



SUMMARY OF PRESENTATION

Community Based Tourism and International Supply Chains: Experience from Thailand

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KEYWORDS

- Community Based Tourism Marketing
- Community Based Tourism supply chain partnerships
- Best practice and lessons learned from Thailand

OVERVIEW OF PRESENTATION

The presentation covers 4 main topics:

1. A brief review of demand for community based tourism, with a focus on Europe;
2. An introduction to the challenges of integrating CBT into international tourism supply chains;
3. Lessons Learned by CBT-I working to facilitate partnerships between CBT communities and responsible tourism operators, synthesized using the frame of the marketing mix (4P's +);
4. A brief discussion of challenges still to be overcome if more partnerships are to succeed.



Above: Tourists enjoying CBT, and tour operators from Europe and Thailand working closely with local community members to develop programs which meet the needs of guests and community.

OVERVIEW:

Background

Over the past 15 years, more than 80 Thai communities have worked to develop community based tourism (CBT). CBT gives guests opportunities to experience Thai life, culture and nature through fun, hands-on activities lead by community guides and local families. CBT programs are also designed to support local people by developing community members' knowledge and skills, generating income for local families, funding social and environmental work, catalyzing community cooperation and celebrating local culture. However, for CBT to realise these benefits, it is not enough to develop a great product. Communities also need to market CBT programs successfully.

Marketing is essential to the success of CBT as a product and a sustainable development initiative.

Thai communities can market to a range of domestic and foreign guests. Fortunately, current market trends offer opportunities for community based tourism programs to reach international markets and forge partnerships with international tour operators. In particular, the growth of demand for 'authentic', local experiences, combined with increasing awareness of social and environmental issues and the growing recognition of 'responsible travel' by the tourism industry offer significant opportunities for quality, well managed CBT programs. Nevertheless, marketing and business partnerships need to be managed carefully so that communities are to reach appropriate types, and manageable numbers of visitors, and CBT really does benefit local people and the environment.

The CBT-I team have worked for several years, supporting CBT by facilitating marketing partnerships between communities and tourism industry partners in Thailand and overseas. Experience shows that it is possible to meet the needs and expectations of community members, their guests, and the marketing intermediaries which bring them together. However, it is not simple. To achieve success, it is necessary to understand the entire chain of actors who play a part in the CBT experience, their importance and the roles which they need to play. At each point in this chain, work can be done to educate, inform and cement partnerships, so that there is the highest possible chance of success.

Key actors which need to be considered include:

- The community members
- The staff who represent the community, in particular local guides and homestay hosts;
- Licensed, professional guides who accompany tourists to the village;
- Thai tour operators, ground handlers and destination management companies*;
- International tour operators and travel agents*;
- Supporting government agencies, media and others responsible for promotion.

*Including their respective Directors, product development, operation, marketing and sales teams.

The bottom line for successful marketing partnerships is that CBT:

- Creates benefits for the community and environment;
- Sells, and is profitable for business partners;
- Meets the needs and expectations of tourists and community (hosts and guests).

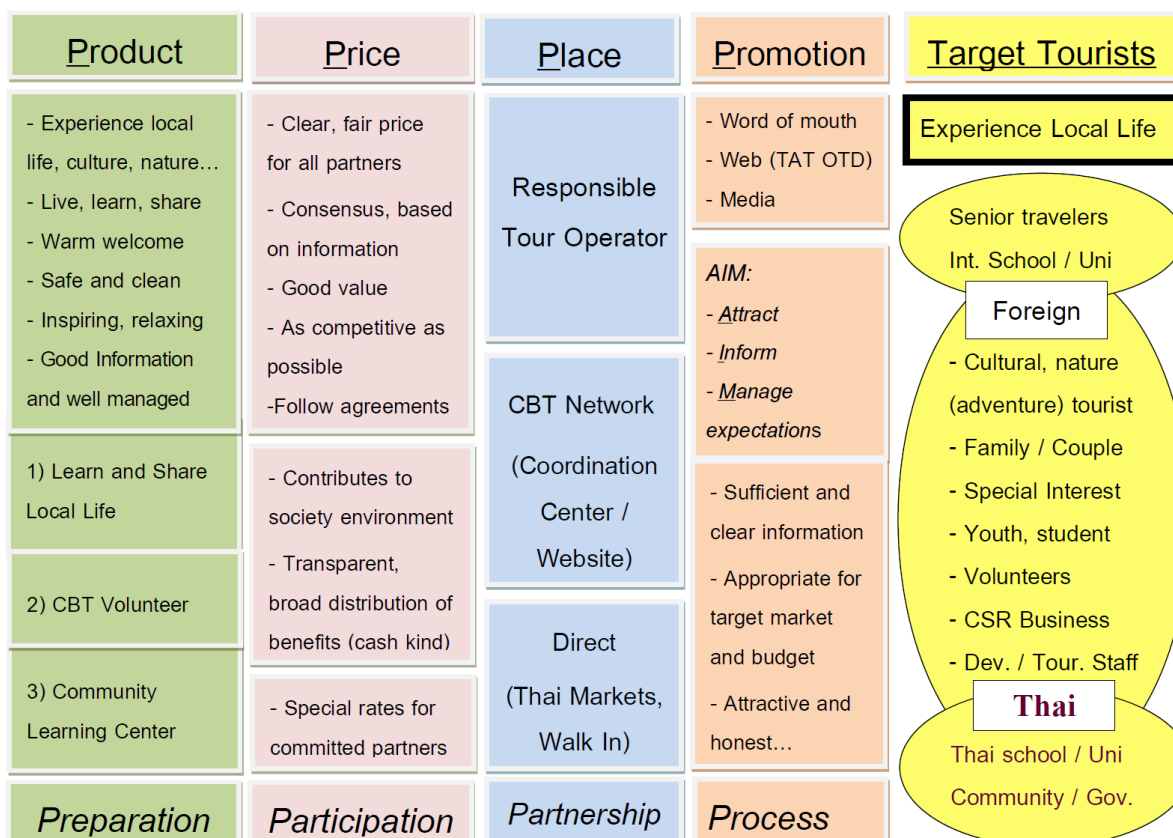
Lessons Learned:

1) The Marketing Mix for Successful CBT

During 2008-2010, CBT-I conducted action research with 6 communities, 6 tour operators and several hundred tourists to identify a **marketing mix** which would maximise satisfied guests, community members and marketing intermediaries (tour operators / study groups).

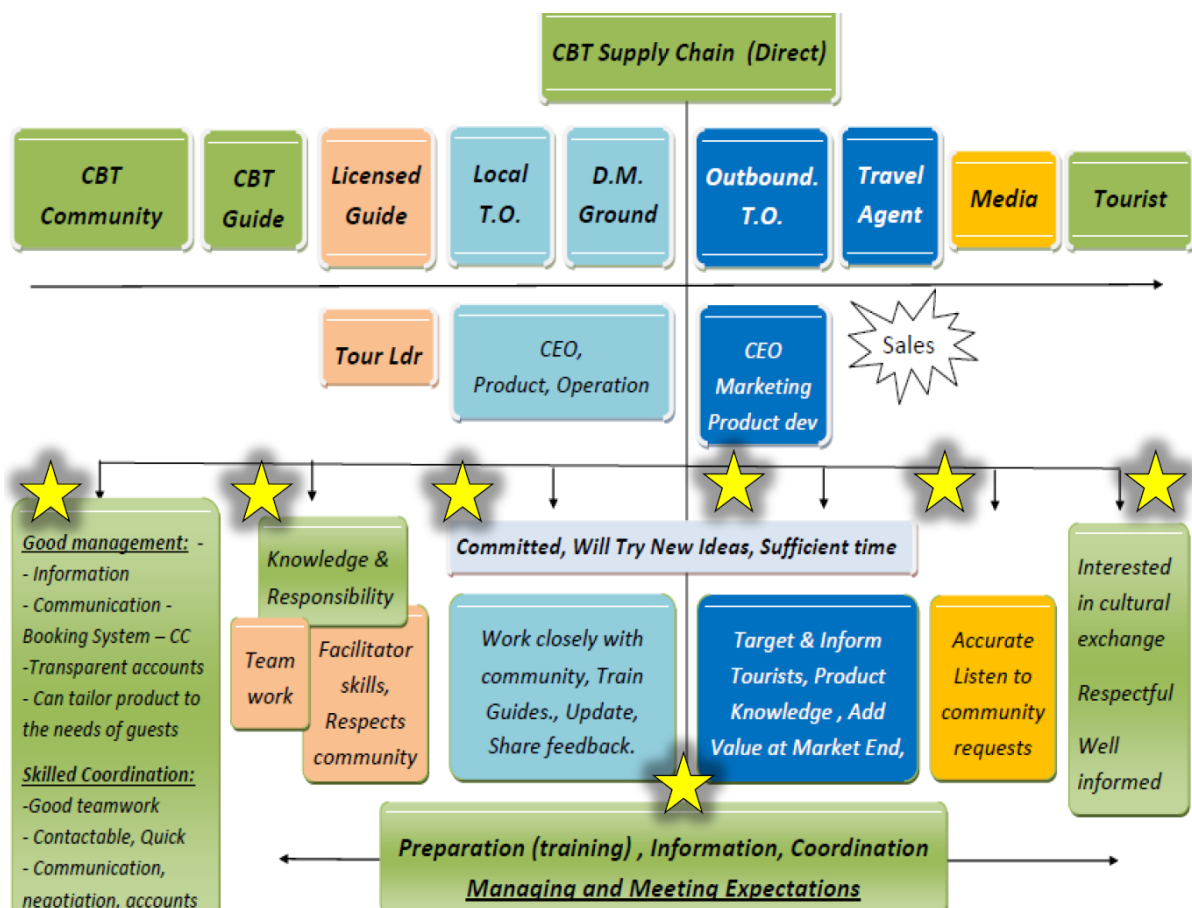
'Win-win' elements of the marketing mix were identified and synthesised, informing:

- What types of CBT **products** are currently succeeding in satisfying partners;
- The fundamental necessary qualities of a successful CBT program;
- The fundamental elements necessary to define a 'win-win' **price**;
- Most successful types of **promotion** to date, and how to optimize the chance that promotion will be successful (create the right expectations / reach the right guests);
- Different **distribution channels** which have successfully harnessed to market;
- An overview of **markets** which have provided good feedback on CBT experiences, and which have also been identified as 'appropriate markets' by the communities;
- Added elements to the marketing mix, which increase the opportunities of success:
 - **Preparation** of community, tour partners and tourists;
 - Active **participation** of partners in the marketing process;
 - Strong **partnerships**, between quality CBT and committed tour operators;
 - The importance of a quality **Process** to facilitate all of the above.



2) Necessary qualities for each of the key actors identified in the supply chain:

Furthermore, CBT-I have worked to identify necessary roles and qualities for actors in the chain:



3) 10 Steps which can increase the chances of successful CBT- tour operator partnerships:

This information was used to propose 10 steps towards successful supply chain partnerships:

First: Ensure that the CBT community is 'ready to market.' A quality checklist or basic standard is essential, so that tour operators can have confidence in CBT products.

Identify and educate 'Responsible Tour' partners. Many CBT projects are inexperienced. Despite training, community members are not tourism professionals and will require direct experience to offer highly professional programs. Therefore, tour operators will often need to invest more time and effort than usual. Tour operators with a commitment to responsible tourism will be prepared to do this.

Then:

- I. **Potential partners should share information** before committing to work together. Most importantly, communities need to understand the tour operator's style, and the needs and expectations of their target guests. Tour operators should understand the goals of the CBT group and the strengths of staff and program. This will help to confirm whether the community is appropriate for the proposed target group.

- II. If the tour operator and community decide to move forward, they should **cooperate closely during program development and scheduling**, to ensure that they have common expectations about the program and services. The goal should be to develop a program which meet the needs of guests and hosts, successfully shares the communities' highlights and complements the tour operator's particular style.
- III. Both parties need to reach a **clear, mutual agreement** on a fair, good value price. It is very important to have a formal negotiation process, based on information.
- IV. For the tour operator to be able to promote CBT successfully, they will require **quality information about the communities' service and sustainability highlights**. The tour operator should explain exactly what kind of information they require. The community members should also inform the tour operator if there is any special, sensitive information which they wish to communicate with guests before they book (such as a Muslim community which requests abstinence from alcohol). High quality information should be developed, including a handbook, map and language sheet to help the guests to better understand the community and interact with local people.
- V. **Responsible promotion**. It is often not enough just to paste a CBT program in among many other, similar rural tours. Tour operators need to make a **consistent effort** to add value at the market end, using appropriate media for target markets.
- VI. **Training for front line sales staff** to explain "What is CBT" and "Why is CBT better?"
- VII. After the tour has been marketed, the tour operator and community should **update each other regularly on the progress of marketing, and of any changes in the community** which could effect the agreed program. Marketing can take several months. Sometimes bookings are made 6 months or more in advance. This is normal for tour operators, but not for local community members. Good communication will help the tour operator and community to prepare for unforeseen events, and will also help to avoid a (common) situation where communities accept a double-booking because they have heard no news from a tour operator for a long time.
- VIII. **Train professional tour guides:** Professional tour guides and tour leaders employed by tour operators will be used to running their tours solo. They are independent and usually responsible for everything from cooking meals to driving and providing all information to guests. CBT requires professional guides to share the spotlight and to release some responsibility into the hands of local community members. After all the work to develop CBT, professional tour guides' understanding of CBT, and their commitment to make it a success are essential. Tour operators should select guides with an interest in community tours. They should be trained to understand CBT, work together effectively with the local community members, help deliver the program safely, assist cross-cultural exchange and 'backstop' as necessary.
- IX. **Tour operators need to collect and share feedback from guests with the CBT group**. The tour operator and the CBT group should have the chance to give each other direct feedback. This will help them to identify strengths and weaknesses and adapt the program and coordination. Feedback is most effective if conducted face to face in the community. An evaluation session can be completed in around half a day.
- X. **The CBT group should monitor progress of their projects and sent updates to their partners**. How are the projects benefiting the community, local economy, culture and environment? If activities are sponsored through funds from tourism (e.g. youth activities, school scholarships, cultural activities) the group should take photographs, write a short report on what has been achieved and how it was useful, and send information to partner tour operators. Such information can make a big difference to marketing and creating a 'unique selling point' for community based tourism.

4) Challenges for the future

To push CBT further into international tourism supply chains, supporters must now concentrate on:

- ⊕ **Training communities to negotiate / collaborate with Tour Operators.** Information travels fast. Many tour operators around Thailand are now becoming keener to promote CBT communities. This is good news. However, not all of these tour operators have experience working with CBT programs. Furthermore, many are not interested in responsible tourism, and simply seek maximum profit. There is a real risk that past mistakes will be repeated. Meanwhile, it is impossible for every partnership to be assisted by a facilitator. Communities need training to identify good partners, negotiate and cooperate with the private sector, so that they can benefit from opportunities without becoming victims of their own success.
- ⊕ **Adding value at the market end:** CBT struggles to compete with cheap rural tours. The highly participatory nature of CBT, and the principle of local influence over pricing means that CBT will never be the 'cheapest option.' In order not to rely on price cutting to be competitive, CBT markers need to learn more about how to add value at the market end.
- ⊕ **Finding the most appropriate partners in a situation of Supply Chain Consolidation, Competition, Cost Cutting:** Global supply chain consolidation is leading many EU and other international operators to use fewer, big local ground handlers and destination management companies. Many of these ground handlers are highly professional, but lack expertise in CBT, compared to smaller, specialized tour operators. This means that getting CBT into brochures is often a choice between a specialized local partner with their own marketing challenges, or a big ground handler who may not have the time to invest in helping CBT to succeed.
- ⊕ **Building confidence in CBT standards:** It is a challenge of the future to build greater confidence in CBT standards, so that tour operators trust the CBT brand.
- ⊕ **Managing CBT Greenwashing:** As CBT becomes well known, it is suffering in the same way as other innovations, as operators use the term CBT, without a process behind the product.
- ⊕ **Learning more about how to harness government support effectively:** The Thai government is now getting behind CBT. However, government is used to dealing with mass tourism. However, the communities are not able to manage large numbers of guests, or coordinate with mass tour operators. CBT supporters need to find a way to harness the power of government support which is compatible with the reality of CBT on the ground.
- ⊕ **Exploring B2C marketing in the age of online social networking:** Reaching guests directly, on-line will ensure that CBT does not have to rely exclusively on the tourism supply chain.
- ⊕ **Crisis of various shapes and sizes...** Thailand has dealt with a string of crisis. At the time of writing, the political situation in Thailand is not helping the tourism industry to thrive!
- ⊕ **Climate Change – 'Green Don't Fly'** When a key market for CBT are cultural and environmentally conscious travellers, Climate Change may encourage many 'green hearted' international travellers to take a journey closer to home, rather than fly to South East Asia.