

The 7th Circumpolar Agricultural Conference, September 6-8, 2010 in Alta, Norway

How to develop successful tourism business?

The reality of a northern rural tourist entrepreneur

Hans Gelter
Ass. Prof. Experience Production
Department of Culture, Communication and Learning
Luleå University of Technology
Sweden

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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?

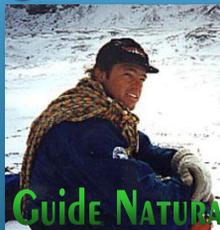


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The Question: How to succeed in Rural tourism?

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:

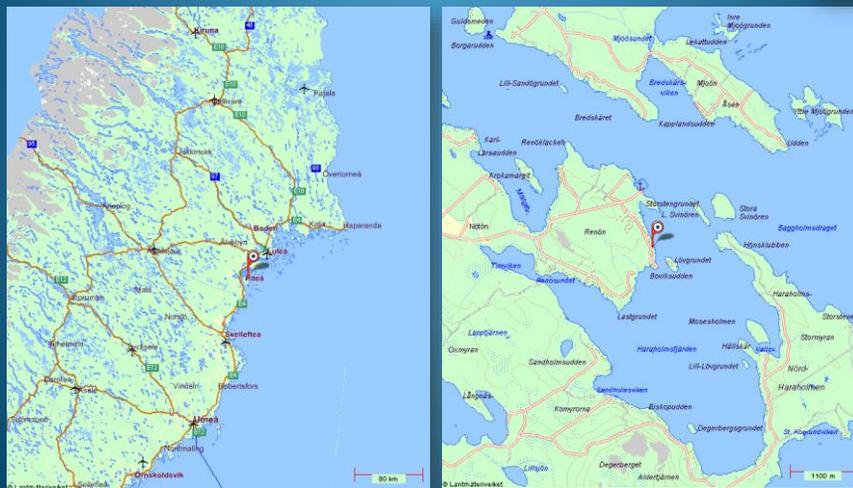
- Micro nature tourism company
- Part time business - 100% academic job
- Located in the northern periphery



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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

Norrbottens skärgård

- Skärgårdsreservat
- Nationalpark
- Fågelskyddsområden

Kartan publiceras med tillstånd från Lantmäterverket

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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?













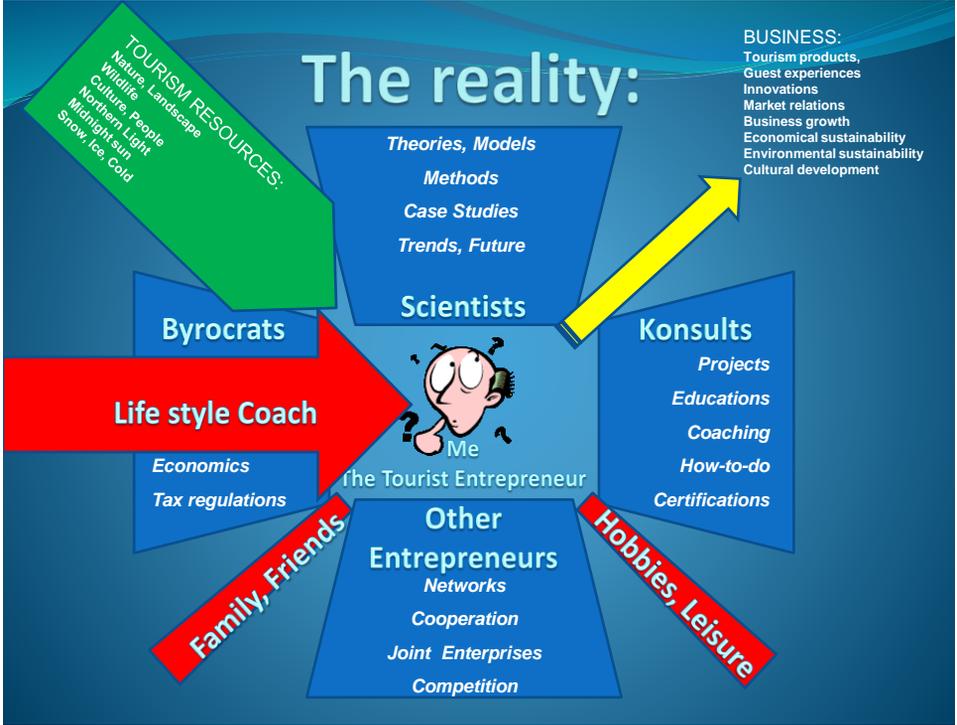




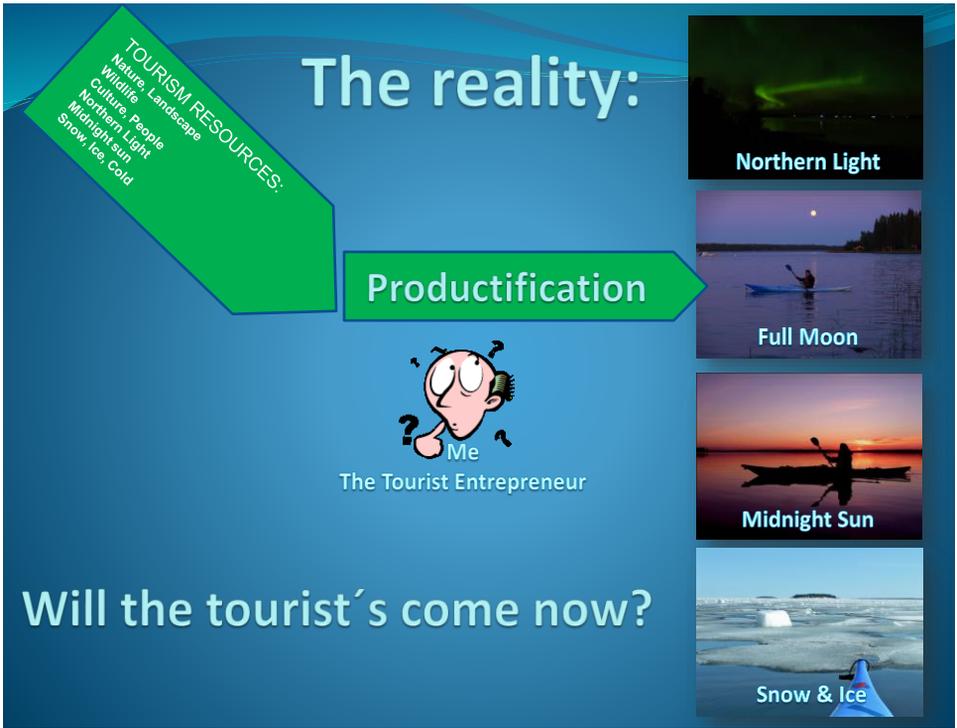


2000 €

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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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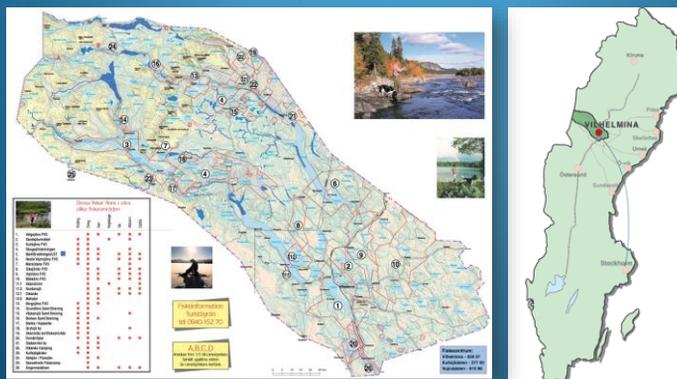
Tourism Resources:



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 tourists 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 reality:

Visit Sweden

SWEDISH LAPLAND
www.swedishlapland.com

Piteå
PRESENTERAR

Wildmarksilven

piteUnika
RESJÄMADE UPPLIVSELER

Me
The Tourist Entrepreneur

Other Entrepreneurs
Networks
Cooperation
Joint Enterprises
Competition

PITE HAVSBAD

Tur Kultur

Stämningens rum i Norra

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The reality:

Theories, Models
Methods
Case Studies
Trends, Future

Scientists

Me
The Tourist Entrepreneur

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

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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



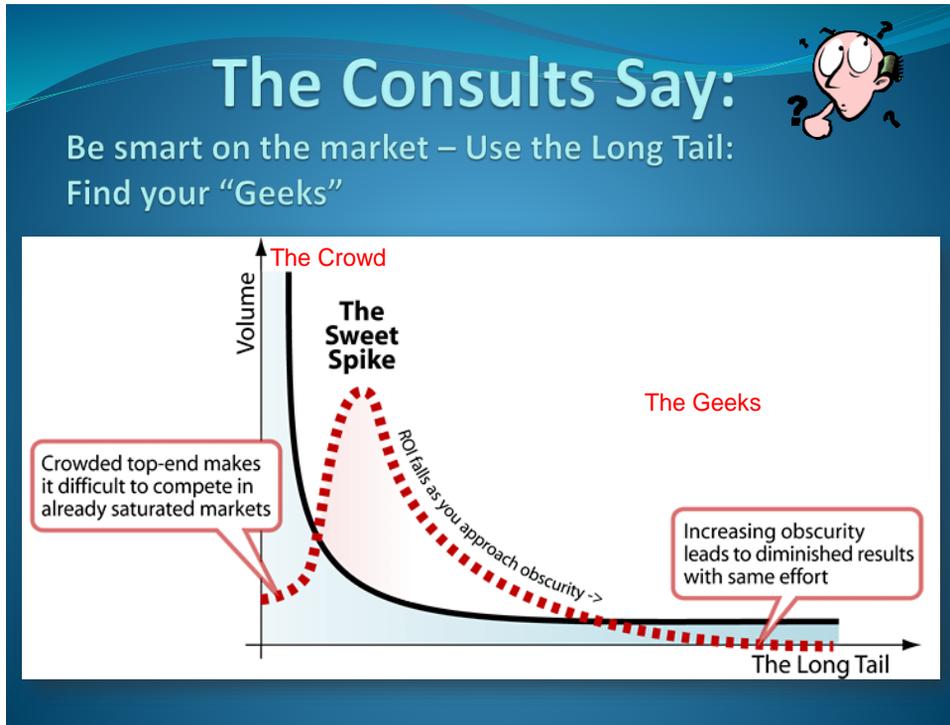
Me
 The Tourist Entrepreneur

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:

Visit Sweden

DINK's – Double Income No Kids

WHOP's – Wealthy Healthy Older People

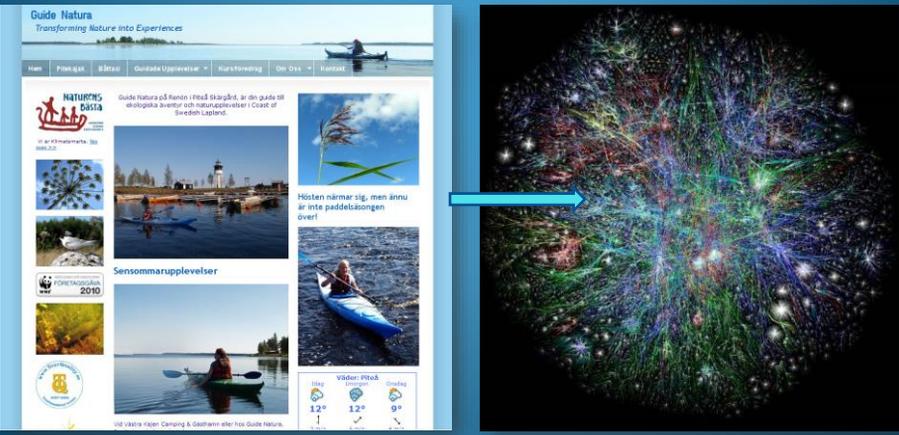
Active Family – wealthy, active traveling family

Cooperate Meetings – B2B opportunities

HOW DO I FIND THEM?

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The Consults Say: INTERNET IS THE MARKET PLACE!

The image shows a screenshot of the 'Guide Natura' website, which is titled 'Transforming Nature into Experiences'. The website features various nature-related content, including photos of kayakers, a lighthouse, and text about 'NATURE'S BEST' and 'Sensommarupplevelser'. To the right of the website screenshot is a complex network graph visualization with many nodes and connecting lines, representing a digital marketplace or network. A blue arrow points from the website to the graph.

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The Consults Say: USE INTERNET MARKET PLACES!




This slide displays a collage of various website screenshots, each with a price tag. The total value is indicated as $\Sigma 1450 \text{ € (2250)}$. The individual items and their prices are:

- NATURE'S BEST: 500 €
- SWEDISH LAPLAND: (400 €)
- Visit Sweden: 400 €
- Piteå: 200 €
- SWE: 450 €
- SWEDISH LAPLAND: 150 €
- Piteå: 300 €

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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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If you are in Agri:

If you are in Agriculture – It's a bit easier:

- Stay-On-A-Farm
- Sell Your own products
- Bread Baking
- Horse Riding
- Curling with Animals
- Take part in Farmer Life
- Farm Sauna
- Small Conferences
- "Group Activities"
- New Farmer/Football Golf

➤ BUT – MOST FARMS OFFERS THE SAME!







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Agri Tourism:





















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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?

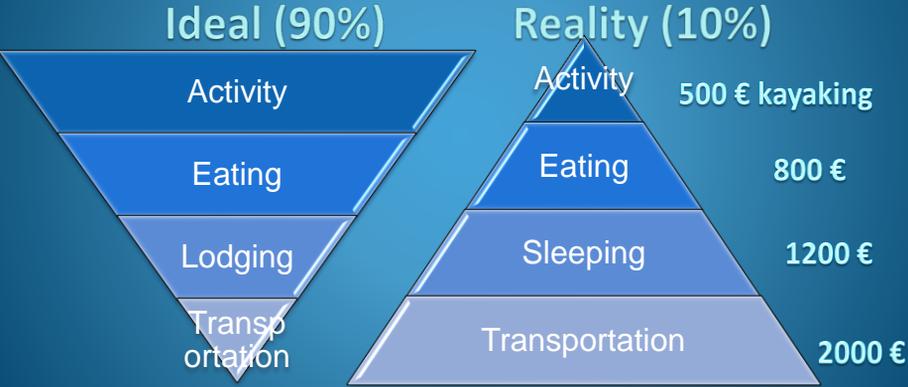


The slide features three photographs of ice hotels. The first, labeled 'IceTheatre', shows a large, illuminated ice structure with a stage and audience area. The second, labeled 'IceMusic', shows a large ice structure with musical instruments like a piano and a guitar. The third, labeled 'IceConcertHall', shows a large ice structure with a stage and audience area, illuminated with blue and purple lights.

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My Problems:

PRICING:
Tourism Activity Products seldom pay well!



The slide compares two pricing models for tourism activity products. The 'Ideal (90%)' model is represented by an inverted pyramid with four levels: Activity, Eating, Lodging, and Transportation. The 'Reality (10%)' model is represented by a pyramid with four levels: Activity, Eating, Sleeping, and Transportation. The 'Reality' model shows significantly higher costs for each level compared to the 'Ideal' model.

Category	Ideal (90%)	Reality (10%)
Activity		500 € kayaking
Eating		800 €
Lodging		1200 €
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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