



Post Covid19 - An Opportunity to Address the Problems in Tourism

By Shane K Beary

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The Problems

The industry has long proclaimed that tourism has the potential to address inequality, poverty, and environmental related problems. Many tourism-related organisations and NGOs are doing good work in business skills development, marketing, and training for micro and small tourism businesses. However, their successes over the past 30 years have been overshadowed by the exponential growth and negative impact of mass tourism. The industry's shareholder profit-driven, commission-based model – is the elephant in the room.

The Traditional Model – Exerts far too much control over the distribution of guests to tourism destinations, and to the individual businesses within them. It contributes far too little in the sustainable development of the destinations used and takes too great a share of the profits. It also puts the burden of infrastructure and environmental protection related costs onto the local taxpayer.

Online Travel Agents (OTAs) - Share little, if anything, of the increased profits made by eliminating costs (personnel/overheads) incurred along their shortened version of the supply chain. As a result, they have more to spend on SEO (search engine optimisation and metasearch) used to secure greater market share. They make no contribution to local taxes and put the additional burden of looking after those they make redundant along their supply chain - back on the taxpayer. It can, be argued that their business model is more destructive than disruptive.

Overtourism - Is the result of the aggressive promotion of attractions and activities selected based on the returns (commissions x volume) generated to the tourism operators who promote and book them. This comes at the expense of locally owned products and services providers who offer less in profits and capacity - but would have wider appeal if given equal market access.

The Numbers Say It All

- Commissions paid to OTAs (online travel agents) by tourism business operators range from **12.5 - 36%** on which little if any local tax is paid. The average percentage is expected to increase in destinations where competition is intense or the industry experiences periods of decline.
- **One in Nine** - Is the number of micro or small tourism enterprises that receive bookings from the mainstream travel industry.
- **Three in Ten** - Is the number of micro & small tourism enterprises that receive bookings from the OTAs (Online Travel Agents.)
- **70-80%** - Is the 'leakage' - or the percentage of the tourist guest expenditure - that goes to the overseas agent/operator or is repatriated in service/management fees) from the economy of the country visited.

The Damage - The combination of both models undermines the long term economic and social security in all regions and host countries. Their negative impact quickly reduces the appeal of a destination, leading to an exodus of visitors who are simply moved on to the 'next newly promoted destination.' Not often mentioned is the problem of 'visitor fatigue', where the 'type of tourist' is not as interested in, understanding or respectful of the culture he or she is visiting. The local people are then less inclined to extend their traditional warm welcome, and the appeal of each group to the other decreases. The cost in long term damage to the 'old destination' is borne by the local community, not by the travel operators. In this age of internet connectivity, we must ask - are there no better options?

This observation is in keeping with those expressed in the highly regarded 'Butler's Evolution of Tourism Model'. <https://www.numptynerd.net/tourism-the-butler-model.html>

The Solutions

Lessons from Covid19 - The impacts of the coronavirus pandemic are a wake-up call for us all in tourism. They have further exposed and exacerbated the long-ignored weaknesses in the business model. We must take this opportunity to go beyond just implementing fixes that will get us through to 'normal', we must use it to address the real underlying problems that will ensure our long-term survival.

A Viable Alternative - The development and adoption of real solutions are urgently required. Those introduced, must ensure that the host countries and their tourism industry members derive a greater share of the benefits of tourism, have more control over the type and extent of its development, and better manage the risks of their dependence on it.

This is a call to support the introduction of an alternative model - not to replace, but to run alongside the existing model and will deliver significant benefits. It is aimed primarily at attracting the growing responsible tourism market, that will help the industry to deliver on its long-overdue promises - correct the inequities and build a better tomorrow whilst we can.

It addresses the problems of overtourism by developing the tourist route system – supporting excursions from and trips between destinations, widening the visitor footprint whilst reducing the negative impact of overtourism on the city hotels, restaurants, and attractions, without penalising the visitor, or the local stakeholders.

The routes serve to link the products and services of the micro and small business operators (accommodation, attractions, activities, courses, and workshops), in a logical manner. They are presented in a format that allows guests to research and customise itineraries to include their choice of the unique and rewarding travel experiences on offer.

We are confident that the social enterprise driven model established by the RTA (Responsible Tourism Alliance) that redistributes the benefits and rewards of tourism in favour of the buyer at the one end, and the seller at the other end of the supply chain, whilst restructuring the role and revenue streams of the 'local agent' in the middle - offers such a solution.

The model identifies more closely with that of new generation online social enterprises like ALOBI (<http://abalobi.info/>) that allows local fishermen a much better price for their catch, and market access via a transparent fee based co-operative. The restaurant diner gets a bill for fish that identifies where it was caught, who caught it, what it weighed, and what the fisherman was paid for it. The industry gets accurate and real time information on the state of the coastal fish reserves at little or no cost.

Support & Collaboration

VWB (The Volunteers Without Borders Foundation), our non-profit alliance partner, is tasked with the training role. It is funded by donations from our membership – including those who would benefit from our extensive (non-personal ID related) research. It has a proven track record in working with schools, universities, and corporate clients. It matches their CS & CSR goals with the development project requirements of the rural area communities it serves.

VWB has won awards for its roles in tourism development (The SKAL Ecotourism Award 2006) and with Maekok River Village Resort for its role in rural education and related infrastructure development in northern Thailand from the Thai Ministry of Education in 2015.

Implementation

The pace at which we can implement the project will be dictated by the support and collaboration provided by the progressive members of the tourism industry, its representative bodies, and the educational institutions that provide its workforce.

We, like many in the industry, foresee a phased reopening that allows domestic and regional tourism to restart well before international tourism makes a return. The RTA platform is designed and will be ready to launch in June 2020. The first 'tourist route' designated for the pilot project has 20+ businesses signed up and another 80+ potential candidates identified. The core tasks to be undertaken are:

Short Term

- The identification and development of 2nd revenue stream projects of a type that will allow the participating micro and small businesses, (and those in their local visitor based communities), to generate income to help feed their families until business returns. These projects should be continued, to help manage risk going forward.
- Training new business partners in basic tourism business skills, hospitality, hygiene, and responsible tourism best practices, aimed at increasing their market appeal, improving their product and service standards, and increasing business value. The benefits will accrue to all in travel today, and tomorrow.
- The recruitment of experts and training of VWB Volunteers to assist with the training tasks outlined, and to help develop and upload the 'online business profiles' for each newly recruited business, to the RTA database and search system.

Note* In the short and medium term, during which city hotels will suffer economically, government and the industry could help by subsidising their role as training centres. The hotels can provide venues for the basic Corovid19 health & hygiene (and perhaps more) training workshops for the tourism industry that once adopted will instill confidence in, and strengthen their argument for the swifter return of International custom.

Medium Term

- Continue the expansion along routes throughout and then beyond the north of Thailand as soon as possible - bearing in mind that the template for doing so is in place, as is the platform to allow that expansion.
- Offer the product at promotional rates to the domestic market during the initial phase of tourism recovery, when national/selective regional travel is allowed.

Note* The hospitality sector must ask the difficult questions. (1) What if International tourism does not return to previous levels for a long time, if at all? (2) What if the global economy changes dramatically and countries like Thailand must restructure their economies, moving up the supply chain? (3) How does the sector adapt and when does it start? Surely the prolonged Covid19 problem will create a need to accommodate the elderly, residents & foreign guests, those most at risk. Surely economic restructure presents MICE and a wider range of training venue opportunities for the domestic and regional markets?

Longer Term

- Recruit VWB volunteers and trainee RTA Local Agents from other countries, who can learn how the model works, how to train others, and return home to establish operations, on a concession basis, in their own countries. The need for solutions is global and collaboration is the key.

Note* It is highly likely that as long term concerns grow about our immune systems weakened by years of unhealthy diets, due in part to our modern intensive farming methods, the world or much of it, will pivot (return) to a healthier more sustainable and chemical free food production system. Countries like Thailand have the potential to supply that market.

As those who can work remotely, (digital warriors) choose to move out of the cities into less congested areas, either full or part time to reduce their exposure to the virus, places like Thailand, have the potential to attract this market. Why not start now?

About the Author

Shane K Beary, is the CEO of Track of the Tiger T.R.D (Tourism Resources Development.) Est. 1986. He is also the Founder & Senior Consultant of the Volunteers Without Borders Foundation.

Shane, a proponent of responsible tourism in northern Thailand for the last 34 years, is active as an owner/operator in resorts, tour operations, experiential education, corporate team building/leadership & CSR programme management, and special interest travel. With the help of a small team he developed the business model for the Responsible Tourism Alliance over several years.

For a preview of the RTA website - contact: info@responsible-tourism-alliance.com

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