WINE AND WOLVES

Linking conservation and tourism through stakeholder partnerships

Benjamin Carey
Dunira Strategy

Workshop on Stakeholder Involvement for Development of Sustainable Tourism
Meeting of CEEWEB Sustainable Tourism Working Group
Djerdap National Park, Serbia
28 June - 1 July 2007
Two Challenges

“How can a focus on sustainable tourism make this place a more attractive place to live, work, visit and invest? More specifically, what needs to be done to encourage more of your region’s young people to develop a career in tourism?”

“How does your region’s tourism proposition need to change in order to attract visitors to less established destinations and encourage them to stay overnight, or even for several days?”
Categorisation of natural heritage sites

Environmentally important, already with high visitation

Highly marketable, but with unrealised potential

Extremely sensitive or with poor marketability, requiring protection
INTRODUCTION
BENJAMIN CAREY

20 years experience of international tourism development with expertise in sales and marketing, product development and programme management, IT and revenue management, and capacity building, especially in the sustainable development of nature based tourism. Former manager with Europe’s largest tour operators (Thomson/TUI and Airtours/Thomas Cook). Broad project experience in established and emerging destinations, including countries recovering from conflict. Recent work in Armenia, Croatia, Georgia, Iran, Ireland, Laos, Lebanon, Nepal, Poland, Russia and Scotland.

- Managing Director, Dunira Strategy, Scotland
- Visiting Fellow, International Centre for Responsible Tourism, England
- Chairman, Tourism Society Scotland and Vice-Chair, Tourism Society UK

“We sell dreams”

Charles Newbold
Former MD, Thomson Holidays
“An agent’s job is to assist you. In the Information Age that means the agent is there to help you find information.”

Bill Gates
CEO, Microsoft
Model processes for effective capacity building

1. How to involve local businesses and encourage investment
2. How to engage all stakeholders
3. How to promote concepts of sustainability
4. How to build sustainable supply chains involving SMEs
5. How to link conservation and tourism
Establish stakeholder governance and monitoring systems and criteria and appoint local champion

Analyse local situation to identify obstacles and opportunities for business development

Plan development programme with personal action plans

Arrange training to promote practical market-led good management

Deliver ‘quick wins’ that create opportunities for local stakeholders and thereby demonstrate the value of the programme
IDENTIFYING STAKEHOLDERS
EXERCISE 1

WHO ARE THE STAKEHOLDERS?

Understanding the context

1. What organisations and individuals should be engaged in the development of tourism?

2. What special interests need to be represented?

3. What special knowledge and skills do stakeholders need?
Eat, sleep, wash … and satisfy dreams.
Public sector, including ministries of tourism and environment, and municipalities

Private sector, including all tour operators (local and international), tourism businesses and related local enterprises, such as food producers

Civil society, including relevant NGOs and community groups
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007


Sustainable Business Solutions in Tourism
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007

WORLD TOURISM
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007


Sustainable Business Solutions in Tourism
Global Travel & Tourism (2006)

World Travel & Tourism Industry is expected to generate 3.6% of GDP and 76M jobs

Travel & Tourism Economy is expected to generate 10.3% of GDP and 234M jobs

Travel & Tourism Demand is expected to achieve 4.6% real growth in 2006

Forecast real growth of 4% per annum between 2007 and 2016

Source: WTTC
Economic Value of Travel & Tourism

**TOTAL DEMAND** US$6,477.2 bn of economic activity (Total Demand) in 2006, growing (in nominal terms) to US$12,118.6 bn by 2016. 4.2% annual real terms growth (2006-16).

**EMPLOYMENT** 234,305,000 jobs in 2006, 8.7% of total employment. By 2016, forecast 279,347,000, 9% of total employment. The 76,729,000 T&T Industry jobs account for 2.8% of total employment in 2006, forecast to total 89,485,000 jobs (2.9%) by 2016.

**GDP** 3.6% GDP in 2006 (US$1,754.5 bn), rising in nominal terms to US$2,969.4bn (3.6%) by 2016. The T&T Economy contribution should rise from 10.3% (US$4,963.8bn) to 10.9% (US$8,971.6bn) in this same period.

**CAPITAL INVESTMENT** US$1,010.7 bn or 9.3% of total investment in year 2006. By 2016, this should reach US$2,059.8 bn or 9.6%.

**PERSONAL AND BUSINESS TRAVEL & TOURISM** Personal US$2,844.7 bn or 9.5% of total personal consumption in year 2006. By 2016, this should reach US$4,916.3 bn or 9.8% of total consumption. Business US$672.5 bn in 2006, 2016 US$2,059.8 bn (9.6%).

**EXPORTS** 11.8% of total exports (US$1,646.2 bn) in 2006, growing (nominal terms) to US$3,468.4 bn (10.9%) in 2016.
Threats to Market

- Competitor development
- Terrorism (incidents and threats)
- Health concerns
- Greed
- Fashion (industry and consumer)
- War
- Disasters (natural and environmental)
Wars in the Balkans and the Gulf
Collapse of Soviet Union
Expansion of European Union
9/11 and ‘War on Terror’
Emergence of direct suppliers

Loss of controlled distribution

Growth in new consumer channels
## International Tourism Expenditure

*(2005 US$bn)*

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Total spend</th>
<th>%</th>
<th>Spend/capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germany</td>
<td>72.7</td>
<td>10.7</td>
<td>882</td>
</tr>
<tr>
<td>2</td>
<td>USA</td>
<td>69.2</td>
<td>10.2</td>
<td>234</td>
</tr>
<tr>
<td>3</td>
<td>UK</td>
<td>59.6</td>
<td>8.8</td>
<td>987</td>
</tr>
<tr>
<td>4</td>
<td>Japan</td>
<td>37.5</td>
<td>5.5</td>
<td>295</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>31.2</td>
<td>4.6</td>
<td>514</td>
</tr>
<tr>
<td>6</td>
<td>Italy</td>
<td>22.4</td>
<td>3.3</td>
<td>385</td>
</tr>
<tr>
<td>7</td>
<td>China</td>
<td>21.8</td>
<td>3.2</td>
<td>17</td>
</tr>
<tr>
<td>8</td>
<td>Canada</td>
<td>18.4</td>
<td>2.7</td>
<td>560</td>
</tr>
<tr>
<td>9</td>
<td>Russian Federation</td>
<td>17.8</td>
<td>2.6</td>
<td>124</td>
</tr>
<tr>
<td>10</td>
<td>Netherlands</td>
<td>16.2</td>
<td>2.4</td>
<td>985</td>
</tr>
<tr>
<td></td>
<td><strong>WORLD</strong></td>
<td><strong>680</strong></td>
<td><strong>100</strong></td>
<td><strong>105</strong></td>
</tr>
</tbody>
</table>

Source: UNWTO
Opportunities of Tourism

Environmental management
Economic opportunities
Social and cultural engagement
Quality assurance
Resource protection
General management
The marketing challenge

As long as the products are good enough (and sufficiently integrated with appropriate local infrastructure), the problem simply becomes one of branding.

Adding value to existing products
Constructing ‘products’ out of existing resources
Bringing marginal products ‘out into the open’
### Growth in Key Biodiversity Hotspots
(Average Annual Growth 1990-2000)

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laos</td>
<td>35.9%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>24.0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>19.3%</td>
</tr>
<tr>
<td>Cuba</td>
<td>17.9%</td>
</tr>
<tr>
<td>Brazil</td>
<td>17.2%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>15.7%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>15.2%</td>
</tr>
<tr>
<td>Peru</td>
<td>12.5%</td>
</tr>
<tr>
<td>Turks &amp; Caicos</td>
<td>12.3%</td>
</tr>
<tr>
<td>Madagascar</td>
<td>11.7%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>11.6%</td>
</tr>
<tr>
<td>China</td>
<td>11.5%</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>9.8%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>8.8%</td>
</tr>
<tr>
<td>Dominican Rep</td>
<td>8.6%</td>
</tr>
<tr>
<td>Cook Islands</td>
<td>7.9%</td>
</tr>
</tbody>
</table>
Survival essentials for a protected area

- Natural features
- Political support
- Financial resources
- Human resources
- Social support
- Goals and strategies

Source: Richard Tapper/WWF
Potential sources of revenue in protected areas

Government funding
Public investments
Multilateral and bilateral donor funding
Philanthropic donations
Revenue-raising methods*
Cross-product marketing
Private sector initiatives
Cause-related marketing
Biodiversity prospecting
Commercial and bilateral debt-for-nature swaps
Trust funds
Carbon offset projects

Source: LMU/WWF
Portfolio of revenue-raising methods

- Protected area entrance fees
- Recreation service fees, special events and special services
  - Accommodation, transportation and guiding
  - Parking
  - Equipment rental
- Food sales (restaurant and store)
- Merchandise sales (equipment, clothing, souvenirs)
  - Licences, permits and taxes
  - Licencing of intellectual property
- Sale or rental of image rights (eg for taking photographs)

Source: LMU/WWF
ASSESSING THE PRODUCT
What?
**SWOT Market Assessment**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities</td>
<td>Threats</td>
</tr>
</tbody>
</table>
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007

**PEST Environmental Analysis**

- Political
- Economic
- Social
- Technological
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007


Sustainable Business Solutions in Tourism
Seasonality
(millions of holidays per month during 2004)

Source: Euromonitor
Holiday duration

Source: Euromonitor
SUSTAINABLE TOURISM

Why?
Tourism Strategy

Tourism is *only* a means to an end.

The point of a **tourism strategy** is not to produce more tourism, although this is likely to be the outcome of a well-founded strategy.

The objective of tourism development is to promote social and economic benefits for the host community.
Sustainable Development

*Sustainable development* is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

The Bruntland Report

*(The World Commission on Environment and Development: Our Common Future, 1987.)*
Sustainable Tourism

“Sustainable tourism is tourism which actively fosters appreciation and stewardship of the natural, cultural and historic resources and special places by local residents, the tourism industry, governments and visitors. It is tourism which can be sustained over the long term because it results in a net benefit for the social, economic, natural and cultural environments of the area in which it takes place.”

Parks Canada
Benefits of Sustainability

Destination: Local environment is sustained
Operator: Future profits are protected
Tourist: Future holidays are maintained
Social and economic opportunities for local communities on the periphery of protected areas, helping to reduce urban migration

Visitor infrastructure being created that also provides overdue community infrastructure, such as waste and water management facilities

A renewed emphasis on biodiversity conservation, creating essential wildlife corridors and more integrated (and marketable) tourism products by establishing enduring co-operation and promoting co-ordination between protected areas
Cluster Tourism for Sustainable Development

“A tourism cluster uses natural and cultural heritage sites and resources as a focal point to attract visitors to a particular community, sometimes linking these attractions with established tourism sites to enhance them through geographic and/or thematic association. The purpose of a visit can include both education and entertainment. Resources can be natural or man-made, but they must be managed in a sustainable way for the present and future benefit of visitors, the tourism industry, the host community and its environment.”

Dunira Strategy, 2003
## Characteristics of marginal tourism destinations

<table>
<thead>
<tr>
<th>Negative</th>
<th>Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peripheral</td>
<td>Autonomous</td>
</tr>
<tr>
<td>Inaccessible</td>
<td>Enterprising</td>
</tr>
<tr>
<td>Higher unemployment</td>
<td>Self-sufficient</td>
</tr>
<tr>
<td>Marginal investment</td>
<td>Development assistance</td>
</tr>
<tr>
<td>Indistinct</td>
<td>Authentic</td>
</tr>
<tr>
<td>Unremarkable</td>
<td>Unique</td>
</tr>
</tbody>
</table>

Dunira Strategy
Sustainable Business Solutions in Tourism

Considerations for SIT Product Development

1. Context
2. Sustainability
3. Integration
4. Education
5. Capacity
1. Context

Linkages to other sites
Historical/literary contexts
Cross-fertilisation
Reference to facilities
Showcasing of geographically related sites
Showcasing of thematically related sites
2. Sustainability

Sustainable and public transport policies
Regional admissions policies
Promotion of environmental management policies
Community engagement and consultation
Integrated supply chains
3. Integration

Clusters are inevitably artificial (a marketing construct), but are critical to the viability of marginal resources.

Every tourism initiative can contribute to the weight of a cluster and can in turn be supported by its context in a cluster(s).

There are opportunities for regional tourist boards to demonstrate the value of context and to showcase examples of integration, including the promotion of local supply chains.

Economic benefits will accrue through greater collaboration.
4. Education

Community facilities
Educational resources
Loyal/local supporter base
 Longer-term development
5. Capacity

Leadership by local stakeholders
Identification of local expertise and local champions to build local capacity
Public, private and voluntary sectors working in partnership to facilitate sustainable development
MARKET SEGMENTATION

How?
Mainstream Markets

A. VFR
B. Leisure
C. Education
D. Events
E. MICE
Marketing: the 4 *Ps*

*Product*
*Price*
*Promotion*
*Place*
Marketing: the 4 Cs

Customer value
Cost to the consumer
Communication
Convenience
EXERCISE 3

MARKET NEEDS AND OPPORTUNITIES

(a) Specialist niche markets

(b) Mainstream markets
- VFR
- Leisure
- Education
- Events
- MICE

Product / Customer value
Price / Cost to the consumer
Promotion / Communication
Place / Convenience
Indicative Products

- Agritourism, homestays and rural livelihoods
- Cultural tourism, including heritage and craft trails
- Cycling and mountain-biking
- Dark tourism
- Equestrian tourism
- Food and wine tourism, including ‘mushroom-picking’
- Hunting and fishing
- Mountaineering, including climbing, hill-walking, caving and mule trekking
- Nature based tourism, including bird-watching
- Religion and spirituality
- Scenic drives and coach tours
- Watersports, including fishing, rafting and kayaking
- Wintersports, including skiing and snow shoeing
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007

CASE STUDIES
EXERCISE 4

Describe environmental assets
Describe local issues/challenges
Describe local/environmental needs

What has been done so far?

Who has been engaged?

What are your plans for the future?
THE TOURISM SUPPLY CHAIN
Aspects of tour operating

Product Development  Operational Delivery
Research and Planning  Health & Safety
Procurement  Customer Satisfaction
Marketing  PR & Advertising
Sales & Distribution  Crisis Management
Revenue Management  Finance and Legal
Business Process  Information Technology
# The Distribution Net

<table>
<thead>
<tr>
<th>SUPPLIERS</th>
<th>INTERMEDIARIES</th>
<th>CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>International travel</td>
<td>Traditional agents</td>
<td>Frequent travellers</td>
</tr>
<tr>
<td>Accommodation</td>
<td>Global Distribution Systems</td>
<td>Lastminute bookers</td>
</tr>
<tr>
<td>Local transport (incl.</td>
<td>Tour operators</td>
<td>Inexperienced travellers</td>
</tr>
<tr>
<td>car rental)</td>
<td>Online agents</td>
<td></td>
</tr>
<tr>
<td>Attractions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PLANNING AND DELIVERY
Programme Planning

- Identify assets
- Assess data
- Agree high level programme mix
- Determine products
- Contract products
- Price products
- Package programme
- Sell it
- Optimise revenue
- Constantly review, re-price, repackage
- Monitor competition
- Anticipate and respond
- Amend programme mix for adjacent seasons
Distribution channels

Direct sales
Destination management organisations (DMOs) and tourist boards
Tour operators and travel agents
Guidebooks and other media
Certification schemes
Consumer and trade fairs
Internet retailers
Consumer organisations and affinity groups
Twelve Tips for Sustainable Tourism

DO make your products authentic and distinctive
DON’T exaggerate
DO play to your strengths
DO listen to your customers
DO celebrate local heritage
DO deliver what you promise
DO tell people if you think there might be a change of plan
DO research the competition
DO build local capacity by supporting local suppliers
DON’T overspecialise
DO invest in distribution
Health & safety is NOT optional

“No man is an island”
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007

OPPORTUNITIES
SMART Objectives

Specific
Measurable
Achievable
Realistic
Time-limited
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007

Two Challenges

“How can a focus on sustainable tourism make this place a more attractive place to live, work, visit and invest? More specifically, what needs to be done to encourage more of your region’s young people to develop a career in tourism?”

“How does your region’s tourism proposition need to change in order to attract visitors to less established destinations and encourage them to stay overnight, or even for several days?”
Stakeholder Partnerships: Capacity Building for Sustainable Tourism

Djerdap National Park, June 2007


Sustainable Business Solutions in Tourism
Establish stakeholder governance and monitoring systems and criteria and appoint local champion

Analyse local situation to identify obstacles and opportunities for business development

Plan development programme with personal action plans

Arrange training to promote practical market-led good management

Deliver ‘quick wins’ that create opportunities for local stakeholders and thereby demonstrate the value of the programme
Thank you

Benjamin Carey
benjamin@dunira.com