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Agri-Tourism Startups in South India: Authenticity, Digital Visibility, and Community Embeddedness for Venture Sustainability

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Abstract

Rural areas have set as their goal finding ways to supplement or replace agricultural income through other means. One of the closest related options to the existing farms is to start an agri, tourism business. Agri, tourism startups are combining farming experiences with tourism components. This way they are responding to the urban dwellers need for exotic and nature, based experiential travel. This paper investigates the impact on rural community and the urban visitors through agri, tourism startups in Tamil Nadu, Karnataka, and Kerala. It also discusses the components of business models, the difficulties, and the key factors that lead to the sustainability of these ventures. We administered quantitative and qualitative methods, a questionnaire to 85 startups, interviews with 28 founders to deepen the information revealed by the survey, and farm, site observations to support the interview data across 12 farms. The findings show that strong venture performance results from a combination of experiential authenticity based on real farm activities, clear digital communication that builds trust among potential visitors, and local-level engagement that secures community support and operational reliability. The unrelenting issues include the lack of facilities, the fluctuating demand, the mismatched skills in the hybrid agriculture hospitality, and the shortage of finance that is suitable for agri, tourism run as a hybrid enterprise. We put forward a cohesive model, Authenticity, Digital Visibility, and Community Embeddedness (AVC), which connects experience design and market access to venture resilience and rural value creation. This investigation offers a new piece of empirical evidence to rural entrepreneurship and sustainable tourism literature, while giving entrepreneurs, policymakers, and impact, oriented inves:

Keywords: Agri-Tourism, Rural Entrepreneurship, Sustainable Tourism, Startup Ecosystems, South India.

Introduction

Working farms across South India are increasingly hosting visitors for weekend stays, farm, to, table meals, learning sessions, and rural experiences. Many of these ventures have startup characteristics

curetted offerings, digital discovery, booking systems, and diversified revenue logic rather than being informal side activities. This growth is in line with two major shifts. Urban consumers, especially the younger ones, are increasingly looking for wellness, oriented, nature, based, and “real” experiences. On the other hand, rural communities are struggling with income volatility, climate and price shocks, youth out, migration, and limited market access. Agri, tourism startups are at this crossroads by creating a new, experiential layer of agriculture that is monetized, while not giving up farming.

Although there is an increasing recognition of rural tourism and entrepreneurship in the policy sphere, the level of evidence still remains fairly limited on agri, tourism as a startup sector in the developing regions. The existing research works mainly highlight the aspect of diversification in the developed economies or focus on the tourist motivations, while there is little focus on how the ventures develop the skills, deal with the authenticity comfort trade, offs, and localize the benefits.

This study addresses that gap by asking:

- What business models agri-tourism startups adopt,
- What constraints they face, and
- Which capabilities are most strongly associated with venture outcomes.

Literature Review and Theoretical Foundation

You may have heard that agri, tourism is first and foremost a farm diversification strategy that integrates risk buffering through non-farm income. Although it is a good point, this perspective fails to consider the full picture of businesses that are deliberately structured as experience, businesses, on, farm. The papers on entrepreneurship emphasized liability of newness young ventures are short of legitimacy, demand is unstable, and only a few routines are available. These liabilities of newness are further aggravated by the agricultural uncertainties of seasonality and biological production cycles in agri, tourism, thus making capability development the important factor in the success of business.

According to the experience economy, the source of competitive advantage is increasingly the staging of meaningful experiences rather than simply offering goods or services. Agri, tourism is one such sector where the centerpiece of a value proposition is authenticity, however, it is not a constant and a single entity as it is always the product of host guest interaction, activity design, and service signs co, creation. On the one hand, successful enterprises keep their farms functioning ordinarily. On the other hand, they make the participation safe, and understandable, and keep the time his tightly, bound so that people are neither too staged nor too varied.

Tourism is one of the sectors whose market access has been mostly digitally disrupted through digital platforms as the ones we use for personal travel, thus narrowing down consumers search journey. In addition, digital platforms help build the reputation of agri-tourism ventures through reviews and referrals, which are often highly trustworthy. However, visibility alone is insufficient. What ultimately matters is genuine communication supported by clear trust signals that reduce consumer pre-purchase hesitation. At the same time, rural businesses face practical constraints related to time, skills, and connectivity, which make digital capabilities an uneven but highly influential differentiating factor.

Stakeholder theory also highlights that rural tourism results are essentially based on the distribution of benefits and costs to the local actors. Embedding the community such as employment practices, sourcing, collaboration, and social legitimacy may impact at the one hand the social outcomes and at the other the business viability through labor reliability, the lowering of conflicts, and local support.

This research combines the resource, based view and stakeholder theory. From the viewpoint of RBV, unique features (such as landscape, farming knowledge, heritage practices, local social capital) turn into a competitive advantage only after being transformed into marketable experiences and exposed to the market. Stakeholder theory is in line with this as it emphasizes multi, stakeholder value creation and rural resilience as relevant aspects of the performance.

Methodology

A mixed, methods design was employed to gather data on both measurable relationships and the contextual mechanisms underlying those relationships. The research focused on startups in Tamil Nadu, Karnataka, and Kerala because of the agricultural diversity, closeness to urban markets, and the emerging rural tourism activities in these areas.

Agri, tourism startups are those companies that have: been established in the last 10 years, operate on a working agricultural land, incorporate active farming in the visitor's experience, and earn at least 20% of their revenue from tourism, related activities. Since there is no official register, the ventures were found by searching the internet, getting referrals from departments and extension, and using the snowball method. Survey data were collected from 85 startups (March to September 2024).

Besides, information was gathered through: a structured survey on the venture's characteristics, revenue logic, digital presence, activity offerings, constraints, and perceived outcomes, semi and structured interviews with 28 founders, on site observations across 12 farms for experience flow, service routines, and farm tourism integration. To measure the performance of ventures, a composite index made up of occupancy/footfall proxy, perceived revenue growth, and founder goal achievement was used. This acknowledges that hybrid objectives rather than profit alone are considered. Experiential authenticity, digital visibility (presence, engagement, reviews), activity diversity, community integration, infrastructure quality, and nearness to urban markets were some of the main explainaIG

Qualitative data were analyzed thematically to explain mechanisms. Limitations include likely under-representation of failed/informal ventures, reliance on founder reports, and cross-sectional design.

Results

Most of the enterprises were around 4, 6 years old, used around 8, 15 acres, and had 3, 7 employees combining family work plus hired staff. A lot of the founders talked about "returning entrepreneur" paths they were farmers by background, had education and had been exposed to urban work prior.

Mostly, startups had diversified revenue streams instead of relying on a single product or service, usually they had three to five sources combined. Five popularly seen bundles of business models were:

Table 1. Business Model Archetypes and Prime Revenue Bundles in Agri-Tourism Startups (n=85)

Business Model Archetypes	Prime Revenue Bundles
Farm Stay-Based Tourism	Accommodation fees, guided farm tours, farm-fresh meals
Workshop-Oriented Agri-Tourism	Fees for workshops on organic farming, cooking, and handicrafts
Experience-Driven Tourism	Revenue from hands-on activities like harvesting, animal care, local crafts
Combination Bundling & Digital Commerce	Combined packages, online booking and merchandise sales

Farm, stay with meals and guided participation, curated day, experience models (events, school visits, festivals), learning, led farms (organic/natural farming programs), product, experience hybrids (sales of spices, dairy, processed items supported by tastings and storytelling), nature culture blends combining agriculture with local crafts, cuisine, and trails. The founders said that diversification had a positive effect on resilience, but when there were more than about five activity lines, the complexity of coordination rose and the quality of service was at risk of dilution.

Being digitally visible was recognized as the most important factor in getting customers. Instagram and Face book were the main channels for discovery, online booking platforms helped to expand the reach, but the cost of commission prompted repeat customers to go for direct booking instead. Top, notch business kept up with regular seasonal storytelling, customer testimonials, and quick communication.

Authenticity was a choice between different options of functioning. Very strong businesses engaged visitors into the real working rhythms of farms (harvest, taking care of animals, composting, processing) rather than through presentations prepared only for visitors, which were additionally supported very well by clear communication of visitors' expectations about seasonality, participation and how warm the environment would be.

Embedding into the community ranged from family, centered farms to those that hired, sourced, and collaborated locally. Startups that geared towards the community experienced more stable staffing and local support, however, they still faced the challenge of gaps in hospitality skills and meeting the community's expectations.

The biggest obstacles were: road access, electricity reliability, internet quality, financing misfit, and the gap in skills crossing different domains.

What Drives Success in Agri-Tourism Startups

Graphs and charts of the quantitative data reveal that startup performance does not equally depend on the different capabilities. Of the aspects retained in the analysis, digital visibility had the highest correlation with the performance index, thus indicating that being found, trusted, and reviewed online has a significant effect on demand.

Besides, the diversity of activities also had a good impact in the performance of the outcomes, especially in the case of ventures dealing with seasonality and revenue volatility. Experiential authenticity barely exceeded the other two predictors of performance: it deepened the visitors' satisfaction by the idea of seeing the real farm firsthand. At the same time, quality infrastructure turned out to be a main critical point that frequently determined results no matter the level of entrepreneurial effort. Community integration yielded a positive yet relatively moderate correlation with performance, thus revealing that socially embedded ventures are not economically disadvantaged not even when the financial benefits of community engagement may take time to emerge

As a matter of fact, the qualitative data obtained from the interviews and site visits reveal the reasons why businesses with similar physical resources and locations, in most cases, have drastically different performances. A frequently mentioned point in the interviews was the significance of a match between the founder and the venture. On the one hand, founders who like to welcome visitors and have the gift of explaining things without using complicated business language managed to effectively turn farming life into attractive experiences, even without formal business training. On the other hand, the ability to tell stories was closely related to this. Probably this means that, quite often, storytelling is a part of hosting activities, particularly when one is sharing personal experiences, e.g., farm visits. Moreover, it might imply that in both cases the founder acts as a narrator”MNPQ”R”S“T”TTTT

Those ventures that could illustrate farming practices, seasonal rhythms, and local traditions in a simple manner were valued more deeply by visitors, thus, they felt emotionally connected rather than just being a passive consumer. Managing customers' expectations also emerged as a key tool. Entrepreneurs who clearly communicated to guests what they should expect, in terms of comfort levels, participation requirements, and agricultural realities, had fewer complaints and more positive reviews.

Another point of distinction was adaptive learning. Successful ventures regarded their initial operations as experiments, adjusting activities, pricing, and schedules based not only on visitor feedback but also on their own operational experience. Finally, partnerships were very important in getting more done without investing heavily. Collaborations with local guides, nearby farms, schools, or nongovernmental organizations enabled startups to expand their offerings while staying focused on their core activities.

AVC Framework and Propositions

Drawing on the empirical findings, this study proposes an integrative framework linking experiential authenticity, digital visibility, and community embeddedness as core drivers of agri-tourism startup sustainability.



Figure 1. Authenticity-Visibility-Community Embeddedness (AVC) framework for agri-tourism startup sustainability.

According to the results, we suggest an Authenticity, Visibility, Community Embeddedness (AVC) framework for the sustainability of agri, tourism startups. In turn, experiential authenticity enhances customer trust and satisfaction. As a result, digital visibility goes beyond customer reach and eliminates the pre, purchase uncertainty through trustworthy storytelling and reputation signals, thus, helping to maintain demand. Moreover, community embeddedness enables operational trustworthiness through the accessibility of labor, local support, and legitimacy. Altogether, these routes determine the sustainability of enterprises and the creation of value in rural areas.

- P1: More experiential authenticity leads to higher guest trust and satisfaction, thus, granting stronger reviews, referrals, and demand stability.
- P2: Increasing digital visibility through reducing pre, purchase uncertainty and widening market reach helps to improve the results of rural ventures with limited physical footfall.
- P3: Community embeddedness helps to foster operational trustworthiness and local legitimacy, thus, ensuring the sustainability of ventures in the long run even when the impact on short, term revenue is very little.
- P4: The quality of infrastructure changes these relationships, the lack of access, electricity, or the internet diminishes the returns to authenticity and digital capability.

- P5: Activity variety increases the resilience up to a certain point, after that, the coordination complexity decreases service quality and thus, performance.

Discussion and Implications

Agri, tourism cannot be done everywhere, but it is a very good option for rural entrepreneurship if there are unique farming practices, urban demand is close, basic infrastructure is ready, and the founders who want to open the farm and teach the visitors are willing. With the help of agri, tourism the farmers revenues can become more stable, farm products can be marketed at a higher price, and young and talented people from the countryside can be attracted to the agricultural sector by making it more social and economically attractive.

Unexpectedly, digital capability turned out to be more important as clients today mostly locate businesses they want to visit through the internet before thinking about the actual physical location of the business. Digital presence acts as both a distribution channel and a trust, building mechanism through reviews and social proof, and it is dependent on consistently delivering the experience. Authenticity is not something we have totally, rather it is agreed on through well thought out participation, safety, and clear communication. Lastly, community development benefits are a possibility but not by nature, clusters, joint promotion, and targeted skill pipelines can increase without small ventures getting overburdened.

Entrepreneurs can base their argument on the evidence to start with a minimum viable experience, develop a digital presence at an early stage, define a guest promise, diversify wisely, and devote attention to hygiene, safety, and service routines. For governments, it is a basic element of infrastructure and regulatory clarity, complemented by fit, for, purpose finance and hands, on capability programs. For investors, investable ventures are those that have repeat guest traction, strong reviews, consistent diversification, compliance discipline, and a legitimate local model.

Conclusion

Agri, tourism startups in South India are good examples of how rural ventures can combine agricultural resources with experience, based value creation to diversify income and support landscape stewardship. Business results are influenced by a triad of capabilities experiential authenticity, digital visibility, and community embeddedness operating within infrastructural constraints. The AVC framework provides a clear explanation of the process through which these capabilities lead to demand stability, operational reliability, and rural value creation. Future research could extend this view with the help of longitudinal designs, visitor, side outcome measures, and testing the model in different regions.

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