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How to develop successful tourism business?

The reality of a northern rural tourist entrepreneur

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The Question: How to succeed in Rural tourism?

Having the answer would make me rich!

My aim is to identify some obstacles and challenges for small rural tourism business



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Topics

1. The reality of small rural tourism business
2. Natural resources for nature tourism
3. Demands on small peripheral business
4. What do we mean by successful business?



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The Question: How to succeed in Rural tourism?

Methodology:

Introspective analysis of GUIDE NATURA
through the glasses of a researcher



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The Question: How to succeed in Rural tourism?

The Study Object:

My company Guide Natura



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The Study Object: Guide Natura

- Nature Guiding & Interpretation
- Kayak Rental & Guided Kayak Tours
- Taxi Boat & Boat Tours
- Cottage Rental
- Consulting, Lectures, Talks



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The reality:

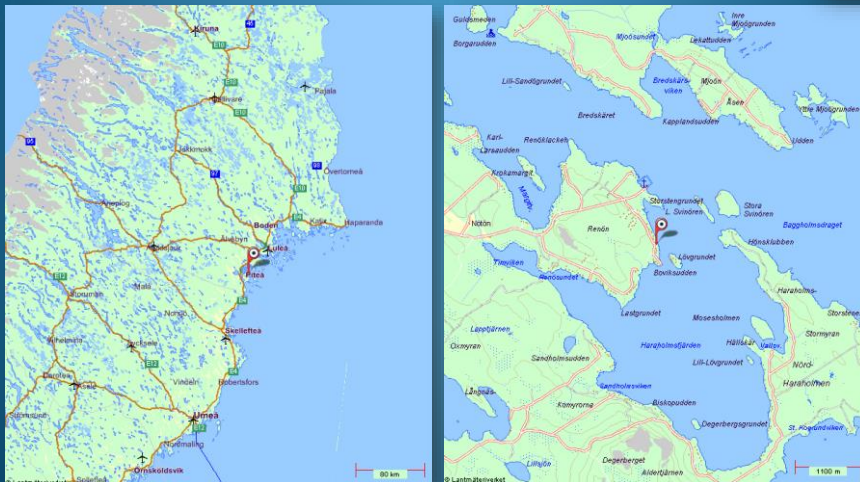
- Micro nature tourism company
- Part time business - 100% academic job
- Located in the northern periphery



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Locality:

Piteå Archipelago – Coastal Swedish Lapland



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Locality:

Piteå Archipelago – Coastal Swedish Lapland

A PART OF
SWEDISH LAPLAND

Kartan publiceras med tillstånd från Lantmäteriet

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Starting up:

Two strategies

Snowball strategy

- Expand with your income
- Part time (hobby) business
- Single person firm - network
- Have patience – long turn strategy
- Being nobody – non-interesting

Balloon strategy

- Take big load (1-5 M SEK) and invest
- Full time business
- Expand & employ
- Hope for success for business plan
- Get publicity and acknowledgement

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Why should I start?



External factors:

- TOURISM – The largest and quickest growing industry
- Nature-based tourism fastest growing tourism sector!
- ⇒ Should be able to live on nature based tourism.

Internal factors:

- I love the outdoors and to be in nature!
- I love to educate about and interpret nature.
- ⇒ Should be able to combine my interests with business.

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Where to begin?



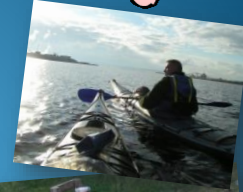
- ✓ I need to understand tourism as a phenomena
- ✓ I need to understand rural/nature tourism
- ✓ I need to understand the tourist product
- ✓ I need to understand the market
- ✓ I need to understand nature and the nature experience
- ✓ I need to understand business

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I need to choose:



Agri tourism
Nature based tourism
Wildlife tourism
Eco tourism
Marin tourism
Cultural tourism
Wilderness tourism
Adventure tourism
Etc.



SOO MANY CHOISES!

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More choices:



Where and when to begin?
What concepts to develop?
Who is the market?
What market segment should I choose?
Where to operate?
Who are my competitors
What are my resources?
What equipment do I need?
What certifications should I have?
→ **WHAT PRICE on my products?**

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What are my priorities?



Customer service?
 Quality equipment?
 Unique experiences?
 Quality experiences?
 Flexible service?
 Qualified guides and operators?
 Certifications ?
 New experiences every season?
 New tourist products every year?



IN THE BEST OF WORLDS - ALL OF THEM!

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Ccertifications?



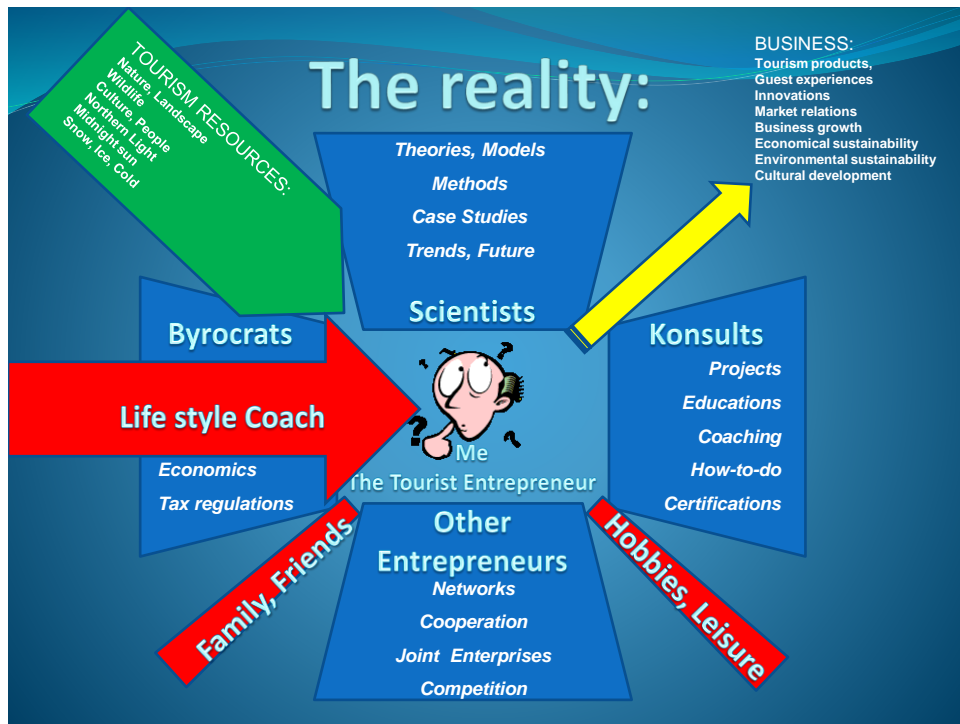
Which do I need?
 Why - what do I gain?
 What do my guests gain?
 What does it cost me?



2000 €



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Tourism Resources:



Local Nature, Landscape
Local Wildlife
Local Culture, local people
Local Food



Northern Qualities – Ice & Snow, Cold Climate,
Northern Light, Midnight Sun, Silence, Fresh Air,
Safety....

**BASIC CHALLENGE - HOW TO TRANSFORM THESE
INTO PROFITABLE BUSINESS???**

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Tourism Resources:



TOURISM – the rescuer and opportunity for peripheral communities?

"We have the largest proportion protected land in Sweden – but where are the nature tourist operators?"

Mayor of Vilhelmina municipality



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Tourism Resources:



Bathurst Inlet Lodge, Nunavut, Canada

- World's first Eco tourism lodge 1969
- Exotic place in the High Arctic
- Local people – Inuit village, Inuit driven lodge
- Icon species: Polar bear, Grizzly, Wolf, Caribou migration, Muskox, Gyron falcon, High arctic birds
- Salmon fishing, River canoeing, Sea kayaking, boat excursions, Wildlife watching, cultural events etc.

PROBLEMS – Accessibility & travel costs



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Tourism Resources:



Simplified view – we have natural resources

⇒ tourist will come

Tourist need:

- Pull effects – attractions, infrastructure, accessibility
- Natural and Cultural Heritage Attractions: Icon species, land features, historical buildings & artifacts, sacred places, historical places
- Developed tourism Infrastructure – transportation, living, eating, doing & realistic pricing

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Tourism Resources:



Travel reason to Piteå Archipelago - a tourism paradox:
Natural resources - ok, not world class.



90% Tourist go to Piteå Havsbad (SSSS-Tourism)

Piteå Archipelago – too few offerings (5 entrepreneurs) for tourists
⇒ **NO TRAVEL REASON!**

- ⇒ Too few entrepreneurs – no attractions/activities for marketing
- ⇒ Too few tourist to develop tourism business = PARADOX

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The reality:

WE WILL SKIP THIS PART – IT WILL ONLY MAKE US UPSET!

Byrocrats

Bank loans
Law
Regulations
Economics
Tax regulations



Me
The Tourist Entrepreneur

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The Scientists Say:



- Use local natural resources (!?)
 - You must be a driven innovative entrepreneur (!?)
 - You must network, network and cooperate (!)
 - You must position your business, find your brand, define your Unique Selling Points (USP's) (?)
 - Have clear goals – business plan, market plan, communication plan, selling plan, investment plan etc. (!)
 - Service Quality & TQM Total Service Quality (?)
 - Develop emotionally based meaningful experiences (?)
 - Use experience production – TEM Total Experience Management, 4E, Experience triangle etc. (???)
 - Move from 1st (staging) to 2nd (co-production) and 3rd (self production) experience production (??)
 - Develop Transmodern Tourism & transformational experiences (?)
- OK – I GET IT! BUT HOW????

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The Help?

BUSINESS:
 Tourism products,
 Guest experiences
 Innovations
 Market relations
 Business growth
 Economical sustainability
 Environmental sustainability
 Cultural development



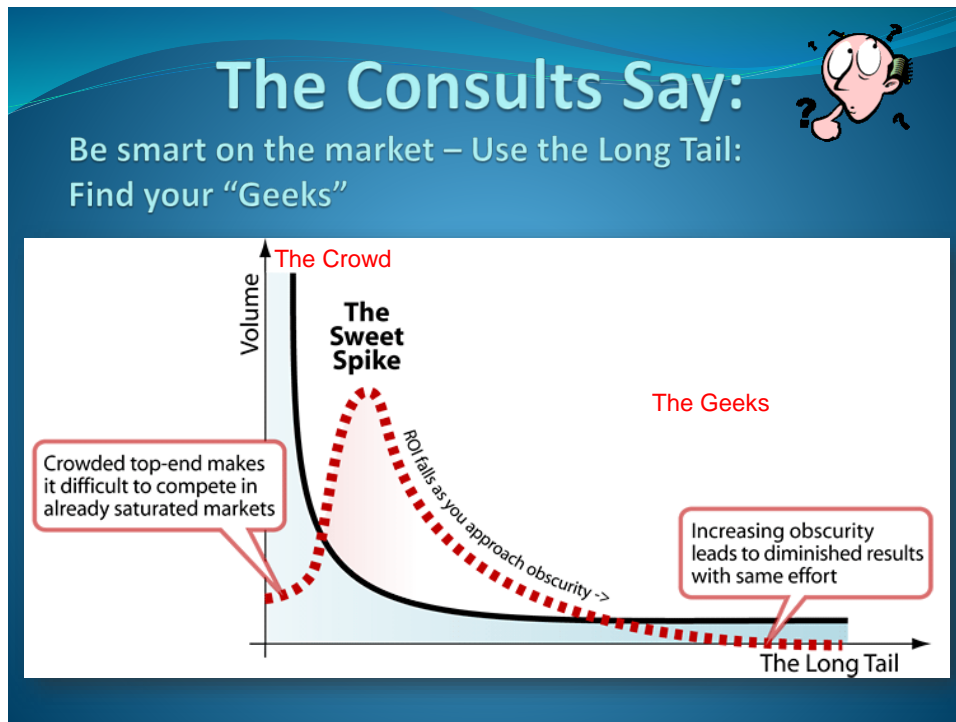
Me
 The Tourist Entrepreneur

Konsults

Projects
Educations
Coaching
How-to-do
Certifications

BUSINESS CONSULTS – a huge enclave of “helping hands”

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The Consults Say:

Visit Sweden: This is your market:
The Global Traveler - well traveled, well educated,
wealthy:

DINK's – Double Income No Kids

WHOP's – Wealthy Healthy Older People

Active Family – wealthy, active traveling family

Cooperate Meetings – B2B opportunities

HOW DO I FIND THEM?

Visit Sweden

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The Consults Say:

INTERNET IS THE MARKET PLACE!





The image shows a presentation slide with a blue background. At the top, the text 'The Consults Say: INTERNET IS THE MARKET PLACE!' is displayed in white. To the right is a cartoon character with a question mark on its head. Below the text, there are two main visual elements: a screenshot of the 'Guide Natura' website on the left and a complex network diagram on the right. The website screenshot shows various nature-related images and text, including 'NATURE'S BEST' and 'Sensommarupplevelser'. The network diagram consists of many nodes connected by lines, representing a digital marketplace or network. A blue arrow points from the website screenshot towards the network diagram.

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The Consults Say:

USE INTERNET MARKET PLACES!




The image shows a presentation slide with a blue background. At the top, the text 'The Consults Say: USE INTERNET MARKET PLACES!' is displayed in white. To the right is a cartoon character with a question mark on its head. Below the text, there is a collage of various website screenshots, each labeled with a price in Euros. The prices are: 1450 € (2250) for the top left, 500 € for the middle left, 150 € for the bottom left, 450 € for the bottom left, 400 € for the middle right, 200 € for the bottom right, 150 € for the bottom right, 300 € for the bottom right, and 400 € for the top right. The websites shown include 'NATURE'S BEST', 'Piteå', 'SWEDISH LAPLAND', 'Visit Sweden', and 'Piteå 100th Anniversary'.

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The Consults Say:

Use also Social Media -
Web 2.0 !


- LinkedIn
- Facebook Company page
- Facebook Fan Group
- Bloggs
- Twitter – Life Streaming
- You Tube
- Flickr
- Mobil Apps
- TripAdviser
- Google Maps/Google Earth
- RSS – information updating
- Etc.

PROBLEMS – What to write, for Who and When (no time)!



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The Consults Say:



If You feel the future as head wind,
Then you are walking in the wrong direction”
ROLF JENSEN

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The Consults Say:

Be Competitive by being Innovative!

Examples of Business Innovation in Tourism:



Moose Farm

Spaceport Sweden

Icehotel

Stoorn

TreeHotel

Farmer Golf

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The Consults Say:

Be Innovative – Use Local wildlife resources!

But if we don't have any Icon Species?

EXAMPLES of THE BIG 5!

AFRICA: Lion, Leopard, Rhinoceros, Elephant, Buffalo

CANADA: Polar bear, Grizzly, Wolf, Caribou, Myskox

SCOTLAND: Whales & Dolphins, Seals, Sea utter, Golden Eagle, Seabird colonies (puffins, fulmars, garnets)

LOFOTEN: Orcas, Whales, Sea eagle, Seals, Seabird colonies

SWEDEN: Wolf, Brown bear, Wolverine, Lynx, Moose

PITEÅ: Moose, (Reindeer), Common seal, Sea eagle, Pike

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The Consults Say:

BIRDWATCHING is lucrative & GOOD BUSINESS!

Identify unique key species:
Great Grey Owl, Siberian Tit, Siberian Jay, Woodpeckers






Assignment to packages travel, lodging, eating, birding, other attractions, culture
Product "Birds of the Northern Barn Landscape"

RESULT: Too pricy due to high travel (air) costs!




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The Consults Say:

Be Creative & Innovative!

How to be innovative with the natural resources of the Landscape, "Pure Nature", Wilderness, etc. without copying others???

WHAT IS INNOVATION??

Simplicity - Oddity



Sustainability



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The Consults Say:



Be Innovative use modern technology such as GPS!

INNOVATION: Geocaching in tourism!
 Product development:

- *In the footsteps of Linnaeus in Piteå*
- *Treasure hunt in Piteå Archipelago*

But how to make money from this?
www.geocaching.com = FREE!



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The Consults Say:



Be Competitive – Develop Product packages!

OK – I developed “Innovative” tourist packages:

- *Northern Light Kayaking*
- *Arctic Ice Kayaking*
- *Full Moon Kayaking*
- *Midnight Sun Kayaking*
- *Philosophical Kayaking*
- *Wellness Kayaking*



But most are “marketing products” = Look good but don’t sell.
 Most guests so far want only rent a kayak or to learn the basic of kayaking.
 -Where are the LONG TAIL GUESTS?



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The Consults Say:

Be Innovative Look at success stories!

We always learn about the same Success Stories (i.e. Icehotel) But what can we learn??

In Biology (genetics) we study malfunction (mistakes) to understand normal (success) function

Why can't we learn from others mistakes?



The images show three different ice structures: IceTheatre (a large, illuminated ice building), IceMusic (a large, illuminated ice structure with musical instruments), and IceConcertHall (a large, illuminated ice structure with a stage and audience seating).

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My Problems:

PRICING: Tourism Activity Products seldom pay well!

Ideal (90%)	Reality (10%)
Activity	Activity 500 € kayaking
Eating	Eating 800 €
Lodging	Sleeping 1200 €
Transportation	Transportation 2000 €

Family (4) from Birmingham, UK → Piteå 1 week kayaking= 4500 €

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Pricing:

Two strategies

Make it cheap →

- Local guests
- Lower quality on equipment
- No extras, no surprises
- Need MANY GUESTS

Make it Expensive →

- International Guests
- Exclusive guests
- High Quality
- Extras
- FEW GUESTS



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My Challenges:



- Seasonality – short seasons in the north!
- Unpredictable weather – need plan B & C
- Unpredictable wildlife – money back?
- Tourism trends – short-breaks, SSSS-tourism
- High costs (boat, equipment, facilities, etc).
- Location – accessibility
- No icon species, no big attractions,
- No developed destination for nature/agri tourism
- Pricing, Marketing & Selling



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WHAT IS SUCCESSFUL TOURISM BUSINESS? Is GUIDE NATURA a successful Business?

Yes:

1. It has all the certifications (Nature's Best etc).
2. Is on the Internet and Web 2.0
3. It has high quality equipment
4. It uses scientific theories (TQM, TEM, etc.)
5. It has strong networks and is associated to many organizations
6. It works actively with sustainability and Corporate Social Responsibility
7. Its growing and developing

No:

1. It's not growing in economical or employment terms

Yes:

1. It's good enough for me and gives me lot of fun (and work)

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Conclusions: How to succeed in Rural tourism?

1. Rural tourism business often small private micro business
2. Rural peripheral tourism often part time and dependent on other incomes
3. Season and weather dependent
4. Need innovations to transform natural tourism resources into tourism experiences
5. Need long time strategies and patience by stakeholders
6. Need strong structural support for marketing and selling
7. Need risk capital and investments in "soft business"
8. More research in methods for "How to" and the nature of true innovations

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