

THE ECOTOURISM MARKETS

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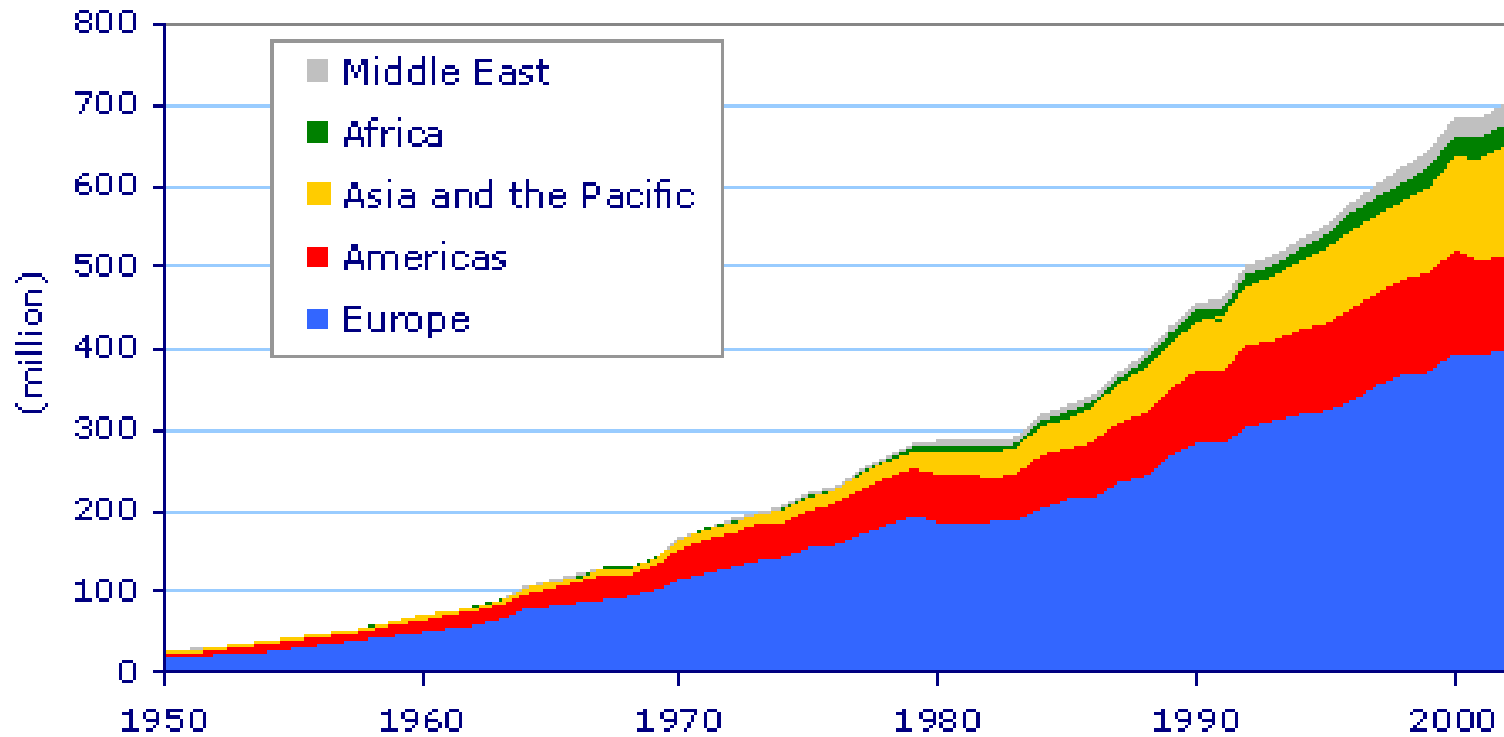
THE GLOBAL TOURISM TRENDS

- **The number of international arrivals** shows an evolution from 25 million international arrivals in 1950 to 763 million in 2004, corresponding to an average annual growth rate of 6.5 per cent. *
- **International tourism receipts** represented in 2003 approximately 6 per cent of worldwide exports of goods and services (as expressed in US\$). When considering service exports exclusively, the share of tourism exports increases to nearly 30 per cent. *

*Source: World Tourism Organization (WTO)

THE GLOBAL TOURISM TRENDS*

International Tourist Arrivals, 1950-2004*



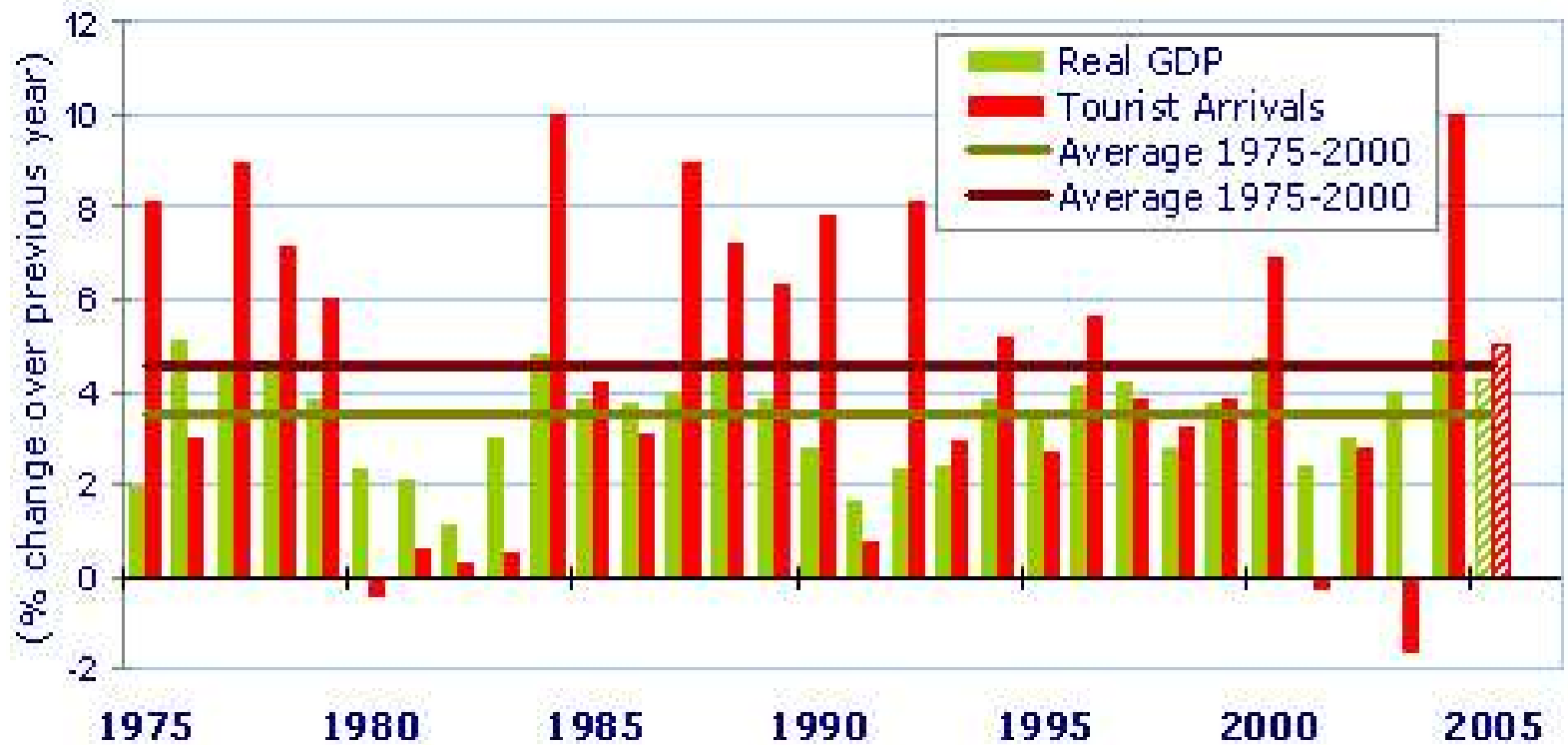
*Source: WTO

THE GLOBAL TOURISM TRENDS

- In general, the growth of international tourism arrivals significantly outpaces growth of economic output as measured in Gross Domestic Product (GDP). **For the period 1975-2000 tourism increased at an average rate of 4.6 per cent a year.***
- **4.4% of the world's GDP flows directly from tourism - over 200 million people are employed in the tourism industry.** Source: <http://www.unep.org>
- WTO's *Tourism 2020 Vision* forecasts that **international arrivals are expected to reach over 1.56 billion by the year 2020.** Of these worldwide arrivals in 2020, 1.18 billion will be intraregional and 377 million will be long-haul travellers.*

*Source: WTO

Economic Growth (GDP) & International Tourist Arrivals



THE ECOTOURISM – THE BULGARIAN DEFINITION

*“The Ministries endorse the common understanding of ecotourism as travel to relatively undamaged natural areas, aimed at providing visitors with opportunities to view and enjoy nature and all accompanying cultural attractions, while at the same time encouraging their preservation and allowing the lowest possible impact. Ecotourism is also a form of small and medium enterprise development, which ensures the social and economic vitality of the local population, and the just allocation of responsibilities and benefits. Ecotourism comprises important elements of nature protection, conservation education, interpretation of the natural and cultural heritage, and it complies with all forms of sustainable tourism.”**

*Definition of the Ministry of Economy, Ministry of Environment and Waters and Ministry of Agriculture and Forestry, 2002 First National Forum ‘Ecotourism, Mountains, and Protected Areas – Partners in Prosperity

THE ECOTOURISM

A consensus has formed in Bulgaria on the basic elements of ecotourism*:

- ❑ It contributes to biodiversity conservation;
- ❑ It sustains the well being of local residents;
- ❑ It promotes responsible actions on the part of tourists and the tourism industry;
- ❑ It requires the lowest possible consumption of nonrenewable resources;
- ❑ It is delivered primarily to small groups by small-scale businesses;
- ❑ It stresses local participation, ownership and business opportunities, particularly for the rural population; and
- ❑ It includes an interpretative/learning experience.

THE ECOTOURISM AS A MARKET SEGMENT

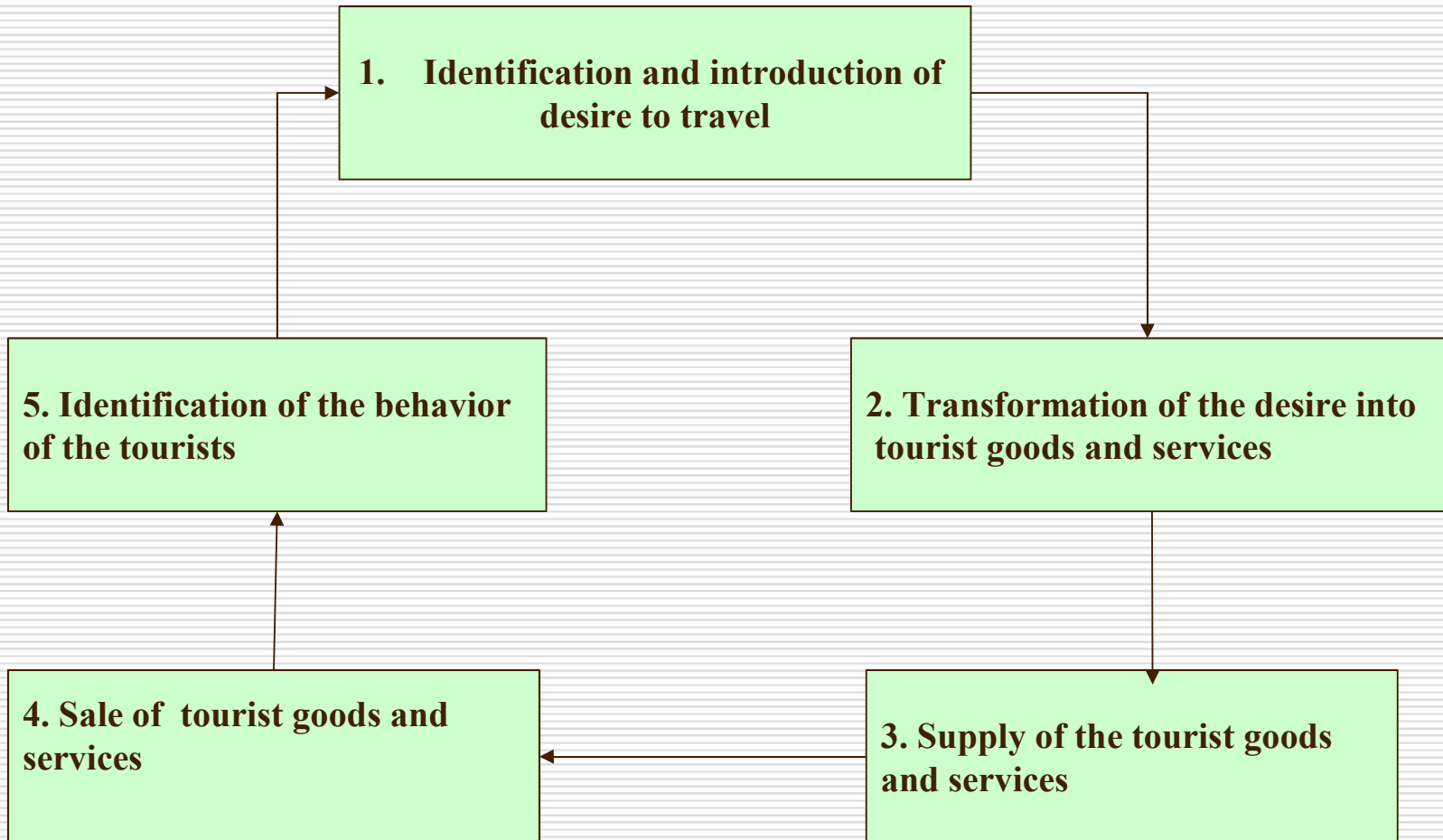
- ❑ Ecotourism is part of a growing niche market of the tourism industry. In 1997, the WTO estimated the entire tourism industry was made up of 595 million international travelers, expending US \$425 billion.
 - ❑ Tourism is expected to grow an average of 4.3% per year over the next 20 years with receipts climbing by 6.7% per year. Nature (eco) tourism generates 7% of all international travel expenditures (Lindbergh, 1997).
 - ❑ The World Resources Institute (1999) found that tourism overall grows at an annual rate of 4%, while nature (eco) tourism increases 10% to 30% per year.
 - ❑ The WTO calculations show that, the expenditures for ecotourism grow annually with 20%, which is 5 times more than the average expenditure for the tourism industry.
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WHAT IS MARKETING ?

- “**Marketing** is a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others” *Kotler 1991*

 - “The concept of the **tourist marketing** consists of creating the supply (marketing mix) corresponding to the identified demand at the tourist market, while using product, price, place and promotion, which allow to identify, inform, motivate and serve these markets in the best possible way.” *P. Filatro*
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TOURISM MARKETING (BERNEKER)



The marketing strategy of the company includes:

“... Selection and analysis of the target market and establishment and maintenance of a set of elements, means and methods for optimal impact on the this market.” (D.Doganov)

THE FACTORS THAT INFLUENCE THE MARKETING

<u>Manageable</u>	<u>Non-manageable</u>
<ul style="list-style-type: none">- Product (<i>actual product, quality, style, design, brand name, etc.</i>)- Price (<i>list price, discounts, payment periods, etc.</i>)- Place (<i>channels/coverage, the actual place the product is purchased or the actual route of distribution</i>)- Promotion (<i>advertising, direct marketing, sales promotion, personal selling, etc.</i>)	<ul style="list-style-type: none">- Elements of the micro-environment (<i>retailers, suppliers, mediators</i>) - Elements of the macro-environment (<i>demographic factors, social factors, economic conditions, competition, ecological factors, etc.</i>)

THE MARKETING MIX



10 TRENDS THAT WILL SHAPE TOURISM IN THE MID- TERM

- ❑ **Increased concern for safety and security**
- ❑ **More mature and experienced travellers**
- ❑ **Aging population**
- ❑ **Increasing competition**
- ❑ **Stress on value for money**
- ❑ **Shift from service to experience**
- ❑ **Permanent investment needed in quality**
- ❑ **Incorporation of new technologies**
- ❑ **Public- private sector partnership**
- ❑ **Importance of sustainable development**

[1] Gabor Vereczi, Sustainable Development of Tourism, World Tourism Organization

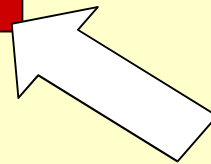
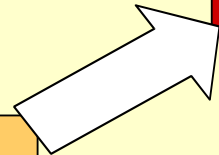
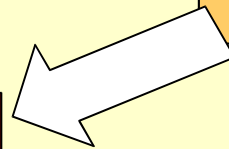
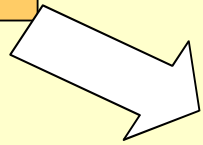
Product

Place

**Target
Market**

Price

Promotion



TOURIST MARKET

“...Tourist market is relatively established part of the market itself. It includes the set of economic relations, mechanisms with regard to the participants, the place, the time, the conditions and the scope of the realization of services and goods, satisfying the need for tourism...”

Rakadjiiska, Marinov

WHAT INFORMATION IS IMPORTANT FOR THE ECOTOURISM DESTINATIONS?

- ❑ the market trends and market development;
 - ❑ the current market volume for ecotourism;
 - ❑ the current market share of ecotourism trips in the portfolios of tour operators and the share of the individual tourists;
 - ❑ the target groups for ecotourism and their travel behaviour and characteristics;
 - ❑ information, which are the main ecotourism-destinations;
 - ❑ a description of the ecotourism products and their price range;
 - ❑ information about what marketing strategies are appropriate for the ecotourism.
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The WTO defined the tourism activities for this research on two levels:

Nature-based tourism is used in this report to reflect “forms of tourism in which the main motivation of the tourist is the observation and appreciation of nature”.

Ecotourism is used to mean forms of tourism which have the following characteristics:

All nature-based forms of tourism in which the main motivation of the tourists is the **observation and appreciation of nature** as well as the traditional cultures prevailing in natural areas

It contains **educational and interpretation features**

It is generally, but not exclusively **organised by specialised tour operators for small groups**. Service provider partners at the destinations tend to be small, locally owned businesses.

The WTO defined the tourism activities for this research on two levels:

(cont.)

It minimises negative impacts upon the natural and socio-cultural environment

It supports the maintenance of natural areas which are used as ecotourism attractions by **generating economic benefits for host communities**, organisations and authorities managing natural areas with conservation purposes, **providing alternative employment and income opportunities for local communities, increasing awareness towards the conservation of natural and cultural assets**, both among locals and tourists.

THE MAIN ECOTOURISM GENERATING MARKETS*

- The WTO undertook a research programme in the main ecotourism generating markets of Europe and North America: Canada, France, Germany, Spain, Italy, the United Kingdom and the United States of America;
- According to the preliminary study results, the use of the concept « ecotourism » is currently limited. Other terms are preferred like sustainable, responsible, environmental, ethical tourism.
- Tour operator level of involvement varies from one country to another.

THE MAIN ECOTOURISM GENERATING MARKETS

- These countries investigated are among the most important tourism markets in Europe and in the world in terms of scale for outbound and inbound tourism.
 - The global tourism trends of increasing long-haul trips and the increasing combination of conventional tourism packages and activities with specific products had been favourable for ecotourism operations.
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THE MAIN ECOTOURISM GENERATING MARKETS

Quantitative demand and market volume

- Ecotourism is considered as a small niche market in constant growth. An overwhelming majority of interviewed tour operators expect the nature tourism and ecotourism markets to grow in the future. Sensitivity to environmental matters and level of requirements are increasing in all segment of the conventional market.
 - In general, the studies show a relatively low market share of organized ecotourism trips. This can be explained partly by the dominance of individual trips in this special interest segment.
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THE MAIN ECOTOURISM GENERATING MARKETS

Motivations, preferences

- Operators ranked “being in wilderness areas” and “viewing wildlife” as the most important elements of an ecotourism trip.
 - Also mentioned as important :
 - the quality of the landscape;
 - the preserved environment and the presence of national parks;
 - the cultural component (nature and culture are strongly linked together);
 - “Meeting with local people”, “experiencing cultural traditions and life styles”, “discovering local products and gastronomy”;
 - sport activities and trekking.
 - Generally, there is a high demand for quality in the overall tourist experience
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THE MAIN ECOTOURISM GENERATING MARKETS

Typology and profile of tourists practising ecotourism.

- ❑ Ecotourists tend to be over 35 (in Canada somewhat older), slightly more women than men, above average income, with the highly educated and higher social class being represented. Spanish and Italian ecotourists tend to be younger (20-39 class age) than in the others countries, and they have a lower budget.
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THE MAIN ECOTOURISM GENERATING MARKETS

Destinations

- ❑ From the surveys conducted, it was not possible to identify any particular country or region as particularly important for ecotourism, due to the diversity of destinations offered.
 - ❑ Only very few destinations may be considered as pure ecotourism destinations.
 - ❑ Tour operators offer a world wide choice of destinations and they vary greatly from country to country.
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Typology of products offered

- A wide range of different trips is being offered:
 - The vast majority are trekking or hiking trips, then trips based on the observation of wildlife, fauna and flora.
 - Other specialised trips are also offered in much more limited quantity.
 - British and German operators have developed some special interest trips such as ornithology, national parks, and conservation.
 - In France, Italy and Spain ecotourism trips are mainly based on a mixed programme in which sport activities or cultural experiences are offered together with the nature experience.
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THE MAIN ECOTOURISM GENERATING MARKETS

Pricing consideration

- Opinion is evenly divided about whether ecotourism is more expensive than conventional tourism packages or not.
 - The constituent costs, group sizes and tour operator margins necessary to support low volume businesses vary considerably between operators, destinations and countries.
 - In Germany and in the USA, the prices of ecotourism packages is higher than the average of all trips and this makes this niche market very interesting economically for tour operators.
 - In France, ecotourism packages were not more expensive than other conventional holidays.
 - In Italy, these products seem to be slightly cheaper.
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THE MAIN ECOTOURISM GENERATING MARKETS

Marketing and communication channels

- According to the surveys, ecotourism operators use the same spectrum of marketing channels and techniques as all others :
 - Regarding promotion and information channels, word of mouth was highlighted among the most important ways for ecotourism-oriented operators.
 - The Internet is widely used for promotional purposes. For example, in Italy and Canada, it represents the main channel used by eco-tour operators.
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THE MAIN ECOTOURISM GENERATING MARKETS

Marketing and communication channels (cont.)

- **Travel Agents** are still the most important source of trip information for US ecotourists according to an in-flight tourist survey of US travellers to Overseas and Mexico.
 - Eco-tour operators seem to focus on targeted promotion channels, like **specialised fairs, trade shows and advertising in specialist magazines.**
 - **Reservation and booking** are mainly made via specialized eco-tour operator agencies and through their **catalogues.** However, booking **on-line** (via Internet) is increasing tremendously. Travel agents are seen as less successful way of selling.
 - Affinity groups, like **conservation organizations, responsible tourism and ecotourism development organizations,** play a minor promoting role for eco-tour operators in Europe.
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THE NATIONAL MARKET*

Analysis of the Results from a Marketing Research in Support of Pilot Projects in Kalofer and Samokov Regions “Perspectives for Ecotourism Products Development in Bulgaria” in 2002 show that:

- The domestic tourist market in Bulgaria in 2002 was still in embryo state:
- The tourist products on offer were based upon the natural givens of existing destinations. No efforts were invested in shaping them up as a marketable tourist product more in line with customers’ expectations. The role and function of tourist operators were marginal or token.

THE NATIONAL MARKET (cont.)

- Trips and journeys including paid overnights constituted a little over half of all trips taken.
 - The level of satisfaction with hospitality services (accommodation and dining) was low.
 - The development and market realization of eco-tourist practices was faced with a paradoxical contradiction: while there was a significant potential market for ecotourism products, no market agent seemed interested in investing in its development.
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THE NATIONAL MARKET

Tourist products market: profile of customers

- Six groups of pleasure/recreation travelers have been identified:
 - *The varied journeys group.*
 - *The same-day (no overnights) and long journeys group.*
 - *The short trips group.*
 - *The long journeys group.*
 - *The free overnights group.*
 - *The same-day trips (no overnights) group.*
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THE NATIONAL MARKET

- The varied journeys group – a potential market for ecotourism products.

People undertaking varied journeys are those who show the highest degree of mobility. Depending on the duration of individual journeys, the mean number of trips taken in that group per annum can be between 20 and 50 percent higher than the research population average. Characteristic of that group is that in it, trips are taken for the purpose of practicing activities such as mountain hikes, skiing, or visits to churches and monasteries. Leading criteria in the choice of destination are the amiable prices, the presence of scenic natural landmarks and the possibility to ski.

THE NATIONAL MARKET

Profile of tourist providers

- The typical tourist operator was a small enterprise.
 - Only an insignificant fraction of tour operators ran their business by solely tapping the resources of the domestic tourist market.
 - Most operations relied on marketing Bulgarian destinations to foreign clients or foreign destinations to Bulgarians, or a combination of both.
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THE NATIONAL MARKET

- The decision for a tour operator to market any particular destination was based upon whether or not the destination meets consistently the following criteria:
 - Profitability;
 - Natural landmarks and scenery;
 - Accommodation with all conveniences and amenities;
 - A variety of eateries and cultural sites;
 - Roads in good condition.
 - The majority of tour operators showed little or no sign of any consistent effort for innovation and the development of new tourist products. The products on offer were developed around traditional activities.
 - Tour operators were not markedly pro-active in seeking new information.
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THE NATIONAL MARKET

The potential market

The Varied Journeys Group emerged as a promising target for the marketing of ecotourist products.

- The activities practiced by members of that group, as well as the criteria applied in the choice of destination, approximated considerably the standards of eco-tourism.
 - The group displayed a **very high level of interest in tourist products related to protected areas**, and a willingness to buy and use them once they hit the market.
 - The group also showed a **high degree of sensitivity to environmental conservation issues**.
 - **The varied journeys group numbered no fewer than 140,000 people**; with a potential of 300,000 pleasure trips in Bulgaria with a duration of between 1 and 3 overnights; 170,000 trips of 4 to 6 overnights, and 180,000 trips of 7 overnights or over.
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THE NATIONAL MARKET

Potential ecotourist providers

- There was a low level of awareness among tour operators of eco-tourism as either a concept or practice: almost two-thirds of all tour operators polled reported unfamiliarity with eco-tourism. Different responses identified eco-tourism as a destination with certain attributes.
 - The educational component and the natural resources conservation component remained largely hidden from view.
 - Typically, the interest of tour operators lies, at best, with passively marketing ecotourist products rather than actively developing them.
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THE NATIONAL MARKET

The ideal ecotourist destination

- General attributes - purity, discovery, simplicity and conservation.
 - Destination Attributes:
 - Attributes of experience –
 - *Activity* – time is insufficient for all possible, modern and varied activities,
 - *Actuality* – a place we tend to talk about when we meet people.
 - Attributes of conditions –
 - *Mountain settlement*, a place with reserved cultural and historic heritage, presence of mineral waters/river/lakes surrounded by picturesque landscapes.
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THE NATIONAL MARKET

The ideal ecotourist destination (cont.)

- Accommodation:
 - Attributes of experience
 - Solitude – nobody and nothing can enter my space without me wishing it
 - Carelessness – I don't need to make efforts to obtain what I want
 - Attributes of conditions
 - Family hotel – a place where you are a host to the family and you don't have to get in close relationship with it
 - Room with separate bathroom, big and comfortable beds, children friendly environment, breakfast
 - Price in congruence with the offered product
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THE NATIONAL MARKET

The ideal ecotourist destination (cont.)

- Dining:
 - Attributes of experience
 - *Diversity* – I want to try more things than I could possibly eat
 - Attributes of conditions
 - *Cozy place* – undisturbed stay
 - *Healthy diet* – freshly prepared, high quality products, low-fat and low-calories food
 - *Price* in congruence with the product and services offered
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THE NATIONAL MARKET

The ideal ecotourist destination (cont.)

- Ideally an eco-tourist destination offers the following attractions, especially packed for tourist use:
 - *mountain hikes*
 - *bike tours*
 - *open-air overnights*
 - *tours for picking fungi and medical plants*
 - *culinary specialties*
 - *visit to churches and monasteries*
 - *visits to cultural and historical sites*
 - *introduction to local crafts*
 - *participation in traditional festivities*
 - *“green” schools*
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THE NATIONAL MARKET

Distribution and promotion

- According to the marketing research results, the most appropriate method was direct sales:
 - Promotion of the destination with targeted PR campaigns;
 - Establishment of centers for coordination and booking;
 - Ensure a positive attitude and positive reply from the customers;
 - Direct contact with important potential clients.
 - Induced sales – attraction of TO.
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RESEARCH ON ALTERNATIVE TOURISM IN BULGARIA *

- The research was conducted by the Bulgarian Association for Alternative Tourism (BAAT) in partnership with VEGA (Volunteers for Economic Growth Alliance) in 2004.
- The research was conducted with about 40 Bulgarian tour operators specializing in various types of alternative tourism (eco, cultural, rural, adventure) to determine the number of tourists from different markets, the most popular forms of alternative tourism, the most effective marketing channels, and the average price for a package.

RESEARCH ON ALTERNATIVE TOURISM IN BULGARIA *

- The results in general:
 - The tourist providers – *a small number of the tour operators in Bulgaria are specialized in ecotourism;*
 - The tourists – *37% from German-speaking countries; 32% from Bulgaria; 11% from French-speaking countries; 5% from Scandinavian countries, 4,5% from Japan, etc.*
 - Pricing consideration – *a very wide pricing scissors – from cheap to very expensive products;*
 - Communication channels – *9 from 10 tour operators have a network of partners in Bulgaria and abroad, which sell their products.*
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Challenges to be faced, especially by small scale businesses:

- Priority areas for action*:
 - Creating the right structures for **working together**;
 - **Relating products to markets** from the outset;
 - Paying attention to **all aspects of product quality**;
 - Providing relevant **support for communities and enterprises**;
 - **Strengthening the promotion of ecotourism messages** and products.

*Presentation of Sylvie Blangy based on the World Ecotourism Summit report written by Dr Richard Denman

What is relevant for Bulgaria?*

- **A new generation of responsible tour operators** has been identified through the market studies of the WTO. A list of 100 carefully selected and interviewed tour operators is available in the WTO studies.
 - In the UK 150 TO have joined the Association of Independent Tour Operators www.aito.co.uk.
 - In Germany, 80 small TO are members of FORUM ANDERS REISEN; www.forum-anders-reisen.de.
 - An international network on **Fair Trade in Tourism** has been developed by Tourism Concern www.tourismconcern.org.uk.
- **Developing new innovative packages:**
- **Ecotourism implies new techniques in the field of:**
 - designing and pricing the packages;
 - contracting with the local partners;
 - running the tours;
 - dealing with the customers and ;
 - guiding the groups.

*Ibid

Targeted and specialised promotion channels*

- In terms of marketing ecotourism, **traditional tools are still being used: word of mouth, catalogues, agency..**
- **Specialised Fairs :**
 - Alternative tourism, Reise Pavillon (Hanover); Organic food Fair (Lyon); Responsible tourism (Amsterdam);
- **Traditional tourism fairs :**
 - ITB Berlin, WTM London, FITUR (Madrid) are developing workshops, conferences and other events on sustainable tourism.

*Ibid

Other possibilities

- **Familiarisation trips or travel workshops** -Outbound TO or journalists are invited by local communities to expertise and develop new packages based on equity and partnership.
 - **Organization of special events**
 - **Marketing in networks**
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Bibliography:

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 - ❑ Perspectives for Ecotourism Products Development in Bulgaria - Analysis of Marketing Research Results in Support of Pilot Projects in Kalofer and Samokov Regions, Plamen Vulchev, BCEG Project Consultant, 2002, http://www.ecotourism.bulgariatravel.org/index_e.htm;
 - ❑ Summary of the WTO Research Program on Ecotourism Generating Markets, Gabor Vereczi, World Tourism Organization, (lecture, presented during the First National Forum 'Ecotourism, Mountains, and Protected Areas – Partners in Prosperity 2002 in Bulgaria);
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Thank you!
