



Nature-Based Tourism **ENTERPRISES**

Guidelines for Success



ACKNOWLEDGMENTS

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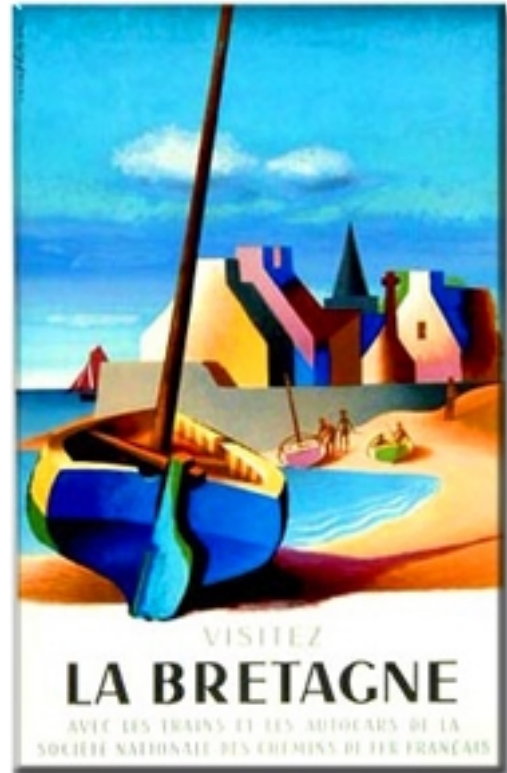
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INTRODUCTION

Throughout the ages many tourists have sought unique natural areas and outdoor-related activities for their vacations. Today, an even larger portion of our population is seeking nature-related experiences to recreate their spirits. Our customer, the nature tourist, may be seeking discovery, adventure, competition, fellowship, environmental awareness, or spiritual growth. Their activities cover a broad range including hiking, backpacking, camping, canoeing, fishing, hunting, nature photography, scuba diving, and nature tours. They are dependent upon many types of environments that are both public and privately owned. We should always recognize that successful development and operation of a nature-based enterprise requires the same attention to the fundamentals of marketing as any other business. The key to success is a wise combination of product, price, place, and promotion. But unlike many other businesses we are directly affected by the quality of the environment: it is the essential foundation for our product and the place in which we operate. Therefore, the quality of our environment will directly impact our profit and be a determining factor in the long-term success of our endeavors.



PLANNING AND DEVELOPMENT

Is a Nature-Based Enterprise for Me?

Many of us have thought about owning a tourism related outdoor business. But before trying to turn our dreams into reality, it is important to realize that most small businesses require careful analysis, of both themselves and the resources that are available to them, and developing a well-organized plan.

Although you may have just had a wonderful experience as a member of a guided wilderness tour, backpacking expedition, or deep sea fishing trip, you and your family might not be suited to being the knowledgeable, gracious and thoughtful hosts that are required for a successful operation.



Before beginning your endeavor, you should ask yourself the following questions:

- ♣ Do I like meeting and working with all types of people?
- ♣ Do I like to entertain strangers?
- ♣ Am I knowledgeable about the natural system in which I plan to work?
- ♣ Do I have in-depth outdoor skills?
- ♣ Am I skilled in the operation and maintenance of equipment?
- ♣ Am I willing to work long hours in difficult environments?
- ♣ Am I successful at managing and organizing expenses?

If your response to all of the above questions is yes, you might prove to be a successful owner-operator of a nature-based business. But remember, small businesses have a high rate of failure. Planning is a key component for sustained business success.

Meet the Professionals

One of the first things you should do is talk to those who are operating nature-based enterprises. Be sure to visit enterprises which are similar to your interests. Obtain as much insight into other operations as possible. For instance:

- ✓ Talk to as many owners as you can about their operations and your plans. Don't be afraid to ask simple and complex questions. It is far more effective to learn from the experiences of others.
- ✓ If possible work at a nature-based business for a season.
- ✓ Take advantage of any educational programs that are available through associations, state agencies, university extension programs, and local institutions, particularly those programs that might pertain to the environment, outdoor skills development, equipment maintenance, and small business.
- ✓ Be sure to review available books, pamphlets, and articles to further develop your understanding of local ecology, business opportunities, management requirements and wildlife regulations.



Defining Your Service

Nature-based tourists can be thought of as belonging to one of several groups:

1. **the active/consumptive**—fishing, hunting and crabbing;
2. **consumptive/passive**—beachcombing;
3. **nonconsumptive/active**—hiking and canoeing; or
4. **nonconsumptive/passive**—guided birdwatching and photography tours.

You must analyze your current situation:

- ✓ What environmental resources are present that will entice people to stop and visit?
- ✓ What services and facilities are available?
- ✓ What type of tourist is currently visiting your area?
- ✓ What are your skills?
- ✓ What are your resources (financial, equipment, etc.)?

The key is to define your service in a way that the customer, the environment, your skills, and resources will be optimally matched.

Seriously consider how well your service will meet the potential customers' needs and what image you will project. Be sure to consider the following:

- ♣ What type of experience can I provide?
- ♣ What is the image of my equipment (luxury or utility)?
- ♣ Is my proposed business site adequate?
 - Is it adequate for the customer?
 - Is there space for proper equipment storage and maintenance?
 - Is it in the proper location?

In defining your service remember to ask:

- ♣ What will the customer really be buying? And what are the benefits that they seek? In your case, is it the convenience of a guided nature experience? Your skills? Your knowledge? Your assistance? Although they may first recognize your advertising, the facility, you or your guide, they are seeking benefits such as adventure, friendship, excitement, and an understanding of their natural surroundings.



Be sure to put your service concept down on paper.
Ask yourself:

- ♣ What will make my business concept different and better?
- ♣ How will the business best serve my customers?
- ♣ Does my concept have the potential to be successful?
- ♣ How might it grow?

Planning Your Business Development

Perhaps the most important initial step in the development process is the drafting of a business plan. Many wonderful business dreams fail because they were not logically thought out. A business plan is the framework upon which your business develops and should include the following major components:

- ✓ Definition of the business
- ✓ Definition of the market
- ✓ Definition of the products
- ✓ Management structure
- ✓ Objectives and goals
- ✓ Financial analysis

The plan helps you organize on paper the reasons why you are in business, what your market is, what your strengths and weaknesses are, and what your financial and management environment is. The plan will help you make insightful business decisions and inform potential lenders about your business. Be sure to seek assistance from a small business development professional. Various state institutions and the Small Business Administration can provide you with assistance in this matter.

Identifying Expenses

As a beginning Nature-Based Enterprise owner you will face start-up costs and operating expenses. These should be included in your financial analysis.



Start-up Costs

The first step in determining your start-up cost is to make a list of all the expenses that you will incur. Your estimated cost will help you determine if you can make a profit.

Be sure to review your costs list with knowledgeable people in the industry and make sure that you have covered any safety and environmental costs.

Operating expenses will begin when you open for business. Expenses will vary seasonally and will be greatly influenced by the number and diversity of clientele. These expenses may include:

- ✓ food and beverages
- ✓ telephone
- ✓ advertising
- ✓ permits
- ✓ gasoline
- ✓ salaries, wages and employee benefits
- ✓ equipment and maintenance
- ✓ marketing and advertising
- ✓ repairs
- ✓ insurance
- ✓ utilities
- ✓ rent



Start-Up Costs Example: Captain Bob's Photo Safaris

| | | | |
|------------|----------|-------------------------|----------|
| Boat | \$ _____ | Entrance Sign | \$ _____ |
| Engine | \$ _____ | Promotion & Advertising | \$ _____ |
| Trailer | \$ _____ | Permits—Insurance | \$ _____ |
| Electronic | \$ _____ | Telephone | \$ _____ |
| Truck | \$ _____ | Misc. Expenses | \$ _____ |
| Gear | \$ _____ | Other | \$ _____ |
| Dock | \$ _____ | Sub Total | \$ _____ |
| Furniture | \$ _____ | Total Start-Up Costs | \$ _____ |

Planning for Insurance

Your current insurance will not be suited to the needs of a nature-based enterprise. Discuss insurance needs with people currently in business and with insurance professionals to determine your needs. Do comparative shopping, but be sure you have sufficient coverage.

Insurance should cover:

- ♣ Liability (Business and Personal)
- ♣ Medical
- ♣ Personal Liability for Assistants
- ♣ Client Medical Coverage
- ♣ Property Coverage
 - Building
 - Contents
 - Equipment (trucks, boats, electronics, etc.)
- ♣ Loss of Income



Planning for Taxes

Taxes for small businesses can be extremely complicated.

Consideration should be given to:

- ✓ Self-employment
- ✓ Special deductions
- ✓ Tax preparation
- ✓ Tax Credits
- ✓ Social Security taxes
- ✓ State taxes
- ✓ Sales taxes

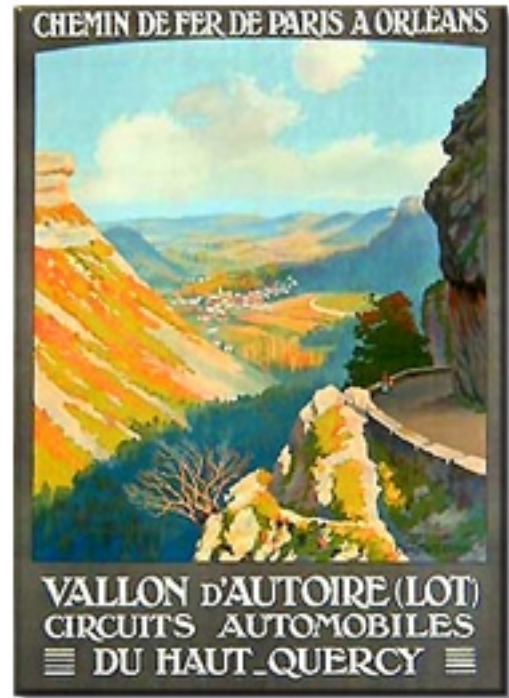
When developing your business be sure to have a professional accountant who is familiar with small businesses to assist you in understanding your legal obligations and developing a tax plan that best suits your operation.



Meeting Regulatory Requirements

Early in your planning process review your federal, state, and local regulations. Although regulation requirements pertaining to your base of operations may be local, requirements pertaining to the operation of vehicles (bus, boat) may be both state and federal. Operation in some environmentally sensitive areas might require both federal and state permits.

Of particular importance is safety. In many situations there are specific requirements for communication, first aid, fire protection, and personal gear such as life preservers. It is critical that employees are certified in first aid and lifesaving.



ADMINISTRATION

Developing Policies and Procedures

Prior to accepting your first customer, it is important to develop basic operating and administrative procedures.

Reservation Requests

Reservation requests for expeditions or tours will usually be made by telephone or through the mail. Experience has shown that most individuals who call for reservations expect to get through on the first or second attempt and few will continue trying. Be sure that telephone lines are kept open and that someone is available who is both knowledgeable about services and rates and is capable of taking reservations. Forms should be printed to ensure a uniform recording of necessary information.



Deposit Receipt/Reservation Confirmation

Once a deposit is received, prepare a confirmation and immediately forward to the guest. Keep copy for your records. Ensure that the deposit/cancellation/refund policy is stated clearly on this form. Staple your copy to the original reservation request form.

Tracking Reservations

Enter all reservations in a date book or calendar page. Make sure this information is readily available to those who are handling telephone requests.

Office Equipment and Supplies

Keep a supply of stationery items, such as receipt books and postage stamps on hand. Purchase a personal computer to give your correspondence a professional look and to assist in keeping records.

Bookkeeping/Accounting

The best time to set up a record-keeping system is before you start the business. Experience clearly indicates that the use of an adequate record-keeping system increases the chances of business survival. Too often, those entering a business think they must keep records only because it is required by the *Internal Revenue Service*. However, accurate and complete financial records can help the owner monitor the business and make plans for the future based on financial knowledge rather than guesswork.

Contact an accountant who is familiar with home-based businesses, and develop a simple accounting procedure which will make year-end calculations easy.



OPERATIONS

Developing an Operations Plan

To develop a plan of operations, you should begin by deciding a few things:

- ◆ The activities to be carried out in the operation of the business.
- ◆ Who will carry out these activities.
- ◆ How will their jobs be defined (job descriptions).
- ◆ What talents are necessary to make the business operate smoothly.
- ◆ How any inadequacies will be handled.
- ◆ The objectives for the major activities, and the policies and procedures for reaching them.

An important facet of the operations procedure is the development of safety procedures, rules and regulations for clientele. Sufficient resources and time should be allocated to assure their safety. A well-organized excursion into nature begins with an educational session covering safety requirements. Clientele should also be made aware of the need for conservation and preservation.



MARKETING

Marketing consists of those activities that you undertake to make your business concept a reality. It is far more than promotion.

Marketing is:

- ✓ Defining what your customers desire.
- ✓ Directing your entire business toward meeting this need.
- ✓ Generating a profit.

The most important considerations in marketing are the product, market identification, price, partnerships, packaging, and promotion.



Product Design

A product may be a physical object or a service. The product or service that you offer is the mixture of benefits the customer thinks he/she will receive. It is not necessarily the accommodations, meals, or guide service that you offer; rather, it is the way the customers perceive such things being put to use for their benefit or enjoyment. In a nature tour, the customers are not buying the transportation and food; they are satisfying a desire for education, socializing, and relaxation. It is necessary to define what your customer is buying *from their point of view*.

Market Identification

Good communication with your customers requires that you know who you are trying to sell to. The basic questions that should always be asked are who, what, when, where, and how:

- ◆ **Who** uses this service and who pays for it?
- ◆ **What** are their characteristics (age, interests, etc.)?
- ◆ **When** do they use such a service?
- ◆ **Where** are they located?
- ◆ **How** can you best communicate with them?

Market research has shown that price is not the first thing customers look at. First, customers notice the item or service, its appearance, and their desire for it. Then they ask about the price.

Price

Even so, pricing is probably the most critical factor in your marketing. It is also a major element in the determination of the amount of profit that a business will produce. The first step in pricing is to project what the business cost per customer will be and then to add the percent of profit desired. This is often called *Cost-Based Pricing*. Another way to price is *Going-Rate Pricing*. With this method you simply base your pricing upon the competition.



Wise businessmen determine the *Cost-Based Price* and then compare that price with what the competition is offering before making a final pricing decision. One should keep in mind that some people, representing market segments, may be willing to pay extra for special services.

Partnership and Packaging

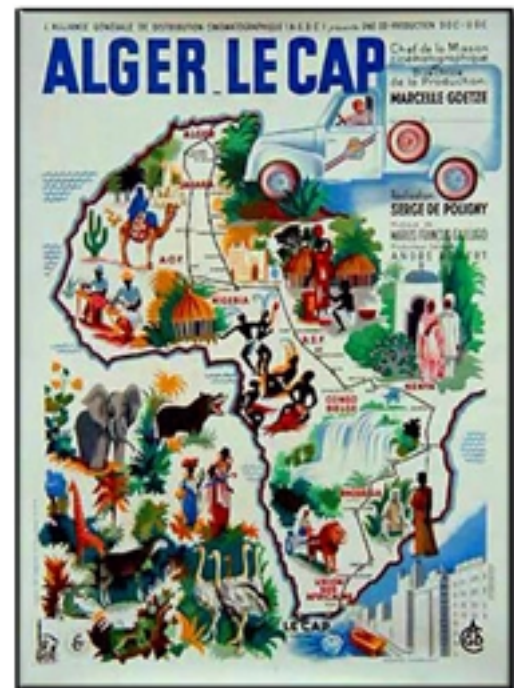
Too often we think in terms of our own business concept and ignore the other elements that are necessary for a successful tourism business. Tourists require accommodations, food and beverages, transportation, and information. It is almost impossible for a single small business to effectively provide all of the essential elements.

By seeking out other businesses in your area that offer complementary products and services you can effectively offer a quality experience to the visitor. One approach is to reach an agreement with a group of complimentary enterprises, offering a package where all facilities and services are covered by a single price and they can be purchased in a single transaction. For example, a farm offering horseback nature tours may enter into an agreement with a local lodge or hotel to provide accommodations.

It is beneficial to formally incorporate your service networks into a Nature-Enterprise Association. Such associations can be utilized to represent your industry and lower costs like insurance.

Promotion

Few products on the market appeal to everyone. Your financial success depends on your appeal to enough customers to cover your expenses and produce a reasonable profit. Establishing your business requires a certain amount of personal selling. If the public does not know that your facility exists, there will be little demand for it. Creating public awareness and demand for your product involves commitment to promotion and advertising.



The public should be made aware of:

- ✓ the nature of your service
- ✓ who does business with you
- ✓ benefits offered
- ✓ facilities and rates
- ✓ your location

When developing your advertising you should follow the AIDA formula:

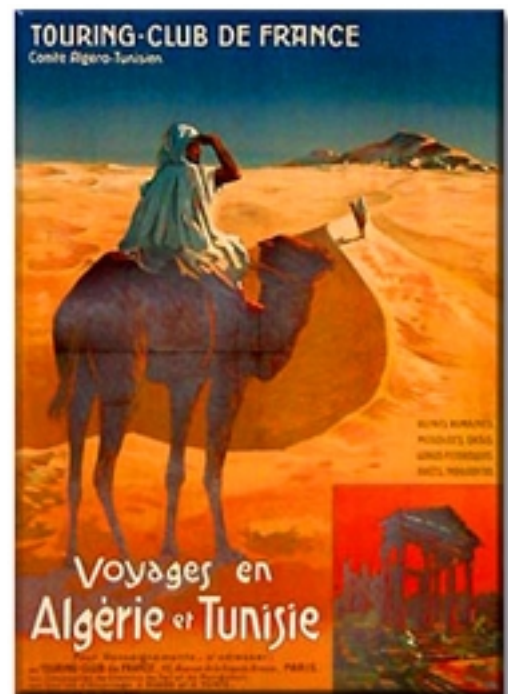
- ✓ first, catch their **Attention**
- ✓ second, get their **Interest**
- ✓ third, create a **Desire**
- ✓ fourth, get them to **Act**

There are many types of advertising media available to you, including television, radio, magazines, newspaper, billboards, and direct mail. Each type of media has different characteristics to consider.

Advertising is costly so it is important that you carefully select the appropriate media. Your choice will depend on many factors: The amount of money available, the message, the market, and market area. Contact your local tourism organizations, *Chambers of Commerce*, state tourism offices and other promotion organizations. Request information about media sources, technical assistance, and potential cooperative advertising opportunities.

Virtual Marketing — Utilizing the Internet

The increasing popularity of the Internet renders it to be an ideal vehicle for the marketing of tourism destinations. Already, the World Wide Web has become a major source for both information gathering and purchases of travel products. It is not only imperative, but also relatively inexpensive and easy to create a Web presence. By maintaining a Web site, it is possible to expand market awareness on a global level.



Important steps in Web site creation include:

- ◆ Create and register a **domain name** that is unique and descriptive of your destination (business), yet not so large to be too cumbersome to remember. Remember, the easier it is for people to spell and remember, the more visitors to your site.
- ◆ Choose a total and **descriptive title** for your Web site, and place it into the html “title tag” of your home page. This will show up at the top of a viewer’s browser, and well as help search engines find your site.
- ◆ Make sure that your Web page designer uses **Meta tags** (in the html) that fully describe your business. The *key words* and *description* meta tags are key for your site to be located by most search engines.
- ◆ **Link** your Web site to those of others, especially those that are nearby and complement your business. Develop a competitive marketing strategy that focuses on your destination (or business) as the “gateway” to your region. Information relevant to nearby transportation, lodging, shopping and enjoyable activities should all be accessible for browsing.
- ◆ Be sure to have a **map of your region** illustrating the location of your business (destination). Show how it relates spatially to nearby points of interest.

The Internet is an image-friendly media. Since tourism is an industry based on imagery, the effectiveness of a carefully planned Web site can establish an attractive position for the destination in the viewer’s mind. Proper image management will identify the destination’s special advantages, and also entice visitors to experience the destination.

- ◆ **Photography** is key to establishing an image. Good quality jpg files need not be over 300-400 kb. and will load quickly on a Web browser. Remember . . . “a picture is worth a thousand words.”
- ◆ **Multimedia** can be helpful, but one should remember that not all web users have “fast connections” (wide bandwidths). Text and photos are fine for everyone. There should always be a choice for those who cannot enjoy the presentations containing audio, video and animation files. Programs such as RealAudio, Quicktime, and Shockwave are easy to use for the creation of such formats, and can greatly enhance a Web site. It is important to use file formats that have a universal support by Web browser plug-ins.



For successful E-marketing, your Web site should contain:

- ◆ **Ease of access** by the entire global on-line population. Be sure to use a reliable Web server with plenty of capacity.
- ◆ **Ease of use.** Use a “table of contents” menu to make your site easy to navigate.
- ◆ **Retention quality.** Use a mixture of graphics and text to convey all information about your destination (business) that you believe to be relevant to the tourist decision-making process. Make it interesting enough for viewers to want to explore your entire site.
- ◆ **A schedule** describing when and where your services, facilities and /or activities are available.
- ◆ **A current pricing list** and acceptable **options of payment methods.**
- ◆ **A personal contact** to answer all inquiries. This should include:
 - ✓ Name
 - ✓ E-mail address
 - ✓ Postal address
 - ✓ Telephone Number
 - ✓ Fax number

You can also utilize your Web site to assist in market research by including on-line questionnaires. These can assist greatly in getting to know and better serve your customers. Web sites are quick and easy to alter in order to accommodate changes in activities offered and prices charged in comparison to printed promotional materials. Remember that you are creating a **virtual brochure**, one that can be viewed online, as well as printed and handed out to friends. Your Web site is your portal to the on-line world — make it inviting and friendly.

Public Relations and Personal Selling

Building good relations within the community will also help promote your business. Many clients are commonly referred by people living in your own area. Local residents and businesses like to recommend places that are an asset or unique feature of the community. If they believe you are offering a quality service, they will recommend you. Your promotions program should include the following:



- ♣ Make local residents aware that you are offering a nature-based experience.
- ♣ Support community programs. Become a member of the **Chambers of Commerce, Better Business Bureau**, and visitor's bureau. Become active in civic and environmental related groups.
- ♣ Work with community, regional and state environmental agencies and groups. Help promote the development of nature-based tourism.
- ♣ Offer to assist your tourism agencies with familiarization tours that they may be planning for travel writers in your area. Providing a complimentary nature-based service to a travel writer will be a good marketing investment.
- ♣ Send news releases to area newspapers and radio and television stations. Make them aware of environmental events that may be of human interest. Such things as the early arrival of a bird species or the catch of a record-breaking fish are often newsworthy.
- ♣ Send out Christmas cards to your clientele, including past users.
- ♣ Participate in community events. Keep abreast of activities within the community, and donate your services when appropriate.
- ♣ Set the appropriate image for your business. Pay attention to:
 - ✓ Company name
 - ✓ Logo
 - ✓ Facility appearance
 - ✓ Business cards and forms
 - ✓ Employee appearance
 - ✓ Equipment appearance

The assistance provided in these pages is only a first step. Getting your nature-based business off the ground and running takes a lot of hard work.

Good Luck!



RECOMMENDED READING

John J. Bullaro and Christopher R. Edington, 1986. ***Commercial Leisure Services***. MacMillan Publishing Company, New York.

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Washington DC 20240
Information: 202/208-6843

U.S. Fish and Wildlife Service

Interior Building
1849 C St., NW
Washington, DC 20240
202/208-4714

Department of Agriculture

USDA Forest Service
P.O. Box 96090
Washington, DC 20090-6090
202/205-0957

Department of Commerce

National Oceanic and Atmospheric Administration
National Sea Grant College Program
1315 East West Hwy., 11th Floor
Silver Springs, MD 20910
301/713-2448

Department of Interior

Bursar of Land Management
1849 C St., NW, Room 5600
Washington, DC 20240
Information: 202/208-5717

Environmental Protection Agency

1200 Pennsylvania Ave., NW
Washington, DC 20460
202/260-2090

Non-Profit & Private Sector

American Conservation Association, Inc.

30 Rockefeller Plaza, Room 5402
New York, NY 10112
212/649-5600

American Nature Study Society

RR 2, Box 1010
Dingmans Ferry, PA 18328
570/828-9692

Center for Environmental Information, Inc.

46 Prince St.
Rochester, NY 14607-1016
716/271-3550

The Conservation Fund

1800 North Kent St., Suite 1120
Arlington, VA 22209
703/525-6300

National Association for Interpretation

P.O. Box 1892
Fort Collins, CO 80522
970/491-6434

United States Tourist Council

Drawer 1975
Washington, DC 20013-1875
202/479-3395

Local Small Business Development Center

Local Chapter of Service Corps of Retired Executives