5.0)	(5.0 + 4.0) x 20% = 1.8
		Competitive industry 50%	Competitive rivalry is considered low	The competitive rivalry is considered low	8 (4.0)	
Sum of micro environment factors (over 10)						9.28
Internal business environment factors: 100% in total						
Business concepts	15%	Vision, mission and philosophy (100%)	Not clear of business vision, mission and philosophy but doing business towards the ideas of agricultural production along with the food education, growing of products, taking action on the process and the sales of our products to focus on the idea of agriculture. The purpose is to pass out the real value of the products from producer to consumer and let the consumer know the real value of the products with a greater vision of revitalizing the local economy”	Clear vision, mission and philosophy	10 (10)	10 x 15% = 1.5
Human resource	15%	Number of labor: (50%)	There are approximately 1,000 employees with 140 permanent staff, 160 part-time staff with long-term contracts, and 700 part-time employees with short-term contracts	Number of labor over 500 people and it is growing rapidly	10 (5.0)	(5.0 + 5.0) x 15% = 1.5
		Labor competency (50%)	Mostly local people. The labor of the farm are experienced and skilled at working. They are encouraged to buy the farm's stock share in order to be the owners of where they work to create the responsibility and the close relation of the worker with the farm.	It is not easy to work for Vineco and Vingroup in general if the labor is not verified enough in term of attitude, experience and skill. It means that the labor force of Vineco is highly skillful and experience with good working attitude.	10 (5.0)	
Marketing & Sales	15%	Marketing channels: (50%)	Words of mouth marketing channel and Online marketing channels	A very strong marketing team doing marketing and advertising through various online and offline channels: website, facebook fan page, google ad-words, youtube channel, national TV channel and reliable online newspapers. With the	10 (5.0)	(5.0 + 5.0) x 15%

				retailed chain of Vinmart & Vinmart+, the image of Vineco is quickly spread in the mind of consumers		= 1.5
		Selling channels: (50%)	online and offline selling system	Vineco enjoys very strong selling channels of both online and offline selling system, even stronger than Moku Moku Farm.	10 (5.0)	
Production	15%	Agricultural production (50%)	Raw product production, Processing product production, Rental services	Agricultural production Agricultural processing production	10 (5.0)	(5.0 + 0) x 15% = 0.75
		operation (50%)	Food-Educational-hand-on experience classes, Foods and Dishes made from fresh Products, Staying in the convenient cottage accommodation, Relaxing at the Hot Spa (Onsen), Events and entertaining activities throughout the year	operation: has not been setting yet	0 (0)	
Finance	10%	Financial investment (50%)	The financial source of the farm is not strong, it comes from the first owners, then from the workers who work in the farm. They did borrow money from the bank but it is not significant. Hence, they invested into the business step by step based on the financial situation.	Vineco Agricultural Production Investment Company Limited" is the 41st member of the Group. The charter capital of the Group as of 01/11/2016 is VND 26,377,079,540,000. With the assistance of governmental support for agriculture and rural development, the strong financial strength is the advantage of Vineco.	10 (5.0)	(5.0 + 5.0) x 10% = 1.0
		Profitability (50%)	not clear, the income in 2014 is 5.6 billion Yen, in which, 30% is from tourism services and other services at farm, 30% is from mail ordering system (online sales), and the rest 40% is from the restaurants and stores (direct sales). 95% of profit is from these three channels, and 5 percent of profit is done by the selling to the retail or wholesaler shop	As one of Vietnam's most successful economic groups at the moment, any business plan launched by Vingroup has undergone rigorous business assessments with detailed business plans to ensure successful project, bring good profit, including Vineco agricultural production projects	10 (5.0)	
Technology & Infrastructure	15%	Technologies used in business: (50%)	along with keeping a traditional way of farming which produces quality organic products, the technologies is selected to apply in the farm to improve the quantity of agri-production as well as to motivate the creative innovation in the tourism activities of the farm, which provide customers the interesting environment of agriculture and tourism	The company is applying the cultivation technology of Kubota (Japan), drip irrigation and sprinkler technology of Netafim (Israel), TAP's membrane production technology, and hydroponic plant cultivation using thin film technique NFT Nutrition, Microgreen Vegetable Growing Technology ... so on. Especially, in 2017, VinEco Tam Dao Farm has just completed and put into operation a clean mushroom	10 (5.0)	(5.0 + 2.0) x 15% = 1.05

				factory with equipment imported 100% by Korean technology.		
		Infrastructure for business (50%)	Complete infrastructure system for agri-tourism	Tam Dao Vineco farm has a full-infrastructure for agricultural production but not had the infrastructure system for tourism activities and leisure, catering and other services to meet the needs of the customers for visiting. Traffic to and from the farm is not very convenient and there are no signposts for people searching on the road	4 (2.0)	
Distribution	15%	Direct and indirect distribution channels (100%)	Direct distribution channels through email ordering system, restaurants and gift shops.	Develop a strong direct distribution Channel, stronger than Moku Moku Farm.	10 (10)	10 x 15% = 1.5
Sum of internal environment factors						8.8

To sum up, it could be assumed that Vineco is more likely to succeed if it develops an agri-business model that combines agri-production and on-farm-experience tourism

5. Discussion and conclusion

5.1 Discussion

5.1.1 Similarities between two farms

Thanks to the comparison table above, it can be seen that the Vineco Tam Dao farm enjoys lots of similarities with the Moku Moku farm with a similar rate of 83%. Among them, the macro-environment factor has the lowest likelihood ratio, but also up to 81%. This proves that the macro-environment factors of Vietnam do not have a positive impact on the business activities of enterprises as similar factors in Japan. Specifically, political stability (6.0 over 10); legal index (5.0 over 10), and technological factors in Vietnam are worse than Japan. Also, the economic factors of a developing country like Vietnam are weaker than those of a developed country like Japan. However, socio-cultural factors in the Vietnamese market are highly appreciated by the dynamic population, the large number of people at the working age, and the cultural diversity makes it easier to integrate tours into the surrounding area. Particularly known as an agricultural country, Vietnam has more favorable conditions for agricultural development than Japan in terms of natural conditions such as weather, land resources, water sources, and geographic location. Thus, in this environment, Vineco is the absolute better when compared to the conditions that Moku Moku Farm has.

Next is the group of micro business environment factors. This is the highest-scoring group, 9.28 / 10. This shows that Vineco is enjoying a very favorable business environment in the agricultural business. On many factors, it is shown that Vineco has better conditions than the Moku Moku Farm. This is partly due to the strong position of Vingroup and Vineco in the industry, which is remarkable in terms of investment scale, professionalism, and efficiency in business. It can be said, Vineco is considered as a leading company in the group of enterprises doing business in agriculture in Vietnam. This is the strength that Vineco needs to maintain. Among the factors that belong to the internal business environment, Vineco Tam Dao is considered to have the strongest similarity. For most of the factors including Business, distribution, channel, human resources, marketing and sales, finance, technology used in business, distribution channel Vineco are highly appreciated. This comes from the strength of Vingroup in general and Vineco in particular in their investment projects. They have a clear and consistent business philosophy, high labor productivity, strong financial resources, and strong relationships with governmental agencies, excellent sales channels, and extensive advertising campaigns. Especially, with the Vinmart chain stores system, which has penetrated every street in all major cities, Vineco owns a hi-tech production line with the highest product quality and quantity, Vineco increasingly develops the distribution channel in a vigorous speed.

These are strengths for Vineco to continue to invest in agricultural production as well as to expand related activities of agricultural tourism to benefit businesses and the community.

5.1.2 Differences between two farms

Although highly rated for similarity, Vineco Farm has two major differences with the Moku Moku farm for production and infrastructure for business. These two differences have a great impact on Vineco's ability to develop a similar model to Moku Moku Farm.

The first difference is about production. It is known that Moku Moku Farm has two main business activities: (1) providing raw production and processed foods of seasonal vegetable, meat and fruit; and (2) providing agri-services of food education (hands-on-experiences), leisure activities throughout the year, cottage accommodation and lodging, restaurants and cafeteria. But, Vineco Tam Dao Farm has been developing only the agricultural production of seasonal vegetables and some basic processed foods from bread, noodle and rice. They have not developed the production of meats and fruits as well. More importantly, they have not yet had the other agri-services for tourism like food education, leisure activities, accommodation, restaurant and cafeteria....etc. Second, If Moku Moku farm has a completed infrastructure for agricultural production and agri-tourism services with farming fields, processing area, animal feeding area, areas for leisure activities and entertainment, hand-on-experience classes, market on farm, restaurant and cafeteria. But, Vineco Tam Dao Farm has developed only infrastructure for farming and raw processing. There is no infrastructure for other services at all. Besides, the traffic system to and from the farm is not very convenient and there are no signposts for people searching on the road. Although there have main differences between the two farms, without having these two indicators, Vineco Tam Dao farm will not be able to build up a similar business model of Moku Moku Farm, which contains two main parts: agri-production and agri-tourism.

5.1.3 Transferability of agri-business model from Moku Moku Farm to Vineco Tam Dao Farm

In general, with a high level of similarity, Vineco is likely to succeed in building a similar business model from Moku Moku Farm. However, to be successful, Vineco needs to develop its tourism business to take advantage of the existing strengths through the construction of material facilities for tourism and agribusiness and pushing the promotion for this agri-tourism business. This business will make the brand of Vineco widely-known in the customer's mind and as a result, encourage the other business of agri-production. It means that agri-tourism and agri-production will support each other in doing business. If Vineco invests in building the agri-tourism business, it will be possible to succeed in receiving and building a similar business model to that of Moku Moku farm based on Vineco's current business operations – an agri-business includes agricultural production and agricultural tourism.

5.1.4 Managerial lessons for Vineco Tam Dao Farm

There are two notable management lessons that Vineco can learn from Moku Moku Farm. The first lesson for agribusinesses is the construction of a closed business ecosystem. As the agricultural model of Moku Moku Farm can also be a closed business ecosystem when: producing fresh and high-quality agricultural products and distribute them directly to customers both on the farm and through retail stores and restaurants and online selling channels; Providing high-valued processed foods of bread and bakery, special beer, sausage, ham and cheese etc; opening up experienced tourism services for visitors on the working farm; utilizing pre-processing and agri-production to open agricultural and food-hand-on-experience- classes; developing the resort services for tourists to stay on the farm; fulfilling the demand of directly consuming clean, safe and high-quality foods on the farm for tourists; developing the entertainment services by hot springs, traditional gaming activities and many other activities throughout the year. Second, lessons about marketing and sales are also what Vineco should learn from Moku Moku farm. Moku Moku farm has very well-utilized the oral propaganda channel, starting with local customers who consume farm products. Next is the direct advertising channel through the distribution system of restaurants and retail stores. In particular, developing a regular customer fan-club and selling online by sending seasonal product brochures to regular customers via email are two simple but very effective marketing and selling methods, which help to create loyal customer data for the farm.

There might be other lessons that Vineco could learn from Moku Moku farm in doing business in terms of managerial practices. But in this paper, the writer would like to focus on these two lessons which help to promote the business mostly.

5.2 Conclusion

The paper has contributed to the development of a suitable theoretical framework for comparative management research in the field of agri-business. Inherited from the comparative management research model of Harold Koonzt in 1969, the author added new management tools that are widely used today to assess the macro environment (PESTLE), the micro environment (Five –forces) and internal business environment (Internal value chain), in order to replace the outdated factors that Harold Koonzt has given in the model since 1969. At the same time, the author has done a literature review in the history of studies to identify the factors that affect business operation. From these 3 combinations, the author creates a suitable theoretical framework which is appropriate to the business environment and current research situation. In addition to the theoretical contributions, this study also provided practical contributions to Vineco in building this business model. For other enterprises who are investing or interested in investing into agricultural business, by this paper, they will be given a chance to understand about an interesting agri-business model from Japan, considering the feasibility of their external and internal environment to figure out whether they are able to launch this kind of business model.

For Vineco Company in general and Vineco Tam Dao Farm in particular, based on the above analysis, it is clear that Vineco has a good match with requirements for successful development of the agri-business project of the Moku Moku Farm. By this study, Vineco can have a panorama of the external and internal environment and conditions as well as the feasibility of investing and expanding its current agri-business toward the agri-tourism business model. With a view on both the favorable conditions and difficulties, the company may be able to make a plan to take the benefits of the former and to deal with the latter.

This paper, basically achieves research objectives by exploring the factors that influence the agri-business model of the Moku Moku Farm in Japan, and compare these factors in the conditions of Vietnam's market through the business operation of Vineco Tam Dao farm. The study has identified the factors that have positive affection and can become strong points of the business, which, then, should be promoted if the company decides to run this business. There are some weak points that need to be addressed to overcome and improve also stated out in the comparative table. Since then, the study has also

provided some suggestions for Vineco and other enterprises of similar interest in this model to notice when they intend to build a similar model of Moku Moku farm in the Vietnamese market. This research also opens the direction for further research on building business strategy for Vineco to turn this business model into practice as well as evaluates the effectiveness of business models after several years of operation.

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