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VIETNAM COMMUNITY BASED TOURISM HANDBOOK

A Market-based Approach



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ABOUT THE AUTHORS

Vietnam's Responsible Tourism Programme (ESRT)

The European Union funded Environmentally and Socially Responsible Tourism Capacity Development Programme (ESRT) Programme aims to build the capacity of stakeholders in the Vietnamese tourism sector in order to fully realize the substantial socio-economic development benefits available from tourism while protecting the natural and cultural resources on which the sector depends. The Programme builds on the success of the former EU funded the Vietnam Human Resources Development in Tourism Project (2005-2010). The ESRT Programme works in three key areas: policy support and institutional strengthening, product competitiveness and public-private dialogue, and vocational training and education.

WWF Vietnam

WWF-Vietnam, part of WWF-Greater Mekong, works to conserve the region's biodiversity and build a secure and sustainable future for its people by securing landscape integrity and climate change resilience, ensuring sustainable hydropower development, strengthening law enforcement and protected area management, and securing sufficient sustainable and leveraged financing for conservation. Improving the livelihoods of local communities in and around protected areas and reducing their dependence and pressure on natural resources are focus areas of WWF-Vietnam and have been integrated into numerous projects. In a step towards mainstreaming Community Based Tourism, WWF-Vietnam is working in close collaboration with the ESRT Programme to make a stronger positive impact on the lives of the local people as well as the quality of the natural environment.

Intended use of the handbook

The Vietnam Community Based Tourism Handbook is designed as a practical reference guide. Its simple but comprehensive perspective, covering all stages of the project cycle and inclusion of practical tools and tips for use in this cycle makes it of interest to Provincial, District and Local Tourism Authorities, Non-Government Organisations working in Community Based Tourism in Vietnam, private sector organisations wishing to partner with communities to develop tourism products, or alternatively the communities themselves who may wish to drive the development of tourism in their locality.



BACKGROUND

Defining community based tourism

Whilst the concept of community-based tourism (CBT) began in the early 20th Century, different perspectives and understandings of the concept exist, with different concepts and definitions often dependent on the author, geographic region or specific study/project. There are however some universally applied principles such as that of sustainability and the involvement and benefit of local communities.

A commonly held definition of CBT might be:

CBT provides visitors with an experience of local life, in which local communities are directly involved in tourism activities and get socio- economic benefits from tourism activities and take responsibility for protecting the natural resources, environment and local culture.

Key principles

The key principles of CBT include social equity, respecting local culture and natural heritage, and local ownership and participation.

Social equity. Members of the community are involved in the planning, implementation and management of tourism activities in their community. There is an emphasis on the participation of local community in the preparation, organisation and implementation of tourism activities. Economic benefits are shared equally; not only to tourism companies, but also to community members.

Respect local cultural and natural heritage. Almost any tourism activity has the potential to impact on the local community and natural environment either positively or negatively. It is important that local cultural values and the natural environment are protected and

respected by the positive actions of all actors within the local tourism sector, critical to maintaining the fabric of local society. As such, communities must not only be aware of their role and responsibilities in providing a successful tourism experience, but must also understand the positive and negative impacts tourism may bring upon them and their natural environment through inadequate planning and management.

Benefit sharing. The sharing of benefits from tourism to the community requires that the community is able to receive the same benefits as other relevant stakeholders. In benefit sharing, revenue from tourism activities is usually divided amongst all people participating, with a portion set aside as a contribution to the whole local community through the community fund which may be used for such purposes as re-investment in infrastructure such as roads, bridges, and electricity, or other areas of communal benefit such as health care and education.

Local ownership and participation. Successful CBT effectively harnesses the knowledge and resources of the local community to achieve tourism outcomes. The involvement of the local community from the planning process through to implementation and evaluation is critical to ensure local ownership is best achieved and participation is maximised.

Government Organisations working in Community Based Tourism in Vietnam, private sector organisations wishing to partner with communities to develop tourism products, or alternatively the communities themselves who may wish to drive the development of tourism in their locality.

Positive impacts of community based tourism

There can be many positive impacts of CBT, of which most are founded within and work towards meeting the principles of sustainable development, namely that it delivers social, environmental and economic benefits. These three “pillars” are based on the concept of the triple bottom line for sustainability that are commonly promoted by international agencies such as APEC and the United Nations. Some of the key benefits of developing a CBT product include:

Benefit 1: CBT contributes to increased income

CBT contributes to increased income for local communities, especially in remote areas where poverty is more pronounced. This is critically important as it reduces human pressures on local natural resources and landscape.

Benefit 2: CBT fosters equality

CBT promotes equality in tourism development by providing whole communities with benefits from the provision of tourism services and infrastructure.

regardless of whether they are actively participating in tourism, e.g. better transportation, electricity, improved access to freshwater, telecommunications etc.

Benefit 3: CBT creates employment

CBT enterprises generate local job opportunities. CBT can help change the local job structure and improve labour quality in local areas, and reduce outward migration from rural areas to cities.

Benefit 4: CBT protects & promotes natural & cultural heritage

CBT contributes to restoring and developing traditional cultural values and crafts, including the protection of natural resources and the environment. It creates opportunities for cultural and economic exchange between Vietnam and other countries. This is an important factor in the conservation and promotion of Vietnam's traditional cultural values and in the development of opportunities for economic development in impoverished areas.

Key challenges in community based tourism

Whilst opportunities for positive social, environmental and economic impacts are clear, there are however a number of challenges in CBT that must be overcome:

Challenge 1: Ensuring access to natural resources

In many cases CBT requires a “re-zoning” of communal land or water for use by tourists. As a result access to a section of a beach, reef, grazing land, river, or forests may become restricted, thereby limiting benefits such as fish for household consumption or sale, firewood for cooking, money from sales from livestock etc. Although families or communities in Vietnam do not actually have ‘real’ ownership over the natural resources in their area, pursuing CBT may still require an alteration to its traditional use and consideration must therefore still be given to the ramifications of this potential eventuality at an early stage in the CBT planning process.

Challenge 2: Ensuring demand exists

If a CBT project only makes enough to pay its workers, it may lose the support of the community, which expects more benefits, in terms of employment and income generating activities. Careful market research and analysis of a tourism destination is required before embarking on project implementation to ensure there is adequate market demand to meet socio-economic targets.

Challenge 3: Developing good community management & co-ordination systems

Participation of the community must extend beyond their initial involvement in the decision making process about whether or not the community should proceed with CBT. CBT boards must actively promote and provide easy and regular access for the community to be heard and involved in its development. Simply providing election to the board on an annual or bi-annual basis is not enough. Boards must fairly represent all sectors of the community, provide regular communication with the community about its activities, and seek to promote the development of additional opportunities that are realistic and further involve the rest of the community such as the provision of ancillary products and services like cafes / restaurants, bars (or bia hoi's), tours, handicraft stores etc.

Challenge 4: Managing the exit of donor aid

When CBT projects involve an over-reliance on NGO or donor aid a dependency syndrome can be created which CBT operators may find difficult to get off once donors eventually pull out. CBT organisations must actively work with their donors to ensure they are able to achieve economic self-sufficiency prior to the final withdrawal of external aid.

Challenge 5: Dealing with limited capacity

The capacity of local communities to operate CBT businesses in Vietnam is generally still weak. Inadequate competencies to manage a CBT enterprise limits the ability of operators to best manage and develop their products, thereby affecting the growth of the business and potential to increase income. Key issues of human resource capacity include:

- Limited understanding of mechanics of tourism industry and tourist needs and wants (they may not have been a tourist themselves)
- Limited awareness of need for environmental protection
- Limited capacity in product development and management in general and CBT products in particular
- Limited access to markets and limited capacity of making CBT product promotions
- Limited capacity in providing tourism services (e.g. communication, professional skills etc)
- Limited capital investment in CBT product development

Challenge 6: Sharing limited benefits

The role and contribution of tourism enterprises, especially travel agencies and tour operators in CBT development and publicity in Vietnam remains weak. In other words, many travel businesses are not yet sufficiently interested in CBT product development. The combined effect of CBT being an emerging and niche tourism sub-sector, and expectations that a percentage of revenue made will be reinvested in conservation works and community development at local destinations reduces the overall profit retained by such private enterprises and hinders its further development in comparison to mainstream tourism experiences.

Challenge 7: Restrictions on movements of foreigners

A market analysis may reveal CBT to be a viable sector for development in a community or region however in some places government restrictions on the movement of foreigners can hinder such development. Reviewing government regulations is therefore a critical first step in the CBT development process, and seeking official guidance and support from the local authority is a must before any investment takes place.

Challenge 8: Disruptions to daily life and delayed benefits

Local people need to meet every-day needs including conducting daily chores and undertaking their core livelihood obligations. With tourism projects typically taking a number of years to build up a market and become profitable, obtaining support from community members to dedicate significant amounts of their time to a project with delayed benefit may be difficult.

Challenge 9: Navigating government bureaucracy

Navigating juridical procedures at different levels and identifying the correct people within the local government agencies to deal with for the different aspects of the CBT development approval process can be at times confusing. If a particular approval is accidentally not received before development takes place the project proponents may be blamed for a legal violation and a block may be placed on the further development or operation of the project. CBT project planners must therefore pay careful attention to ensuring all the correct legal documents and procedures are obtained, and cross-checking with different management agencies for greater precaution.

Case study: Lessons learnt from the Talai longhouse

In the establishment of their community guesthouse ('longhouse') the Talai people's local project partners (including the Protected Area Board of Management, the Commune People's Committee and District People's Committee) jointly resolved that the longhouse could follow a standard development process that could remain at the District level.

However, by the time the project was finally open for business a much more complex array of approvals had been required that included the Provincial People's Committee and related provincial departments such as Construction, Natural Resources and Environment, Culture, Sport and Tourism, and the police - both at the provincial and district levels.

The procedures required for the Talai case can be summarized as:

1. Permit for land use conversion issued by the district Department of Natural Resources and Environment
 2. Permit for construction issued by Provincial Department of Construction
- Permit for operation issued by the Provincial People's Committee (supported by supplementary permits including the plan for management with regard to finance, administration and security, a permit for food safety and hygiene, a permit for the prevention and fighting of fires; a commitment for environment protection)

Development context

Tourism sector

CBT enterprises can operate almost anywhere; from an urban community group in a town or city coming together to develop a street crafts district, through to members in a rural village developing a community guesthouse or a cultural performance group.

In Vietnam however, CBT goods and services can mostly be found in the rural areas such as the mountainous North (Lao Cai, Lai Chau, Hoa Binh, Ha Long Bay), the central coast (Hue, Hoi An, Nha Trang), and around the Mekong Delta in the south. Here, natural beauty commonly intersects with a rich cultural heritage.

In particular, CBT is almost always found where there is a strong presence of ethnic minority people whose many unique cultures, traditions and the natural surrounds within which they live, lend a particularly attractive combination of products for visitors. Moreover, with alternative livelihood options often not being readily accessible, CBT offers a supplementary income to their generally subsistence way of life.

Demand for Responsible Tourism in Vietnam

An AC Nielsen survey commissioned by SNV in 2010 of more than 200 domestic and 200 international travellers across major Vietnamese tourism centres however has also identified a number of key findings that provides a positive outlook for CBT in Vietnam:

- 65% wish to experience local culture and heritage
- 54% wish to experience nature and to relax and rejuvenate
- 84% wish to visit a local site of natural beauty
- 97% are willing to pay more for a holiday that is environmentally friendly and results in increased net benefits for the poor
- 70% are willing to spend more money on the preservation of the local environment
- 48% are willing to spend more money on experiencing local culture and heritage
- 45% are willing to spend more money supporting a local charity

Moreover, international travellers showed a willingness to pay on average an additional US\$47 on top of an average US \$1,000 cost for a holiday that was environmentally friendly and resulted in increased benefits for the poor. Domestic tourists were willing to pay an additional US \$27 to provide the same benefits.

Market segments

The most common market segments that will typically undertake a CBT experience in Vietnam include:

International freely independent travellers

Typically single or travelling in couples, international freely independent travellers (FITs) engage in CBT experiences as a result of their strong interest in learning about the Vietnamese history, culture and natural environment. FITs will often undertake CBT experiences as a part of a short or multi-day trek in the mountainous areas of the North and Central Vietnam which usually incorporates visits to ethnic minority villages, shopping in village markets to sample local food and purchase traditional handicrafts, and staying in homestays.

International package ("Classic") travellers

Another segment is the international package holiday maker who might integrate a CBT experience into their broader holiday itinerary, for example by spending a single night in a village homestay, or taking a day trip to an ethnic minority village or craft village to experience the local culture. These travellers are mostly on a 2 week itinerary and outside the cities, do not usually stay in any one place for more than a day or two.

City worker weekend breaks

Whilst the Vietnamese domestic market has an inherent understanding of its own culture and heritage there remains an considerable interest in CBT experiences. Domestic travellers are often city workers interested in an escape to the countryside to enjoy the fresh air and rural scenery of traditional villages and natural attractions such as waterfalls and caves. Travelling in self-organised groups (often hiring a bus) often over 1-2 days, these travellers enjoy visiting local markets to pick up gifts of fresh local produce and handicrafts for friends and family, dining in local restaurants (sometimes with a local traditional performance), and having a good time socialising with one another.

Phuot

There are also indications of the beginnings of growth in the sub-sector with Vietnamese students and young workers. Referred to as 'Phuot', or Vietnamese backpackers, this market segment is mostly made up of Vietnamese students and young workers who use motorbikes to travel with friends to explore Vietnam's regional areas and tourist attractions. At destinations, they tend to use budget accommodation and dine at small local restaurants. The Phuot is particularly interested in buying local produce to take home to share with their friends and family, and purchasing lower cost handicrafts and herbal remedies. Unlike international visitors, the Phuot are not dependent on tour companies or expensive hire cars with drivers that can cost US\$150 a day.

Legal environment

At the time of writing, the Vietnam government was in the process of developing a Community Based Tourism Policy. It is expected that this will help provide stakeholders with a clear and coherent definition of CBT for Vietnam, and a vision for all to work towards. Principles supportive to CBT can also be found in a range of other existing policies in Vietnam, including:

Vietnam's Tourism Law (2006)

The highest legal document to regulate tourism activities in the country. The law covers provisions to support CBT development and specifically mentions the close relationship between eco-tourism and CBT in achieving sustainable tourism development (Clause 1, Article 5).

Decree Number 109 (2003 / ND-CP)

Issued on 23/9/2003, the Decree mentions wetland conservation and exploitation activities should be sustainable in relation with the role of local communities and mentions that tourism development is considered a priority in wetland areas, especially eco-tourism, as an effective conservation approach.

Forest Protection and Development Law, Decree No. 23 (2006 / NĐ-CP), & Decision No.186 (2006 / QĐ-CP)

These laws and decrees promulgate regulations on forest management in relation with eco-tourism development (Clause 53, Law on forest conservation and development; clause 55-56; Decree 23 and Clause 22 under Decision Number 186). Within the law ecotourism business activities may take place in special used forests (e.g. national parks, nature conservation and forest landscape protection areas) and contribute to conservation activities.

Decision Number 104 (2007 / QĐ-BNN)

Issued on 27/12/2007 by the Ministry of Agriculture and Rural Development, the Decision provides guidelines on eco-tourism activities in National Parks including the principles of business within Natural Protected Areas, “The local people have the right to participate and be the beneficiaries from Ecotourism activities to get more income sources and also knowledge on biodiversity and natural protection” (Item 3, Clause 4).

Environmental Protection Law (2005)

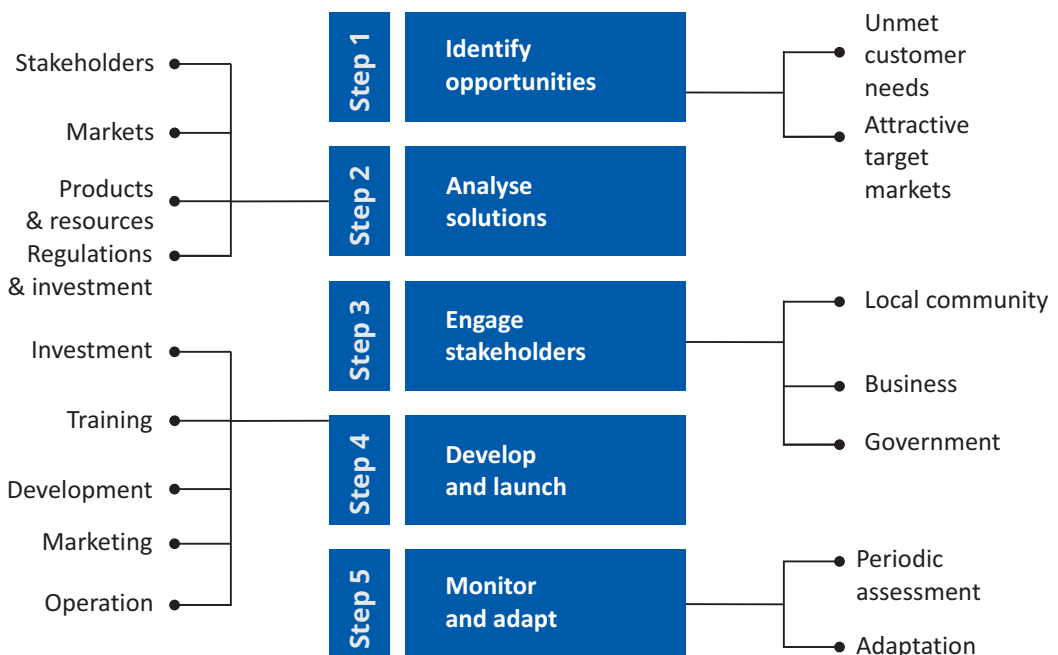
In addition to providing regulations on environmental protection in tourism activities, the Environmental Protection Law encourages “the development of eco-tourism models in tourist destinations and other natural landscapes to harmonize humans and nature” (Item 1, Clause 31).

Biodiversity Law (2008)

The Biodiversity Law underscores that eco-tourism is one criterion in the establishment of Natural Parks (Item 4, Clause 17), Natural Reserves (Section b, Item 2, Clause 18), and Landscape Protected Areas (Section C, Item 2, Clause 20). Eco-tourism is also highlighted as an activity for local households or individuals legally living in the aforementioned natural reserves providing them with the right to “participate, [and] get benefits from tourism business activities in the areas” (Noted B, Item 4, Clause 30).

The 5-Step market-based community based tourism development approach

For a CBT development to take a market-based approach, it is recommended that five key steps be followed, namely: identify opportunities, analyse solutions, engage stakeholders, develop and launch, and finally monitor and adapt. The Vietnam Community Based Tourism Handbook has been structured to follow this five-step market-based development approach.





STEP 1. IDENTIFY OPPORTUNITIES

Market demand

Opportunity identification

If we build it, will they come? The first step in the CBT development process is to identify areas of market demand. A CBT venture that is not based upon an identified need is destined to fail. Like most tourism ventures, a CBT project concept will generally flow from an opportunity within one of the following three areas:

1. **Address limitations on tourism growth.** Is there strong demand for CBT products that are not being sufficiently met by existing communities in your region? Would the development of your CBT venture help meet this market demand? An example of this might be a village that opens a community guesthouse to cater to an overflow of visitors that are not being met by existing accommodation suppliers.
2. **Fill a gap in the marketplace.** Is a CBT product or service experience not currently being provided in your region? Would the development of your CBT venture help meet this market demand? For example, perhaps no one is offering authentic village tour experiences in your region yet your discussions with nearby hotel operators shows that there is a clear demand.
3. **Develop a new concept.** Do you have an idea for a CBT concept that is not currently being offered in your region? Are there some types of CBT ventures operating successfully elsewhere that you could develop and thus create a new demand? An example of this might be introducing a new lunch and cultural performance package to tour groups that pass by your village that is not currently being offered by anyone else.

However, no matter which of the above options you might follow, your decision needs to be based upon a good understanding of the size, nature and characteristics of the market to ensure the CBT concept is delivered in a manner that meets the market's expectations.

Gathering information

Is there likely to be demand for the CBT venture? What is the number and characteristics of visitors who might want to undertake such a CBT experience? A broad analysis needs to be carried out to assess the CBT opportunity. Sources of information are many. Some of the most common methods of gathering information includes:

- **Discussions.** Informal discussions with tour operators, accommodation providers, restaurants operators, attraction site managers, or even transport providers can provide an excellent picture of the characteristics of the local or regional tourism market, as well as trends and opportunities. Likewise, speaking with representatives from tourism industry associations and clubs can also be a great way to obtain information.
- **Observation.** Simply keeping your eyes open and observing tourism dynamics in your area can be a great way to obtain information. What types of tourists visit (young, old, groups, nationality etc)? What types of activities do they engage in (e.g. trekking, handicrafts shopping, biking etc)? What attractions do they like to visit (e.g. natural, cultural, historical)? Where do they like to dine (e.g. street food shops, local restaurants, international restaurants, cafes etc)?
- **Research.** A range of information including tourism reports, plans and strategies on tourism in Vietnam can be found by researching tourism websites or through the offices of tourism authorities, tourism clubs and associations, visitor information / promotion centres, district government offices, local and international NGOs working in tourism, or other tourism agencies and authorities. Opportunities may be defined through research into tourism survey reports, tourism development and investment plans, identification of infrastructure projects committed or planned, tourism strategies and plans, or an examination of comparable geographic areas, social and demographic trends or data on economic or environmental change.

Market analysis

The purpose of conducting a market analysis is to understand potential market/s' size and growth, motivations and needs, travel means and patterns, and spending patterns. To help identify market opportunities within a region it is necessary to first identify the type of information you would like to obtain. Some relevant research questions might include:

Potential market survey questions⁽¹⁾

1. How many people are visiting the region (domestic and international)?
2. Is the number of visitors increasing, decreasing or staying the same?
3. What is the purpose of their travel?
4. What are the most common age groups?
5. What activities do they undertake?
6. Where do they like to go?
7. How long do they stay?
8. How much do they spend?
9. Do they travel independently or in groups?
10. Are there gaps in the current provision of CBT services or facilities? If so, why?
11. Are there visitor trends that indicate strong or growing interest in CBT experiences in the region?
12. What is the delivery of complementary market products in the region?
13. What are the asset strengths of the region?
14. What is driving tourism activities and demand in the region?
15. Are there particular market segments for which the locality has appeal?
16. Are there special interest groups that CBT could cater for?

Potential CBT market segments

Typical potential markets for CBT products in Vietnam include:

- International tourists who are interested in culture and the environment and like getting “off the beaten track” to experience something new, different, or “more authentic”
- Local Vietnamese and expatriate city-dwellers looking for short holiday trip to a rural village to get away from city life and relax in a rural setting
- Local Vietnamese students and young urban population who want to explore the Vietnamese countryside with their friends and experience rural life during their free time
- Students and researchers visiting rural areas for excursions, study, and research in such areas as sociology, anthropology, the environment, birds and animals, and flora and fauna
- Backpackers and FITs for trekking, village market experiences, and meeting ethnic minorities



STEP 2. ANALYSE SOLUTIONS

Stakeholders

In order to develop the CBT project concept an analysis of stakeholders needs to occur. Simply put, who can do what? The stakeholders in the CBT venture can be anyone who is potentially directly or indirectly involved or affected by the CBT project.

Stakeholder analysis

An effective way to identify and assess the range of stakeholders in the CBT project and their potential role and responsibilities for each is to undertake a 'stakeholder mapping' exercise for those both within and external to the community. Once the stakeholders have been identified and their potential skills and interest in CBT has been assessed, an examination should be undertaken of how and where external input or collaboration from different stakeholders can take place and the role each stakeholder might be able to play to support the CBT initiative.

Internal (community) stakeholders

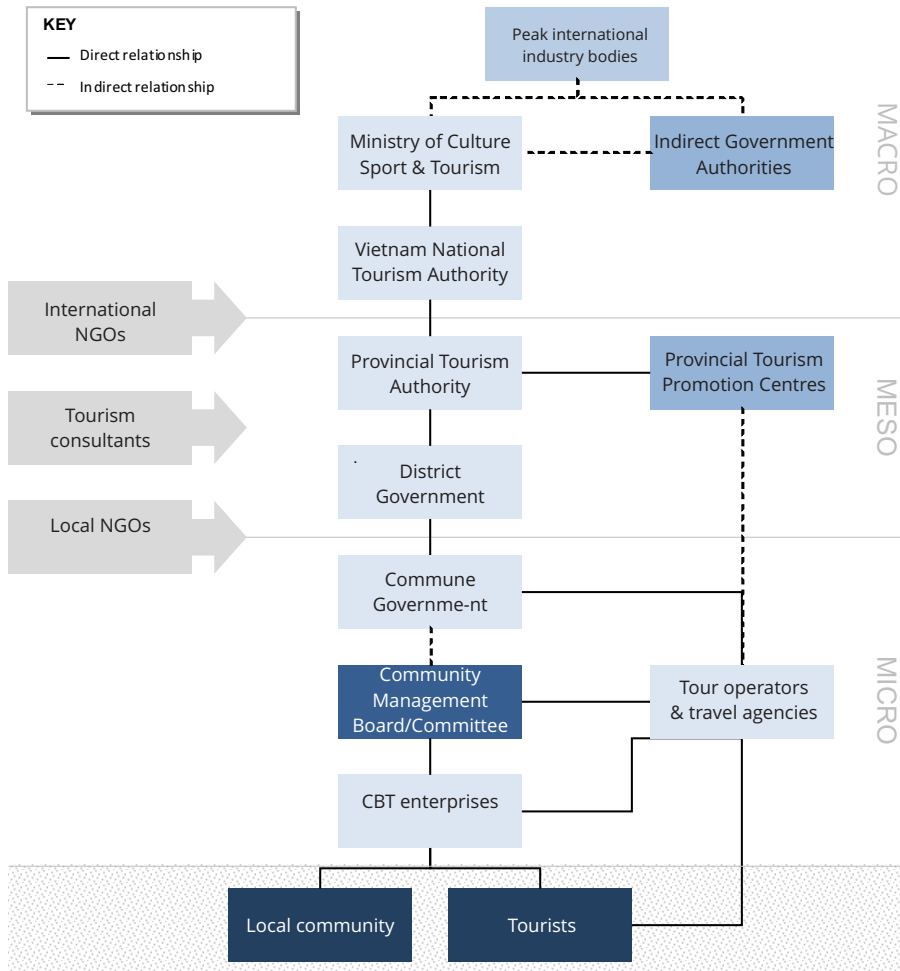
Within the community the mapping of stakeholders can take many forms and be as simple or as detailed as is useful, at a minimum the process should involve identifying: names, location, contact details, and particular interest in or relevance for the CBT initiative. It is at this time that the community is also able to ensure the inclusion of the community's marginalised segments in the process (e.g. women, youth, the poor).

During the identification (and allocation) of roles, community members should be placed where they fit best according to their areas of skills and expertise rather than simply trying to include everyone (a skill inventory map can help). For example, it may make more sense for the poorest people with little education and no experience in small business management to be the suppliers of agricultural produce for visitor meals or alternatively work as cooks or transport providers than to be the providers of homestay services as this would require skills in such areas as marketing, communication, and finance, skills that take some time to be able to learn and implement.

External stakeholders

Stakeholders outside the community will typically be from the private sector, public sector and non-profit organisations. In terms of CBT development, the main focus for community members should be obtaining a clear understanding of the stakeholders that can have the most direct connection with the CBT venture. This will often include:

- Commune and district governments
- District tourist promotion / information centre
- Tour operators and travel agents working in the region
- NGOs working in the region



Map of Vietnam tourism sector "external stakeholders"

Products & resources

The availability, type and condition of natural or cultural assets of a community and the surrounding region can play a key part in determining the success or failure of a CBT venture. An assessment of products and resources should therefore take place in order to identify what are its strengths that can be developed and marketed to tourists, and likewise, what products or resources might need protection from the potential undesirable impacts of tourism.

The selection of which products and resources to develop should be informed by the previous market research and in particular, the advice of key private and public sector stakeholders.

Additionally, as identified by Armstrong in his Occasional Paper OP 21, "...The tourism products and resources must be marketable, of sufficiently high quality and inherent attractiveness to tourists, as well as close to good local amenities, services, infrastructure, and facilities. Good levels of tourist safety and health are also important, as are human and physical capital".⁽²⁾

Types of resources

A community's resources for tourism can be split up into socio-cultural resources and natural resources.

- **Socio-cultural resources** pertain to the human elements of the community, whether this is past or present. Socio-cultural resources can be both tangible, such as historic buildings and traditional handicrafts, and intangible, such as folk songs and traditional dances.
- **Natural resources** are the features of the environment around us. This may include types of terrain such as beaches, mountains and lakes, or the plants and animals living within the environment.

Analysing resources

A useful exercise for a community to undertake in order to identify its natural and tangible cultural resources is to draw a resource map of the community and surrounding region on a large piece of paper. A simple, rough hand-drawn sketch of the area, the focus of the resource mapping exercise is not so much about the accuracy of distances between sites or places, the height of mountains or the specific bends in a river, but rather to identify the key natural or cultural features of a place.

On the map participants should identify:

- Types of landforms such as mountains, bays, lakes, rivers, beaches, fields, waterfalls, caves etc;
- Built infrastructure such as houses, roads and trails;
- Historical or cultural sites such as temples, pagodas or colonial buildings; and
- Other places of potential interest to tourists such as hospitals, market places and stores.

After the resource mapping exercise is complete participants should brainstorm their intangible cultural heritage that may be of interest to tourists such as interesting songs, dances, traditions, festivals and events. Other products unique or special to the region can then be added to the list such as specialty food and drinks, or interesting plants and animals.

Prioritising products & resources

From the resource mapping exercise a comprehensive list of community resources can be developed and weighting criteria applied in order to prioritise the products into those that should be developed first, and those that can be developed later (see example below).

⁽²⁾Armstrong R. 2012

When examining the products and resources the community should aim to identify one or two flagship or “hero” products, those products that are powerful enough to be the main purpose of a visit to the community, and also identify linkages between products such that they can be connected together to form a tourism circuit walk, bike ride or boat trip.

Example of matrix for prioritising products & resources

Potential CBT product: Village homestay	Score 1 Poor – 10 Strong	Weighting (% of 100)	Total score
Easily accessible	6	15%	0.90
Quality of nearby attractions	8	4%	0.32
Range of available activities	6	5%	0.30
Existing available services	4	3%	0.12
Authentic product	8	8%	0.64
Distinctiveness of product	8	5%	0.40
Easily accessible target markets	10	10%	1.00
Sufficient target market size	6	8%	0.48
Favourable target market trends	6	5%	0.30
Private sector existence	6	3%	0.18
Supportive regulatory context	10	4%	0.40
Available human resources & infrastructure	8	6%	0.48
Economically sustainable	8	10%	0.80
Environmentally sustainable	10	7%	0.70
Socio-culturally sustainable	8	7%	0.56
TOTAL	112	100%	7.58
			10

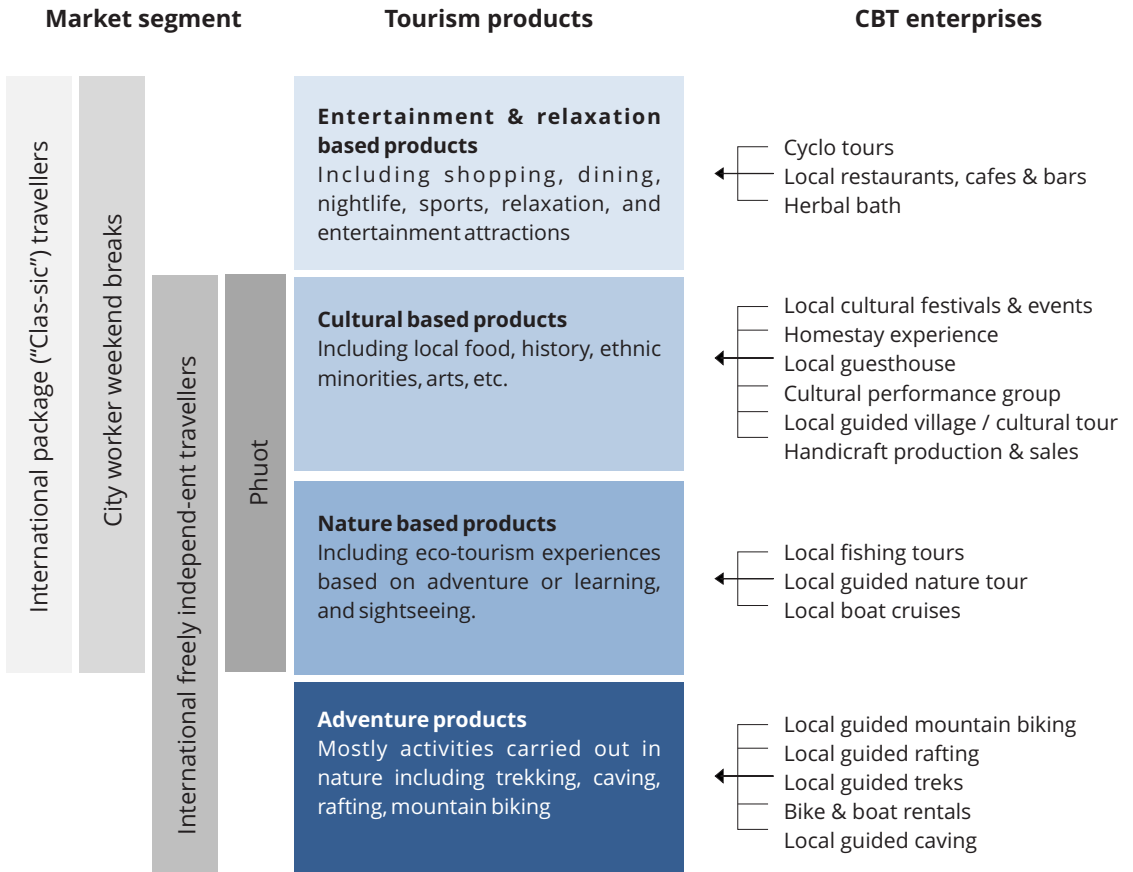
Potential CBT enterprises

Once the key product/s and resource/s have been identified as suitable for development, potential CBT enterprises can be connected. A table of typical CBT products in Vietnam can be found in the Appendix. Examples of CBT enterprises include:

- **Cultural.** Tours of historic or religious buildings or sites; Demonstrations of traditional ways of life (cooking, farming, hunting); Performance of traditional music, dance or storytelling; Sale of local arts and crafts, produce, specialty food and beverages; Visits to local schools
- **Activities & events.** Organisation of local festivals and events (music, sport etc); Provision of traditional or local market days; Fishing, boating, kayaking, and rafting tours
- **Natural.** Guided walks to natural sites; Sale of traditional forest medicine; Demonstrations of traditional farming / fishing techniques
- **Tourism services.** Local guiding; Homestay or guesthouse accommodation; Local produce; Food and beverages

Matching markets to enterprises

It is important that CBT enterprises and products are matched to identified target market/s. The following diagram provides an example of Vietnam's typical market segments, connected tourism products and suitable CBT enterprises.



Regulations & investment

A community's ability to successfully develop CBT products is to a considerable degree a function of its political system and the policies and plans for the tourism sector. Before settling on a CBT development plan an analysis of the regulatory environment needs to take place. If planned and managed correctly, CBT can serve as a valuable element in diversifying and enhancing existing community, local and regional development plans,⁽⁴⁾ so an awareness of the "fit" of the CBT venture within the external environment is imperative.

Policies & systems

CBT ventures are more likely to succeed where there are institutional structures that provide enabling policies and linkages between organisations, skills or technical assistance. Ideally there will be a framework that starts with the national government committing to relevant international conventions governing sustainable tourism development or responsible tourism followed by a reflection of this commitment in national laws, most specifically a national CBT policy. National, regional, provincial (and even district) tourism plans and strategies should then be developed, with each working towards achieving the objectives of the higher level document. Incorporation of CBT for poverty alleviation in national development plans can also foster CBT development, in particular community-private joint venture partnerships.⁽⁵⁾ A careful analysis of the policy environment within which the CBT venture will operate therefore needs to occur.

Common policy characteristics that support CBT development include:⁽⁶⁾

- Prioritisation of socio-economic benefits to local communities
- Rights of communities are respected and enhanced, and the community's active involvement in management is promoted
- Contribution to the conservation of natural and cultural resources is identified
- Sector policies have been developed that include the design of appropriate approaches and instruments for planning and management, and the establishment of supporting and capacity building institutional arrangements.

In Vietnam specific policies, rules and regulations that should be considered in the planning of a CBT venture include:

- Provincial permits for visitors to access particular places
- Provincial, district or commune regulations on the payment of village entrance fees for foreigners
- National or provincial restrictions on the types of activities visitors may engage in
- National or provincial restrictions on the places that foreigners may visit
- Provincial pricing policies for accommodation or other services
- District small business licensing requirements
- Joint venture contract conditions between private sector, public sector and communities
- Community codes of conduct for tour operators and visitors
- Monitoring, recording and reporting requirements of tourist activities (e.g. number of visitors, length of stay, purpose of visit etc.) to government authorities

Government planning requirements

The CBT venture should ideally also be formulated such that it is consistent with overall existing and proposed development plans for the area. An awareness of the objectives and policy guidelines within strategy plans can also be used in marketing the development opportunities of the CBT venture. The research of local planning policies or zoning requirements is therefore critical to ensuring the CBT venture will be permitted to operate.

Government planning policies typically regulate the coordination of development, protection of the environment, housing, economic development and infrastructure provision. At the local (commune or district) level planning policies and frameworks will often describe the principal planning objectives and strategies for the area and are an important foundation for decision making by government officials on development proposals.

Planning frameworks that may potentially impact on CBT ventures and thus need to be investigated as a part of the CBT planning process include:

- Integrated or rural development plans
- Conservation or biodiversity plans
- Regional land use plans
- Tourism master plans
- Other livelihoods programs
- Community based natural resource management plans
- Coastal management plans





Land Use Zones

If the community is located within a protected area such as a National Park or World Heritage site, land use zones may apply. Consulting relevant agencies to examine or obtain a map delineating the extent and nature of land use zones should be undertaken.

Zone provisions identify the primary purpose of each zone and the controls in relation to land use and development. Within each land use zone the uses that are permitted without the need for a permit, those that require a planning permit, or those that are prohibited are normally detailed.

Overlays such as special environmental, landscape or heritage values, particular physical constraints (flooding, land slip hazard for example) or specific design or development requirements also need to be considered.

Other standard provisions that apply to specific land uses or development activities should also be identified such as advertising signs, access to main roads, car parking, and any other activities.

Investment Requirements

Ensuring the CBT venture is profitable is a core requirement for any sustainable commercial business investment. The financial success of the CBT venture will therefore depend largely on a sound assessment of the capital outlay, operating costs, revenue and longer term considerations of maintenance, refurbishment and upgrade.

The assessment of financial requirements for the development and operation of the CBT venture should typically be based upon the results of the resource analysis and market demand assessments which will give an indication of the number of customers anticipated, their anticipated future expenditure patterns, and product development requirements.

At this stage professional advice from operators of similar ventures, financial consultants, architects (if construction is required), and other relevant government departments or agencies that may assist in this area should be consulted.

Business plan

The preparation of a business plan can help facilitate the financial analysis process as it requires community stakeholders to think strategically and vision the future of a business. The business planning process requires consideration of external factors such as the economy, the market, customers and competition, and internal factors such as internal organisation and management, products, facility requirements, technology needs, and finance. If investment from financial institutions is required a good business plan is essential.

The basic components of a typical business plan include:

- *Executive summary* – A summary of the project and key findings from each of the sections of the business plan
- *Venture profile* – A summary description of the CBT venture including details of the market opportunity being addressed, target market/s, the different options considered, basic strategies for growth, and potential project risks.
- *Business structure & management* – What is the legal form of the business? For example, will the CBT venture be a public-private partnership or a public-sector supported venture? Under what legal licence will the venture operate? Each of the options has advantages and disadvantages (see below for an overview of common types of CBT business and management structures). Legal and financial advice should be sought before deciding which structure best suits the ownership and management of the proposed CBT venture. Finally, a management and staffing structure should be devised that includes roles and responsibilities for all positions.
- *Operations plan* – Includes a cash-flow budget (covering all possible costs), a financial feasibility study, return on investment analysis, sensitivity analysis (positive and negative) to changes in assumptions such as visitation levels and pricing, and details of government (or other) support.
- *Marketing plan* – Includes an analysis of the target market/s, communication tools (advertisements, brochures, flyers, website etc.), a strategy for generating media attention, and an activities budget.



Approaches to CBT enterprise business structures

There are typically three types of CBT models that operate in Vietnam: a joint-venture arrangement whereby a community goes into partnership with a private sector entrepreneur to develop CBT products; a community-controlled enterprise, whereby a community develops and solely operates a CBT enterprise and receives all the profits; and a private investor-controlled enterprise, whereby a private sector entrepreneur solely develops a product in the community employing local staff and paying a fee to the community.

An analysis of the three common community based enterprises options follows.⁽⁷⁾

Approach 1: Joint venture

Example: A lodge is established in the community under a lease-hold arrangement with a 50/50 partnership between the community (organised as a legally recognised co-operative group), and a private company who are the primary investors and managers of the lodge. The management structure ensures that local community and staff are involved in the decision-making process. Local community members are employed as staff.

(7) Adapted from: Ashley C. & Garland, E. 1994

Strengths

- Primary investment cost assumed by the private company with risk jointly assumed with the community
- Community co-operative guaranteed 50% of all profits
- Increased sale of local materials, produce, and handicrafts to lodge operators by other community members thereby increasing household income & boosting local employment
- Government collection of revenue from payment of lease, fees and/or taxes
- Institutional strengthening of community management board in the management of distribution of community funds and development projects
- Increased general awareness of tourism issues and the importance of culture and the environment leading to their protection and enhancement
- Lodge employees gain occupational skills and enhanced appreciation and increased value on the local culture and environment

Weaknesses

- Potential changes to access or use of land and natural resources
- Increased use of resources such as drinking water and electricity which may already be in limited supply
- Loss of privacy
- Limited institutional development and human resource development restricted to lodge staff
- Ownership and control of the enterprise (and community's earnings) stay with entrepreneur

Case study: The Talai longhouse and tour operator joint venture

In Cat Tien National Park, the Talai people formed a Collaborative Group (legal entity) and signed a co-operation contract with a private tour operator to develop a community guesthouse ('longhouse'). The tour operator had significant experience in adventure tourism and was dedicated to community development. Through the agreement, the Collaborative Group and the tour company would jointly manage the business and share equally the profit.

The roles and responsibilities of each party were clearly specified, with the Collaborative Group taking leadership in the provision of services and dealing with all procedures related to the local authority, and the private company being responsible for marketing, promotion and business development. The collaboration was seen as an effective way for each party to bridge any capacity gaps that the other might have.

After 2 years, the joint venture appears sustainable, with significant numbers of tourists visiting the Park and staying in the longhouse.

Further recommendations: In order to further strengthen ownership and commitment, WWF-Vietnam recommends that the local community could also be required to invest in the venture through external support such as an international fund, government fund, or contribution from all collaborative members. Under this scenario, the community investors would then derive benefit from their contribution on a pro-rata basis when the business is bearing fruit, with the private company investing in product development or soft items such as skills training.





Approach 2: Community controlled enterprise

Example: Local community members start up a village cultural experience lunch and performance package which they sell to tour operators and tour groups.

Strengths

- Community members receive direct income from the sale of their package meal and performance experience
- Sale of local produce for meals and materials for performance group (dresses, adornments etc) by other community members thereby increasing household income & boosting local employment
- Low capital investment cost
- Staff gain occupational skills and enhanced appreciation and increased value on the local culture
- Community stakeholders in full-control of venture and can determine the type, pace, and scale of development

Weaknesses

- Limited resources and know-how to directly access tourism source markets
- Limited professional business management skills and ability to grow the business
- Jealousy / friction may develop amongst community members not involved in the venture
- Investment cost and business risk assumed by CBT venture stakeholders

Approach 3: Private investor-controlled enterprise

Example: A private up-market lodge is established in a communal area. The lodge owner pays a fee to the Government but nothing to the community. Local people are involved as staff.

Strengths

- Community members receive direct income from the sale of their locally-made products or services
- Sale of local materials, produce, and handicrafts by other community members
- Because enterprises are generally labour- or capital-intensive, economic rate of returns can be high and the capital investment per job low
- Staff gain occupational skills and enhanced appreciation and increased value on the local culture and environment
- Positive impacts on equity and institutional strengthening

Weaknesses

- Community stakeholders are not in control of venture and have limited say in the type, pace, and scale of development
- Jealousy / friction may develop amongst community members
- Potential loss or restricted access to land and natural resources
- Increased competition for resources such as water
- Loss of privacy
- Limited institutional development and human resource development restricted to lodge staff



STEP 3. ENGAGE STAKEHOLDERS

A key component of any successful CBT venture is the active support and involvement of key stakeholders from the beginning of the planning process. Benefits can be financial, material, or technical. However, simply put, one of the main reasons to collaborate with other stakeholders is because more can be achieved by working in partnership than by working alone (being able to develop a product that would not have been available without the input or support of other stakeholders). Working in collaboration with other stakeholders can allow for more successful tourism planning, management, marketing, product development, training, and education. Moreover, without good stakeholder collaboration it will be difficult for the community to work across levels from macro to micro, or to combine the expansion of products with the expansion of markets.⁽⁸⁾

Establish clear role and responsibilities

When engaging and seeking commitments from stakeholders it is necessary to set out anticipated roles and responsibilities as well as effective means of conflict resolution to generate trust and better ensure confidence that agreed decisions will be implemented.⁽⁹⁾ Developing clear, written agreements between the community (group) and the stakeholders can help with this process.

Local community

Having an engaged and supportive community is at the very heart of CBT in order to ensure broad and equitable benefits are received in a structure that gives the community decision-making power over the level and nature of the tourism in their area. Whilst the type and level of engagement will vary from community to community, the engagement should always be at a level that the community feels comfortable with to ensure it is appropriate for the capacities within the community and in balance with cultural and other obligations such as farming duties, religious practices and childcare.⁽¹⁰⁾

Areas of engagement

Participation of the local community in the CBT venture can take many forms such as:⁽¹¹⁾

- Participation in community feasibility studies
- Participation in workshops
- Identification of CBT sites
- Participation in all aspects of planning and business development
- Providing labour for building works
- Voluntary work
- Leasing of land / buildings / sites for CBT venture/s
- Making private land available for tours
- Participation in community management organisation

Community management

To best ensure the community is able to embrace, deliver and benefit from the CBT project it is imperative that the community has well-organised groups, trust systems and strengths and assets to build upon.⁽¹²⁾ Whilst there are many different community management models, communities will typically establish some form of community (or destination) management organisation.

With a key purpose (amongst others) of ensuring the equitable benefit of tourism for all, community management organisations also act to enforce rules and regulations on the planning, operation and development of tourism, resolve disputes, and act as an intermediary between government and business (tour operators, travel agents) and the community. Established as either a legal entity (e.g. as a Co-operative Group), or operating informally, community management organisations will typically include representatives from local tourism service provider groups (homestay, food service, guides, cultural performance etc.), local businesses, local leaders, and representatives from other local groups.

(8) World Tourism Organisation & SNV Netherlands Development Organisation 2010

(9) Armstrong, R. 2012

(10) Asker, S., Boronyak, L., Carrard, N. & Paddon, M. 2010

Sharing the benefits

There are many different approaches to the sharing of CBT benefits with the community. Typically after costs are removed (e.g. for staffing, administration), the profit of the revenues collected by the community management organisation might be divided equally and shared with the community or alternatively allocated in percentages to pre-determined initiatives such as a community management fund for general community development projects, for reinvestment into the CBT venture/s, or as a micro-finance fund for small business operators to start-up or develop their businesses.

When deciding how the profits will be shared, good management, equity and transparency are critical to ensure the benefit does not end up only going to the elite within the community, and also to remove any chance of conflict or tension due to the perception that the benefits are not being distributed fairly. Basic training and education in financial management (e.g. budgeting, cash flow) should also be provided to appropriate community management organisation members, as well as CBT enterprise staff and their families.

In the aforementioned Talai community longhouse case study, the Talai Collaborative Group and the adventure tour operator share the profit 50/50. Of this, the Collaborative Group contributes a small percentage to a community development fund that goes towards community activities which benefit the entire community (not just members), with the remaining profit shared amongst members of the Collaborative Group. Prior to the distribution of profits a fee of VND 20,000 is also paid per tourist (per visit) to the Commune People's Committee who use the funds for administration or to support the implementation of projects.

Business

The private sector is an essential player in CBT as partner, customer, marketing channel and / or advisor,⁽¹³⁾ and in general providing the link between the destination and tourists. Close engagement with the tourism industry is needed to ensure CBT products and activities are complementary to what the private sector is already offering, suit tour operators' priorities and tourist schedules, capitalise on what is unique to the community, and contrast well with other activities on offer to tourists in the destination.⁽¹⁴⁾

Types of businesses relevant to CBT

The two key types of private sector stakeholders are:

Tour operators – Tour operators construct, market and operate tours that include CBT products and activities. Domestic tour operators are most frequently located in key tourism source markets such as major cities as well as major tourism destination regions. International tour operators are located overseas but significantly influence tourist behaviour through the information they impart to tourists about tourism destinations and experiences.

Tourism service providers – Including accommodation, restaurants, attractions, transport companies, guides, and souvenir retailers, tourism service providers market and promote CBT enterprises through word-of-mouth referrals and often by offering advertising spaces for print material. They may also purchase CBT handicraft products or offer retail spaces. Tourism service providers located in the nearby tourism destinations have the most direct influence on CBT ventures.

Areas of engagement

The engagement of the private sector as partners in CBT projects can be achieved in three ways:

1. **Direct involvement with specific companies.** The community invites one or more private companies such as a tour operator to become directly involved in the community management organisation and participate in CBT development activities.
2. **Direct involvement with private sector groups.** The community invites local chambers of commerce, local tourist associations and hotel associations to participate directly in the community management organisation and participate in CBT development activities.
3. **Consultation with tourism related enterprises.** The community actively seeks out relevant private sector organisations and requests their advice or guidance in the planning or operation of CBT ventures.
4. **Consultation with tourism related enterprises.** The community actively seeks out relevant private sector organisations and requests their advice or guidance in the planning or operation of CBT ventures.

(11) Goodwin, H. & Santilli, R. 2009

(12) Asker, pp.18-19

(13) World Tourism Organisation & SNV Netherlands Development

(14) Organisation 2010

Areas of participation

Participation of the private sector in the CBT venture can take many forms such as:⁽¹⁵⁾

- Advising communities on CBT product development opportunities
- Providing technical advice on the development and operation of CBT ventures
- Marketing, taking tourists to CBT ventures and providing feedback
- Establishing a business partnership with community members in a CBT venture
- Sharing or developing infrastructure (road, water), key equipment (telephone, radio) or services (health care) to support CBT projects and communities
- Helping boost understanding of the tourism industry and the benefits of engaging and supporting CBT ventures with customers, suppliers, and the government

Building effective collaboration

Whatever the form of engagement and for whichever stakeholder group, effective collaboration requires skill and commitment, with the following steps being critical to success:⁽¹⁶⁾

1. Bring the right people together and prepare the ground
2. Determine goals and actions in plans with clear roles and responsibilities
3. Manage the process with good leadership, effective procedures and maintaining commitment
4. Have a flexible adaptive management style and constantly evaluate results and make improvements

Government

It is imperative from the start of the CBT planning process to consult with the commune, district and provincial government authorities as they understand local issues, are responsible for dealing with small business planning applications, and can provide advice on the CBT development process based upon their own knowledge of internal practices and process requirements. Government authorities can also provide a range of support, particularly where the investment can demonstrate significant economic benefits to the local people or environment.

Support from government can include grants, marketing assistance, infrastructure provision or access to government planning approval services and facilitation assistance. All possible areas of government support should thus be investigated at local, district and provincial levels.

Forms of engagement

The government is engaged in CBT projects through:

1. Indirect involvement as the chief controlling authority through the setting of laws, policies, plans and strategies that affect CBT development and the provision of advice and support to interested community members or organisations.
2. Direct involvement through an invitation to participate in a community management organisation and participate in CBT development activities.

Areas of engagement

Governments are responsible for policies, regulations, and co-ordination of tourism at all levels, including the local level. Some of the actions governments can undertake, both within the tourism sector and across other sectors include:⁽¹⁷⁾

- Encourage dispersion of tourism to local and regional areas, through infrastructural investment and marketing
- Ensure good policy is followed up with implementation
- Promote CBT enterprises and products in marketing material
- Revise regulations that impede growth of small business
- Integrate awareness of CBT into development strategies and small enterprise strategies
- Coordinate stakeholders around CBT objectives
- Provide training in tourism occupational skills

Meeting with the government

It is important to be well prepared for the initial and subsequent meetings with any government office. For a successful meeting that minimises potential for confusion on outcomes:

- Have a CBT concept paper prepared in advance and bring to the meeting
- Start on time
- Involve all relevant stakeholders
- Meet with a clearly defined purpose and establish meeting ground rules prior to the meeting
- Seek to gain trust through well documented proposals and open discussion
- Consider all options in decision making
- Establish on-going communication needs and processes
- Record and distribute meeting outcomes to relevant stakeholders

(15) World Tourism Organisation & SNV Netherlands Development Organisation 2010

(16) World Tourism Organisation 2010

(17) Adapted from: World Tourism Organisation & SNV Netherlands Development Organisation 2010



STEP 4. DEVELOP & LAUNCH

Training

Tourism is a highly competitive industry in Vietnam and developing and operating a CBT venture is not unlike any other small business – the foundations of success are built upon good skills and knowledge. It is therefore more than likely that local staff will require tourism capacity building and training across a range of areas such as understanding the tourism industry, financial management, and marketing amongst others.

Skills gap analysis

Undertaking a skills inventory and gap analysis will highlight the areas in which capacity building is needed. The gap analysis will help identify the skills and tasks required to develop and operate the CBT venture, the skills currently available in the community, and the skills that need to be acquired through capacity building and training.

To conduct the skills gap analysis a basic matrix can be developed that indicates required skills and available skills within the community (thereby identifying where skill gaps lie). The skills levels should be indicated according to the different levels of management and roles and responsibilities within the CBT venture.

Capacity builders

Capacity builders can be found both within and outside the community and can typically include the following:

- **Existing skilled workers.** Utilise community members who already possess advanced skills in an area or community leaders (both formal and informal) who have a passion and are willing to take in capacity building
- **Non-government organisations and donor organisations.** International and local non-government organisations and donor organisations working in tourism, culture, the environment or community development within your region may be able to provide capacity building support
- **Volunteer organisations.** In some instances overseas volunteer agencies may be able to be engaged to assist with skills building around product and organisational development
- **Tourism organisations.** Established tourism institutions, associations and organisations (public and private) can be excellent capacity builders particularly in such areas as marketing, promotion and human resources planning.
- **Formal and informal education and training providers.** Tourism education and training courses are often available at technical colleges and through industry associations.

Examples of key skills areas required for CBT⁽¹⁸⁾



Cross-Cutting Skills:

Environmental & cultural management skills, basic communication skills, leadership skills

Investment & development

During the development process it is again crucial to highlight the importance of engaging with industry from the beginning to better ensure the CBT product/s will be attractive to tourists. In general, this means, the product is of good quality, appropriately priced, commercially viable, and meets market standards and expectations. Successful products will normally also have a unique selling point / competitive advantage, and offer a unique, authentic experience.

Assigning a project manager

For CBT ventures it is often beneficial to nominate a person with project management skills and the time to commit to ensuring the venture rolls out as planned and in a cost efficient way. If a community management organisation has been established then a working group for the development of each of the CBT ventures (if more than one) should be tasked with this role. Project management skills will be required to:

- Report to the community management organisation regarding progress
- Develop and implement the project according to the established timetable
- Manage people, including contractors, advisors and CBT venture employees
- Manage building works (including internal and external factors)
- Ensure project quality matches community management organisation expectations
- Manage the transition between the development and operational phases of the venture

(18) Asker, S., Boronyak, L., Carrard, N. & Paddon, M. 2010

(19) Armstrong, R. 2012



Setting goals, objectives & a plan of action

The CBT project Business Plan that has been developed will provide project proponents with the goals and objectives of the project. At this stage it is wise to review and update the Business Plan should there be any changes since the plan was made and implementation of the project development activities. CBT project participants (including potential partners) should therefore meet to review the business plan vision, goals and objectives as well as the development plan schedule. These need to be agreed upon and recorded so they can be used to guide the product development process and help resolve and differences that may arise. Undertaking this activity as a shared process will also help generate more ownership of the project with the participants.

To help guide the CBT project development process, an action plan should be developed that clearly specifies the activities that need to be implemented, the timing of the activities, and to whom responsibility lies. If the CBT project is being implemented by a community management organisation (or workgroup thereof) members need to discuss together and come to a common agreement on the aforementioned components of the action plan. The action plan should be a dynamic document that is regularly reviewed and updated.

Ensuring a quality product

During the development process it is imperative that the project aims to meet acceptable quality standards including adequate health and safety levels. If the CBT products are to be competitive with all the other tourism products on offer then quality is essential. Not only will sub-standard products result in tourists not having a positive experience, the reputation and business of tour operators can also be affected by customer complaints should the CBT product not meet with the minimum expected standards of the tourist. Moreover, in some countries operators in tourist originating countries (not those who own or manage a CBT initiative in the destination country) liable for the health and safety of their clients while overseas.

The principles of quality and health and safety are likewise still important for accessing the independent traveller market because if the quality of the CBT product or tourist safety is compromised negative word-of-mouth will be generated and repeat visitation will not take place.

In order to ensure a quality CBT product is developed the advice of the different stakeholders should be sought, including the tourism private sector (in particular tour operators working in the region), government tourism authorities, NGOs working in tourism in the region, and even tourists. Much information can also be found on the Internet such as “Best Practice” guidebooks for tour operators, guesthouses, homestays, local guiding etc.

Case study: Moc Chau [Eco]House

Instigated by Handspan Adventure Travel, the Moc Chau [Eco]House project in Ban Doi Village was initiated with the aim of developing a new tourism destination in partnership with the local community based on the principles of poverty alleviation, entrepreneurship encouragement and capacity building. Activities undertaken in the project included renovating and upgrading a traditional Thai house to become the [Eco]House, development of biking, trekking and cultural tours, training in hospitality, local guiding, and bike maintenance, creation of a Moc Chau Fund to provide financial support for local communities with a focus on health and education, and the establishment of an interest-free micro-credit system to support entrepreneurship among local people.

Matching market needs

Complimentary to ensuring a quality product is ensuring the product closely meets the specific demands or needs of the target market. When developing the features of the CBT product consideration must be given to the type of tourist who will be using or experiencing the CBT product or service with the features and elements of the product or service directly responding to the target market's socio-economic and cultural background, age, gender, nationality, budget etc. If the product being developed is a village guesthouse for European eco-tourists then the guesthouse should be built using local materials, blend into the environment, utilise renewable energy, include western style toilets with environmental management etc.

As tourism grows additional CBT products and services connected to the core product or service should then be developed, with the more services (choices) offered, the higher the level of tourist satisfaction, the longer the stay, and the higher the number of business transactions and benefits to the host community.



Marketing

Effective marketing and sales of CBT products are widely considered as crucial requirements for success with the inability to attract a sufficient number of visitors a common reason why many CBT projects fail. Marketing works to inform tourists of the existence of the CBT destination and its product/s, and encourages tourists to include this experience in their travel itinerary. The marketing considerations that were identified in the CBT Business Plan and based upon the earlier target market research need to be examined and developed in further detail to ensure the marketing strategies are tailored to reach the right target market, with the right message. Developing and implementing a simple Marketing Action Plan is a good way to clearly identify what needs to be done, by whom and when (see Investment & Development section for a template example).

Types of marketing & promotion strategies

Marketing and promotional strategies for CBT normally fall into the following areas:

Marketing through self-promotion

There are many simple things that a community can do to market and promote their CBT venture. Examples: Putting directional signage to the community along key tourism routes nearby; Developing a brochure advertising the CBT venture's products and services and distributing to local tour operators, hotels and tourist information centres; Developing a business card and asking travellers to pass it on to other travellers; Giving a sales call or hosting a familiarisation trip for local tour operators, etc.

Marketing through tourism industry groups

Tourism industry associations and groups at district, provincial and even national levels will often include marketing and promotion as a core activity for their members. These groups will often produce and distribute brochures, attend tourism trade fairs and develop websites promoting their members' businesses. Tourism industry groups will often involve broad networks so word of mouth promotion can be well served here. Examples: VISTA; Responsible Travel Club; Responsible Travel Group; District and provincial tourism industry associations / groups, etc.

Case study: An Giang Farmers Union

The An Giang Farmers Union (AGFU) project in An Giang Province worked to successfully transform an existing agro-tourist office into a rural farmers' tourist centre. The centre provides visitors with farming experiences, cultural performances, dinners with farming families, homestay accommodation, guided tours, and the production and sale of handicrafts. The centre successfully implemented a range of marketing and promotional activities such as staff workshops on marketing, establishment of partnerships with Provincial Department of Culture, Sport & Tourism and tour operators in Ho Chi Minh City and Can Tho, organisation of a familiarisation trips for tour operators in My Hoa Hung, the pulling together of TV programmes and articles in local and provincial newspapers, and the production and distribution of booklets, leaflets, maps, posters, and of a website for the centre.



Marketing through private sector partners

Tour operators or tourism service providers that are partnered with the CBT project often already have an established marketing strategy combined with methods and resources to promote directly to the consumer. Integrating the CBT venture into the partner's marketing strategy is therefore crucial. Examples: Asking a partner tour operator to include the CBT destination in their itineraries and on their website; Asking partner hotels to include information on the CBT destination in their guest book, display the CBT brochure in the lobby, and have the front desk to refer guests to the CBT destination; Asking attractions to display the CBT brochure in their ticket office, etc.

Marketing through the Government

Government tourism promotion centres and tourism departments from the national to district level produce marketing material such as brochures, guidebooks, maps, websites and even TV programs and commercials. Making these stakeholders aware of the CBT destination and products is therefore critical. Examples: VNAT, DCST, District tourism promotion / information centres, etc.

Pricing

The pricing of the CBT product/s is largely dependent on the target market (e.g. high-end, low-end, domestic, international etc.). While there are many different methods for pricing products, the key principle is always to recover all costs for production, operation and depreciation (including taxes), and then to add in a percentage profit. However, other factors can also play a part such as government regulations, how the CBT project proponents want to "position" the products against competitors in the market, as well as the pricing strategies of partners such as tour operators (if these relationships have been established). A general guide to pricing for target markets would be:

- International tourists in organised tours: Medium to high pricing strategy
- Domestic tourists: Low to medium pricing strategy
- Freely independent travellers: Low to medium pricing strategy

Trends in marketing⁽²⁰⁾

- Consumers are seeking advice from other consumers through the Internet. 'Neo-tribes' or new-common interest groups and communities and social networking sites are a main resource for orientation and knowledge. Facebook, Twitter, YouTube, and TripAdvisor are good examples.
- The Internet will drive future developments in travel / tourism product distribution.
- Changes in technology will include advances in areas of mobile phones and digital TV, richer product data for the consumer, and development of new electronic payment systems.
- Marketing messages based on experiences and feelings will have greater importance in travel decisions. Tailor made and personalised products will become more important.
- Unique selling propositions will become more important but will need to be expanded into unique experiential selling propositions.

(20) World Tourism Organisation 2007

Promote experiences not approaches

A common trap in many marketing efforts made by communities, tour operators and even Government promotional authorities is to promote “community based tourism” as the product. Mainstream tourists are often little interested in the fact that a product or experience is “community-based”, and indeed outside of well-educated niche markets, most tourists may not even be aware of what the concept actually means. What the tourist wants to know however is what a product or service offers and how it will benefit them or add to their travel experience. Promotion therefore should centre around the experience that can be had by the tourist, for example, “village homestay experiences”, “locally guided boat tours”, or “remote jungle adventures”.

Operation

CBT ventures that succeed in the long term are not only financially profitable but are also perceived by the community to not impact too adversely on the communities' quality of life. Should the CBT venture/s develop too quickly undesirable impacts can often result such as disruption to privacy, degradation to the environment, jealousy and friction within the local community (particularly if the CBT venture does not include or benefit everyone), and inflation in the price of consumer goods and services. Likewise, an appropriate period of time is required to enable time for “community buy-in” and allow for learning, development, consultation and capacity building of CBT venture operators. Potential negative impacts and risks therefore need to be carefully considered in advance and managed or avoided through good business policy and operational practice.

Managing for success

Whilst every CBT product is different, the foundations for success are from the development and implementation of a carefully researched, practical and realistic business plan that, based upon good market research, provides a pathway for the development and implementation of marketing activities, covers practical details of product delivery, addresses personnel and responsibilities, and includes a full costing and risk assessment. Key features of successful CBT ventures include:

- **Keeping it simple and low cost.** By keeping enterprise development simple, low cost, and focusing on the medium- to long-term, potential unsustainable cost “blow-outs” will be minimised and community expectations will be more realistic.
- **Preparing for risks.** Successful CBT operations foresee potential issues and risks in advance, and manage and avoid them through good plans and structures that identify how communities will work together to deal with and avoid them before they happen.
- **Fostering sustainability.** Operation of the CBT venture needs to continually explore and implement mechanisms to foster not only financial sustainability into the long-term, but also ensure social and environmental sustainability goals are met. Action to foster sustainability should be taken during the planning and development phases, for example to reduce consumption of water and energy, reducing waste and recycling, and avoid pollution. Designing for sustainability should be supported by sustainable actions by all staff and visitors to meet the goals of sustainable tourism.
- **Maintaining marketability.** CBT operators must continually market and promote their product/s to the market in order to ensure long term viability. New and innovative ways to attract new customers or get past customers to come back should be continually sought.
- **Delivering to expectations.** Ensure marketing material is of a high quality but also that the expectations that are created match reality.
- **Reinvesting wisely.** In order to maintain the CBT venture and protect their CBT asset or tourism product communities need to continually reinvest in the maintenance of the business (weather that might be physical infrastructure or the natural environment).
- **Maintaining authenticity and ambience.** Most visitors who engage in CBT respond to genuine and traditional values and experiences and they do not want this to be manufactured for them.

Critical success factors in operators

In CBT operation in Vietnam there are a number of common issues that regularly affect the overall visitor experience and for which operators should remain aware.

Sub-sector 1: Accommodation

Hygiene and cleanliness are of high importance. Bed linen must always be clean, from damage, and adequately warm for the time of year. Beds should be comfortable and rooms free from dirt, dust, and insects. Bathrooms should be clean with the shower and toilet functioning properly (including plumbing). The overall ambience should be an atmosphere of comfort and cleanliness decorated in a style that is consistent with the type / level of establishment.

Sub-sector 2: Attractions

Local attractions should be well maintained. Refurbishments or additional infrastructure should be in-keeping with the attraction itself and its surrounding environment. Interpretation of attractions should be provided either through a guide or written material. Visitors expect a mix of natural and cultural experiences. The attractions should be reasonably accessible such that there is no significant risk to the health and safety of the visitor.

Sub-sector 3: Tours

While scientific knowledge is important, tours should also integrate local stories and colour. Guides must always assess the fitness ability of tourists before departing on a tour. Tours should not be conducted if any potential bad weather is expected that could put the health and safety of guests at risk. Tour guides should make sure tourists have adequate clothing and supplies to undertake the tour (e.g. sun hat, boots for trekking, sufficient water / food etc.). The price of the tour should be clearly informed to the tourist before departure and include any / all additional costs (e.g. entrance fees, guide fees, transport fees etc.).

Sub-sector 4: Food & beverage

Food hygiene is critical. For food preparation, a clean surface that is off the floor should be used. Likewise, kitchen staff and food servers should be neatly attired and have good personal hygiene. Whilst one of the motivating factors for Western tourists to visit a local community is to try the local food; bones, high fat content, internal organs, and “unusual” dishes using insects or exotic animals (e.g. wild or endangered species) should be avoided unless. Spirits such as rice wine are considered by many to be extremely strong and are generally consumed only in small quantities (particularly for women). Bowls, plates, glasses and eating utensils (chopsticks, spoons etc.) should be perfectly clean and free from damage.

Sub-sector 5: Handicrafts

Handicrafts should be easily transportable (not too large or heavy). Cultural or historical artefacts of particular importance should not be traded. All handicrafts should represent well the culture of the people of the destination as visitors are often looking for authenticity; however the trade and commercialisation of items with particularly significant religious or spiritual value should be avoided.





STEP 5. MONITOR, EVALUATE & ADAPT

Periodic assessment

A successful CBT project is one that continually evolves with the needs of the market as well as the needs of the community. However, it is not possible for any business to know adequately how to develop if it does not know where it is performing well and where it is failing.

Periodic monitoring, evaluation and adaption is critical to the success of CBT ventures in order to maintain quality standards, keep track of any adverse impacts of tourism on the local community and ensure the product is suitable for the market.

Simple indicators should therefore be agreed and made known to the community to measure and track success. These will typically include such areas as economic performance, environmental impacts, visitor satisfaction, and local community wellbeing.

Participatory process

The wide community should be involved in the development of key issues and selection of indicators, and may also be trained to undertake data collection. Establishing a multi-stakeholder working group to oversee the monitoring process and analysis of results can also help keep the process transparent and any avoid political conflicts of interest over the interpretation of the results⁽²¹⁾

Typically conducted by key stakeholders such as local officials, development consultants, and donor agencies in conjunction with community groups, monitoring should be kept simple with feedback obtained from visitors, tour operators and local people.

Key steps

Monitoring, evaluation and adaption of CBT projects can be seen as a cyclical process often undertaken in a sequence of events that goes through steps such as planning to monitor, collecting and analysing results, and implementing management responses (adaptation)⁽²²⁾

1. **Planning to monitor.** Discuss and plan the idea of monitoring with the community; Set objectives for monitoring; Discuss general⁽²²⁾ practical issues such as who will be involved, the boundaries of the study area, the resources required, and timing for monitoring
2. **Scoping key issues.** Research key issues facing the CBT business and community; Hold community meeting to review and prioritise issues; Seek input of monitoring working group to finalise list
3. **Developing indicators.** Review list of existing indicators from secondary sources and match to key issues; Brainstorm in small groups to find new indicators to match issues; Screen indicators that are not practical to implement or have only limited relevance to key issues and fine tune
4. **Collecting data.** Identify data sources; Design data collection methods such as surveys and questionnaires; Design a simple database to hold the results

(21) World Wildlife Fund for Nature 2001

(22) Adapted from: SNV Asia Pro-Poor Sustainable Tourism Network 2007

5. **Evaluating results.** Establish year-one benchmarks; Identify appropriate thresholds for management response
6. **Communicating results.** Design communication methods for different stakeholder groups; Publish results and update regularly
7. **Planning the response.** Identify poor performing indicator areas; Research possible causes for poor performance; Decide on a management response; Draw up an action plan
8. **Reviewing objectives and issues.** Review CBT project and monitoring objectives and key issues; Review indicators and data collection
9. **Implementing actions.** Instigate management responses according to the plan of action

Data sources

The collection of information and data to inform the monitoring and evaluation process can come from a range of different sources:

CBT venture financial records

Basic data on economic performance should be available through the book-keeping records of the CBT venture operators or alternatively the community management organisation. Types of data relevant to the monitoring and evaluation process include sales volume, revenue, profit-loss, employment levels, poverty line statistics and other welfare data

Community visitation records

Occupancy / user rates, length and dates of visit, age, gender and nationality are all types of information that should be captured as a part of visitor entrance requirements to the village / community.

Visitor surveys

Can range from simple guest satisfaction forms and guest feedback books through to formal qualitative and quantitative visitor surveys. Information of worth includes demographic details, dates of visit, activities undertaken, likes and dislikes (including social and environmental aspects).

Stakeholder discussions

Holding regular discussions and meetings with stakeholders is a good way to obtain feedback on the operation of CBT venture/s. This can be done both informally through the CBT proponents general interactions and conversations with the broader community members and other stakeholders such as tour operators and local government officers, as well as through formal methods such as a formal survey and stakeholder meetings. Types of information of interest include stakeholder perceptions of the CBT venture and its positive and negative impacts on the community (economic, social, cultural) and surrounding environment.

Physical assessment and observation

Physically observing CBT related activities over time such as records of events, and investments and developments occurring can be useful sources of information. Photographic records can be helpful here.

Typical indicators

According to Asker et al (2010, p.36), "Identifying and selecting 'impact' indicators will help the community to determine when the acceptable environmental, social or economic limits of change have been breached. The carrying capacity of the environment or the community (i.e. the ability to absorb the impacts of tourism in the area) should be decided on in advance, and impact indicators to measure change should be built into each part of the project's operations. Indicators should be relevant to the CBT venture, quantifiable (quantitative or qualitative), and specific (where and who)."



Typical key indicators for CBT projects

Economic impacts	<ul style="list-style-type: none"> • Number of direct and indirect jobs in tourism (employment type, gender etc.) • Ratio of local traditional employment to tourism employment • Direct and indirect income from tourism in the community • Spend on community development projects from CBT generated funds (including types of projects and beneficiaries) • Number and types of local tourism enterprises • CBT enterprise revenue, profit and loss levels • Occupancy / user rates of CBT enterprise/ (including seasonality)
Social impacts	<ul style="list-style-type: none"> • Number of community members who have attended tourism related training courses (including type and level of course and duration) • Proportion of women working in local tourism workforce (including seniority, pay and benefits compared to male counterparts) • Number of female entrepreneurs in local tourism industry • Number and types of traditional cultural events supported and cultural heritage sites protected or upgraded • Amount of positive and negative feedback from stakeholders regarding the CBT project (including stakeholder, type of feedback, and form of feedback)
Environmental impacts	<ul style="list-style-type: none"> • Number and types of environmental conservation projects implemented connected to the CBT project • Level of pollution in the community and environment • Level of destruction of local natural environment caused by tourists and tour operators • Number of community members who have attended environmental related training courses (including type and level of course and duration) • Level of resource use / availability (water, land, electricity etc.) • Level of waste management and treatment



Adaptation

Simply monitoring the effects of tourism on the community and the contribution it makes to the community's sustainability goals is of little value in the successful operation and development of a CBT venture unless the results are properly evaluated and acted upon. The results of the monitoring and evaluation should therefore act as a guide for the development and implementation of future short- and long-term policies and actions. The community management organisation should also make sure the results of the monitoring and evaluation are incorporated into their next review and revision of the CBT strategy and action plan. This process of learning to cope with change by monitoring, experimenting and learning is often termed adaptive management and should be an on-going process in the CBT project life.

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