

Sustainable Tourism in Natural Areas Market Study

Prepared for Commission for Environmental Cooperation, Montreal, Quebec

Background

Tourism is currently the world’s largest industry and also one of the fastest growing. It is estimated that in 2000, tourism accounted for approximately 10 percent of global Gross Domestic Product (GDP), or US\$4.7 trillion (World Tourism Organization WTO 2001). According to the WTO there were more than 663 million international travelers in 1999, with the Americas remaining one of the main tourist-receiving regions in the world. In a ranking of the world's top 15 tourist destinations, the United States was third (market share 7.3 percent); and Canada and Mexico were seventh and eighth respectively (each with a 2.9 percent market share). International arrivals to the three North American countries in 1999 totaled nearly 87.3 million (Canada 19.6 million, Mexico 19.2 million, and United States 48.5 million) arrivals (WTO 2000). These figures represent an increase over 1998 for both the US (4.5 percent) and Canada (3.7 percent) but a decrease of 2.9 percent for Mexico. According to WTO (1998) figures, leisure, recreation, and holidays represent the main purpose of trips, accounting for about 62% of arrivals.

The travel and tourism economy in North America represented 11.6 percent of total GDP, 12 percent of total employment, and 10 percent of total capital investments in 2000 (WTTC 2001). In terms of international tourism receipts, in 1999, the tourism industry generated US\$74.4 billion in the United States, US\$10 billion in Canada, and US\$7.6 billion in Mexico. In Mexico, tourism is the second most important generator of foreign currency, with visitor spending exceeding that of residents. Capital investment in travel and tourism is expected to continue growing at an annual rate of 13.8 percent. Revenue generated by travel and tourism in the United States is over three times the amount generated in Japan, the country with the next-largest receipts. In Canada, the industry represents a higher percentage of total GDP than it does in the United States or as a world average (WTO 2000).

Most of this tourist activity is what is known as “mass” or “conventional” tourism, which for the most part pays little heed to its impacts on host environments and cultures. There is a great deal of evidence, however, that many forms of this mass or conventional tourism cause varying degrees of harm to the environment as well as to local populations, especially in areas of natural beauty and in small communities of cultural significance. Table 1 below lists some of these environmental effects.

Table 1. Environmental Effects of Tourism

Impact	Causes
<i>Air pollution</i>	Transportation and increased electricity consumption
<i>Water pollution</i>	Sewage from hotels and boats, and discharge of hydrocarbons from motorized vessels
<i>Solid waste</i>	Litter left by tourists and tourism workers, as well as garbage
<i>Loss of natural landscape and biodiversity</i>	Construction of buildings (tourist facilities and accommodations), and infrastructure (roads, paths, transmission lines). Tourist use and behavior (i.e., collection of plants, shells, rocks/fossils, etc.

	and disturbance of natural ecosystem coral reefs, beaches, forests)
Noise	Increased traffic, airplanes, recreational vehicles, and entertainment facilities

Source: adapted from Environment Canada 1996 and Tolba et al.

Definitions

Although sustainable tourism, ecotourism, and nature-based tourism differ by definition, they are often used interchangeably. For the purpose of this study, these terms are defined as follows.

Sustainable Tourism

Sustainable tourism in natural areas is a broad vision that fuses the concept of sustainable development with the tourism industry. It attempts to balance a variety of economic, sociocultural, and ecological concerns at international, national, and local scales.

Sustainable tourism, as defined by the World Travel and Tourism Council (WTTC), the World Tourism Organization and the Earth Council, “meets the needs of present tourist and host regions while protecting and enhancing opportunity for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life-support systems” (WTTC/WTO and Earth Council 1999).

A review of leading publications since 1995 reveals that there is worldwide agreement, on the components of sustainable tourism (Wood 2001b). Sustainable tourism:

1. Contributes to conservation of biodiversity.
2. Sustains the well-being of local people.
3. Includes an interpretation / learning experience.
4. Involves responsible action on the part of tourists.
5. Is delivered to small groups by small-scale businesses.
6. Requires lowest possible consumption of non-renewable resources.
7. Stresses local ownership and business opportunities for local, particularly rural people.

Ecotourism

While many other definitions exist, for the purpose of this study ecotourism is a subset of sustainable tourism. Ecotourism is “...environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature, (and any accompanying cultural features - both past and present) that promotes conservation, has low negative visitor impact, and provides for beneficially active socio-economic involvement of local populations” (Ceballos-Lascurain [IUCN] 1996).

Wight (1994) suggests that the inconsistency in defining ecotourism throughout the Americas may be due in part to the many stakeholders involved in ecotourism, all bringing their own perspectives and motivations. As an example, Edwards et al. (1998) conducted a comprehensive survey of national and state government tourism agencies in Canada, the United States, Latin America and the Caribbean. They found that 76 percent

of the agencies created their own or adapted a published version to meet their needs or understanding of the term. This leads to each region and sector developing its own standards.

Nature-based Tourism

Nature-based tourism has been defined as representing the full range of tourism activities and products taking place in natural areas, particularly in parks and protected areas, but including all wildlands where nature has been conserved, such as indigenous lands. Nature-based tourism can be either large-scale or small-scale and is defined by its destination — nature. It is simply tourism taking place in natural areas.

Statistics are beginning to emerge from the tourism industry about this growing business sector, and relevant agencies within the North American governments are also devoting resources to protecting their natural heritage through the study and promotion of alternatives to mass tourism. The governments of each of the three North American countries approach sustainable tourism development and promotion differently. Mexico is the only North American country with a federal ministry responsible for tourism. The Secretaría de Turismo (Sectur) promotes and markets tourism and is currently looking to further develop its ecotourism and sustainable tourism sectors. In its strategy statement, it uses the IUCN's definition of ecotourism. The United States has no official sustainable or ecotourism policy, although the EPA launched a Sustainable Tourism Roundtable in 1999 and the Department of Commerce uses the WTO and WTTC's definition of ecotourism. Most ecotourism in the United States is marketed and promoted by the private sector while Canadian tourism is promoted by the Canadian Tourism Commission (CTC), a public/private sector partnership that has developed its own definition of ecotourism.

In 1998, the World Tourism Organization reported that ecotourism and all nature-related forms of tourism accounted for approximately 20 percent of total international travel. Sustainable tourism is also one of the fastest growing sectors of the tourism industry and is estimated to be growing at anywhere between 7 to 30 percent per year (Wight, in press). In a 1994 North American study (the most recent and detailed study to date for North America), about 77 percent of respondents claimed to have taken a vacation that involved nature, outdoor adventure, or learning about another culture (HLA 1994). A US Fish and Wildlife Service (1997) report indicates that 31 percent of Americans enjoyed wildlife watching activities and that 11.6 percent had traveled for the primary purpose of participating in wildlife viewing activities (i.e., an ecotourism activity). Statistics are imprecise, however, since they do not distinguish between the diverse forms of travel now providing alternatives to conventional or mass tourism, variously termed adventure tourism, nature travel, low-impact tourism, and ecotourism, among others.

The term ecotourism has been widely adopted by the travel industry and used as a marketing tool to attract a new and growing number of environmentally and socially conscious consumers and to open new, unexploited destinations (Honey 1999). But ecotourism is much more than this; the aforementioned IUCN ecotourism definition has been officially adopted in over 30 countries around the world and by many other international institutions (e.g., The Nature Conservancy) to signify a tool for conservation and an instrument for sustainable development. However, like other terms with the prefix 'eco' (eco-friendly, for example) its use as a marketing tool has led to the watering down, or 'greenwashing,' of the original meaning.

The responsible development and proper management of sustainable tourism in natural areas will benefit the economies of all three nations and has the potential to provide important financial resources to some of North America's poorest regions. However, a serious lack of robust data about the market characteristics of the industry and the lack of consensus or consistency in definitions of terminology hinder concerted efforts to promote sustainable tourism. There is no universally agreed-upon definition, set of criteria, list of indicators, or single recognized seal or certification system for sustainable tourism in North America (CEC 1999).

Markets

Eagles (1995b) writes in *Understanding the Market for Sustainable Tourism* that, "Sustainable tourism refers to a broad range of recreational activities occurring within the context of a natural environment. **An emerging consensus is that sustainable tourism has four identifiable niche markets — ecotourism, wilderness use, adventure travel, and car camping** — each with a unique set of characteristics and identifiable and important differences. Because of the many people involved in these activities, a tourism industry has developed around each of these four groupings. In most studies of sustainable tourism, these four categories are merged into one grouping, usually called 'ecotourism,' 'adventure tourism,' or 'sustainable tourism.' This approach is confusing and needlessly mixes distinct activity classes. It is important to recognize that the market for sustainable tourism is large enough that the specific submarkets are best managed with their specific characteristics in mind."

Ecotourism is closely tied to government (Eagles 1995b). Because of the need for natural environments with a set of specific characteristics, governments set aside land from the public domain that has these characteristics. Government agencies are responsible for allocating access, for managing the natural environment, and for setting behavioral objectives.

According to Wood (2001b), "Ecotourism is a growing niche market within the larger travel industry with the potential of being an important sustainable development tool. It is a real industry, with billions of dollars in sales that seeks to expand and take advantage of market trends. At the same time, it frequently operates quite differently than other segments of the tourism industry because sustainable tourism is defined by its sustainable development results: conserving natural areas, educating visitors about sustainability, and benefiting local people." *Understanding the market for sustainable tourism* requires recognition of the uniqueness of the recreation product. Parks and recreation products are service products that are fundamentally different from most consumer products. Eagles (1995b) suggests that once tourism planners and managers recognize these differences, there is apt to be a better integration of tourism demand and supply.

Wood (2001b) further states that, "Because sustainable tourism is defined by its objectives to conserve nature and contribute to local people, it has been very difficult to measure. As yet, no in-depth studies have attempted to determine how many nature tourists are actually motivated to make travel decisions based on sustainable tourism principles. Sustainable tourism is widely researched as nature tourism, leading to false assumptions on the size of the market. Excellent research on nature tourism has shown that as much as 50% of the total travel market wants to

visit a natural area during a trip, which might include a short day stop in a national park. While this is a very large market, it is quite different from the market that is actually motivated to travel in small groups, learn about wildlife and culture with a local guide, and help support conservation and sustainable development.”

The World Tourism Organization predicted that by 2000 most of the 86% increase in worldwide tourism receipts would come from active, adventurous, nature- and culture-related travel (Reingold 1993). Market research shows that ecotourists are particularly interested in wilderness settings and pristine areas (Wood 2001b) and that 40-60 percent of all international tourists are nature tourists while 20-40 percent are wildlife-related tourists (Filion 1992).

Demographics

“Ecotourists,” according to Eagles (1995b), “have high levels of dedication to their activity, associated with a strongly held and coherent attitude set. They have an environmental philosophy that is well developed and that is reflected in many other cultural forms, such as literature and art. Their philosophy guides their travel actions. The resultant social rules are widely developed and widely transmitted to others. This is a powerful group, and it is rapidly gaining more influence.”

In the United States, the Roper Organization classifies about 22% of Americans (about 40 million adults) as “true environmentalists.” They separate this group into two categories:

1. *True-Blue Greens*, representing 20 million Americans, are people whose behavior is consistent with strong environmental views.
2. *Green-back Greens*, also 20 million Americans, are people willing to pay substantially higher prices for “green” products. (US Travel Data Center 1992).

In general, these individuals have higher than average incomes and are college educated. The study also shows that women are generally more environmentally conscious than men. It is this group that can be equated to the target sustainable tourism market (Wood 2000).

“Ecotourism has a strong focus on learning and discovering nature” (Eagles 1995b). “High levels of sophisticated information, careful study, documentation, and increased understanding are key attributes” (Eagles 1992). The primary environmental attitudes about ecotourism concern the issues of wilderness, national parks, birds, tropical forests, and wildlife (Eagles 1992). “Nature without the soiling influence of people is celebrated; low levels of human presence, except for conservation purposes, are desired. Ecotourists hold their environmental attitudes strongly, and they have no hesitation in forcing a set of desired behaviors on others. Activities such as bird watching, wild flower photography, and reef snorkeling are reflections of these attitudes. Sustainable tourism is primarily concerned with an individual search for learning and for the associated personal development, and no specific level of social contact is required to make the experience worthwhile” Eagles 1992).

According to a 1996 survey of 753 frequent vacation travelers conducted by the research organization, American LIVES, 53 percent of all ecotourism vacation travelers are part of a

demographic category called *Cultural Creatives* (Ray and Anderson 2000). *Cultural Creatives'* lifestyles are experiential, authentic, and holistic. They are "aggressive consumers of the arts and culture" (Ray and Anderson 2000). *Cultural Creatives* are consumers of experiences such as weekend workshops, spiritual gatherings, vacation-as-spiritual-tour, vacation-as-self-discovery, and other experiential vacations. *Cultural Creatives* "define the leading edge of vacation travel that is exotic, adventuresome, educational, experiential, authentic, altruistic, or spiritual." As could be expected, this demographic category isn't really interested in going on cruises, staying at classy resort hotels, or taking part in canned or packaged tours.

The American LIVES research found that travelers who are interested in eco- or nature-based vacations want specific kinds of vacation activities. Table 2 presents the various activities and the percentage of travelers interested in those activities.

Table 2. Activity Preferences

Activity	Amount of interest
Nature and camping	69%
Travel to exotic locales or activities	61%
Minimal activity (do and spend little)	53%
Intense experiences	51%

Similar to the 50 million *Cultural Creatives* worldwide are the *Bobos*, or bourgeois bohemians. This is the term used by David Brooks to describe a new affluent group in society. The bourgeois work for corporations and love order; the bohemians are creative types who love freedom. But these two groups have merged and it's difficult to determine in a café who is the banker and who is the artist. *Bobos* as travelers seek to be differentiated from passive tourists, sight-seers, and bus-tour participants. They don't just want to see sights, they want to "try on other lives" (Brooks 2000). Brooks identifies a distinct set of travel preferences and motivations for *Bobos*. They want to get away from their affluent worlds and seek "spiritually superior worlds" and more authentic native/local culture, foods, and crafts. *Bobos* want to go to uncrowded, undiscovered places where "simple people live in abundance."

Because *Bobos* are naturally industrious and ambitious, they seek travel experiences that are intellectually and spiritually enhancing and often physically challenging. *Bobos* look for adventure vacations and eco-tours that are "high-status" and "low-amenity." They seek these challenging and/or educational vacations in order to feel more alive. Given that *Bobos* work lives are a series of aptitude tests, it follows that their adventure vacations should be a test as well. *Bobos* are likely to go on these challenging trips to authentic, undiscovered destinations so that they'll have something unique/different to talk about back in their corporate worlds. They buy gear at LLBean, Travelsmith, and REI to take on these adventure vacations. And, they continue to use this gear back in their work world, as a visible reminder to all of the great spiritual, authentic experience from which they have most recently emerged or for which they are about to embark.

The *Bobos* bring a counter culture to the business world, including the travel industry and providers of ecotourism experiences. They are creating an open environment that on one hand uses and applauds the corporate ethos but on the other requires that its employees be renegades,

free thinkers, and creative minds. It is also an environment that merges both order and freedom. Ultimately employees working in these environments are left with a sense of empowerment, and are not content to be a cog in the wheel.

The economy worldwide is now marking an increased demand for experiences, in addition to the traditional goods and services sectors (Pine and Gilmore 1999, 15-16). An entire industry is emerging around providing experiences to consumers; and the travel industry is by no means an exception. In fact, the adventure and experiential travel industry is one of the leaders in this growing sector. The focus of the industry is switching to delivering unique experiences that personally engage the customer (Wood 2000).

Recent trends in travel demography and behavior are driving the rising demand for nature-oriented tourism and adventure travel among North American travelers (Kutay 1992). The first of the so-called baby boomers — those born between 1946 and 1964 now numbering 76 million — initially passed the 45-year-old threshold in 1991. Researchers agree that these baby boomers will have a powerful impact on travel in the 1990s, both because of their sheer numbers and the impact their choices and preferences will have on the travel market. Between 1992 and the end of the decade, the actual number of individuals in the 45-64 age group grew by 30 percent, while the younger 25-44 set increased 5 percent.

As the baby-boomer generation moved through differing lifecycles in earlier years, it impacted business like no other phenomenon before it. In the 1960s teenage baby boomers fostered the growth of the music industry. As young adults in the 1970s outdoor recreation flourished, including ski vacations and the development of Club Med and family-oriented destinations like Disney World were popular. The 45-plus age group has both the time and money for travel relative to their younger counterparts. Discretionary income — the most important factor for travel — is 28 percent higher than the younger age group.

Recent travel research studies show a high incidence of travel by older households, travel to more distant destinations, and more upscale accommodations. And, the older generation takes longer vacations as job seniority or retirement gives them more free time in their peak years. While some are active travelers with their family, others will have fewer family obligations as empty nests give parents more freedom to travel.

According to Eagles (1995b), “the changing population demographics, both in North America and in Northern Europe, will have profound implications for sustainable tourism. The median age of the population is increasing as the large baby-boom generation moves into late career and retirement ages. Age is an important factor in recreation participation. Foot (1990) points out that as people age, active, dangerous recreational activities are less attractive, while appreciative and passive outdoor recreational activities are more attractive. He predicts that facility-based activities (skating, skiing, swimming in pools), snow-based recreation (skiing, sledding), and recreational sports (water-skiing, climbing) will decline in participation. Conversely, participation in bird watching, pleasure walking, pleasure driving, and sightseeing will increase” (Foot 1990). Thus, Eagles believes that sustainable tourism may benefit the most from the demographic changes as older citizens seek less strenuous and less dangerous activities. Both wilderness travel and adventure travel may see decreased demand.

Profile

Fermata Inc. conducted primary research between 1998 and 2000, in four regions of the US. The survey respondents were asked to categorize their interest in birding and other outdoor activities. For the purpose of these surveys, the following categories were provided and defined as follows:

- **Committed birder:** a person who is generally willing to travel on short notice to see a rare bird, subscribes to several specialized birding magazines, leads field trips or seminars, keeps a detailed life list, and considers birding a primary outdoor activity.
- **Active birder:** a person who generally travels infrequently away from home to bird, may or may not belong to a club, participates in field trips or seminars, keeps a general list, and considers birding important but not an exclusive outdoor activity.
- **Casual birder:** a person who generally considers birding incidental to other travel and outdoor interests, belongs to no clubs, keeps no life list, subscribes to no birding magazines, and finds birding an enjoyable but inconsistent outdoor activity.

The data was gathered in the following six surveys from respondents who categorized themselves, as follows.

- **Avitourism in Texas** — Surveys were mailed to a sampling of two populations of wildlife watchers: travelers along the *Great Texas Coastal Birding Trail* ($n=163$) and attendees at the *1998 Rio Grande Valley Birding Festival* ($n=225$). The respondents to these two surveys were generally active birders, with birding and wildlife viewing being a primary outdoor recreation and impetus for travel.
- **Wildlife-associated Recreation on the New Jersey Delaware Bayshore** — Surveys were sent to a random sampling of persons from two New Jersey wildlife organizations and a group of wildlife viewers ($n=602$). A majority of respondents (59.4 percent) considered themselves active birders while 18.7 percent categorized themselves as committed. As a group, almost 49% reported birding as their most important outdoor activity.
- **Two California Nature Festivals** — Attendees of the *American River Festival* ($n=398$) and *Kern Valley Festival* ($n=140$) were participants in this study. Active or committed birders totaled 60 percent of Kern Valley respondents compared to only 24.8 percent of American River participants whose majority consisted of casual wildlife viewers. However, respondents from both festivals indicated an involvement in nature through outdoor recreation, with 75 percent having traveled to observe, feed, or photograph wildlife in the past 12 months.
- **Platte River Nature Recreation Study** — Surveys were mailed to birdwatchers randomly selected from seven different Nebraska organizations, sites, and events ($n=1259$). Platte River visitors appeared to be more general nature enthusiasts than specialized birders. Only 10.7 percent considered themselves committed, with 54.2 percent in the casual birder category. An identical 54.2 percent reported birding as only one of many outdoor activities, while 20.8 percent considered birding their most important outdoor interest.

In a 1994 study, *Ecotourism – Nature/Adventure/Culture: Alberta and British Columbia Market Demand Assessment*, HLA Consultants and the ARA Consulting Group described an ecotourism

market profile and trip characteristics for North American travel consumers (Wight 1997). Based on data collected in this survey, Wood (2001b) constructed a nature tourist market profile of North American travel consumers that included some of the same dimensions with nearly identical findings.

As part of this current study, Fermata also identified other similar research and compared relevant dimensions considered by these other researchers to Fermata's and HLA/ARA's findings. The following additional comparative research was used.

- Profiling the nature-based tourist: a multinational logit approach ($n=1579$). In *Journal of Travel Research* (Luzar et al. 1998).
- Economic values of bird watching at Point Pelee National Park, Canada ($n=603$). In *Wildlife Society Bulletin* (Hvenegaard et al. 1989).
- An examination of activity preferences and orientation among serious birders ($n=559$) Texas A&M University (Scott et al. 1997).
- Canadian ecotourists: Who are they? In *Tourism Recreation Research* (Eagles and Cascagnette 1995).
- World wildlife fund study of visitors to Latin America in 1988. In *Ecotourism: The Potentials and Pitfall*. (Boo 1990).
- 1996 National survey of fishing, hunting, and wildlife-associated recreation (US Fish and Wildlife Service 1997)

The composite results of the Fermata surveys, the HLA/ARA study, and the findings of the research listed above provide a snapshot of the typical ecotourist (see Table 3). In addition to this profile, Fermata also gathered and examined other data regarding the travel habits of ecotourists (i.e. party composition and trip duration). The HLA/ARA consulting firms' survey findings contain data on these dimensions as well; however, there is not as much similarity among these findings. And, there is an even broader difference among the other relevant research data (see Table 4).