GREEN BUSINESS OPTIONS

RESOURCE BOOK

Ecotourism
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Preface

Development of the tourism industry is of great value to national economic growth, cultural exchange and the public’s physical and mental well-being. However to our disappointment, as the tourism industry kept developing in China, its development and operations have led to increasingly greater environmental pollution, ecological damage and conflicts with the local people.

The environmental, social and cultural influence brought about by tourism is directly related to the normal order of social life in tourist destinations, and the healthy and sustained development of the tourism industry as well.

Hence we need a more sustainable pattern of tourism development and operation. Ecotourism, as a form of environment-friendly tourism which respects community interests, must have positive effects on the maintenance of the traditional culture, the favorable development of local communities and the protection of local eco-environment while bringing economic benefits.

As a branch of the service industry, ecotourism needs to take into consideration market demands and customer sentiments. An entrepreneur, as the one managing the overall development of an enterprise, is expected to think carefully what he really wants to do, what he actually can do, what his interests really are and what the life he wants is like while considering the market. With these considerations and coupled with market demands and opportunities, he may start his undertaking of long-term development. Besides, what is being run is not only an undertaking, but also a life.

As for its contents, one thing must be pointed out here: the definition of “ecotourism” in this handbook is different from that made by the present day academia. Many researchers hold that, “the existence of ecotourism products relies on the natural and cultural landscape resources, and is the result of developing and utilizing the natural and cultural landscape resources, so they do not include tourist facilities and other tourism resources and products”. Though the definition is precise, for an entrepreneur, he needs great investment, experience and social resources to develop a whole ecotourism product, which is especially true for developing an ecotourism attraction. This, as the starting point of entrepreneurship, clearly does not apply to most people. Therefore we think ecotourism ventures may be large or small in scale, large scale such as the overall planning and development of a scenic area or a village, or small scale such as the operation of an eco-inn or an eco-tour route. It is believed that, following the concept of protecting the environment while respecting local people and community interests, to run tourism products with a sense of responsibility in an area with good natural ecology is worth trying.
Contents

Chapter 1. Industry Overview..........................................................7
  1.1 Tourism and its Relations with Climate Change and Related Environmental Issues........7
  1.2 Green Enterprises and Decent Work..............................................10
  1.3 Technology, Investment and HR Development Trends....................................11
  1.4 Industry Policy, Planning, Key Projects and Special Funds..............................11

Chapter 2. Business Opportunities.................................................21
  2.1 Development Trends of Ecotourism in the International Market .......................21
  2.2 Development Trends of Ecotourism in the Domestic Market .........................21
  2.3 Address the Environmental Challenges Faced by the Industry through Entrepreneurship...25

Chapter 3. Market Potential of Green Enterprises..........................27
  3.1 Market Capacity and Size................................................................27
  3.2 Existing Enterprises, their Core Competitiveness and Business Performance........27
  3.3 Potential Clients...........................................................................32
  3.4 Risk Analysis...............................................................................34

Chapter 4. Case Study and Lessons Learnt....................................37
  4.1 Case Study 1 .............................................................................37
  4.2 Case Study 2 .............................................................................40
  4.3 Case Study 3 .............................................................................46
Chapter 5. Suggestions on Developing the Green Business Model...53

5.1 Pragmatic Business Models and Entrepreneurial Skills........................................53

5.2 Create a Good Business Environment: Understand the Customer Groups with Strong Environmental Awareness and their Needs.......................................................55

5.3 Meet Market Demands with an Environmentally Friendly Business Model............57

5.4 Marketing Strategies.............................................................................................58

5.5 Risk Management.................................................................................................60

5.6 Human Resources.................................................................................................62

5.7 Foster Effective Partnership..................................................................................62

Appendix 1: Supporting Organizations.................................................................65
Chapter 1. Industry Overview

The tourism industry is relatively young, with a history of slightly more than 100 years. Yet it has developed so fast that it is now one of the largest industries in the world today.

1.1 Tourism and its Relations with Climate Change and Related Environmental Issues

As the global tourism industry has kept growing in the last three decades, its influence on the eco-environment has attracted increasingly more attention. Potential environmental impacts are varied, such as bringing pressure to local resources (via land development, construction of buildings and roads, etc.); and polluting the local natural environment (by producing waste water, refuses, noise pollution from increased traffic and air pollution). Due to the lack of environmental consciousness in tourist behaviors, some tourist attractions have been abandoned because of local environmental degradation. Finding strategies to coordinate the development of the tourism industry together with environmental protection has become a pressing issue of today.

The tourism industry not only influences the world in forms of destroying ecology or polluting the environment, but is also linked with the global crisis of climate change. Reports from some specialized UN agencies shows that the tourism industry is a great producer of greenhouse gas, and produces 4% to 6% of all greenhouse gas emissions around the globe. If effective measures to mitigate emissions are not taken, there will be a possible increase of 1.5 times of greenhouse gas production by the tourism industry within the next 30 years. World Tourism Organization Secretary-general Francesco Frangialli hence called the industry stakeholders and governments to take prompt measures to reduce the greenhouse gas produced by tourism. He said, “Climate change requires the tourism industry to reform, not only economically and technically, but also culturally.”

In 1983, the World Conservation Union (IUCN) firstly put forward the concept of “ecotourism” which originally referred to “a form of tourism involving visiting fragile, pristine, and usually protected areas, intended as a low-impact and often small-scale alternative to standard commercial (mass) tourism, whose purpose may be to educate the tourists”. Its original intention was to contribute to, or at least provide financial support for protecting and ameliorating the natural environment through travels that highlighted ecological protection. Therefore ecotourism at the very beginning was an expedient adopted to maintain a healthy eco-system.
Ecotourism

In the several decades that followed, ecotourism received a more extensive definition: all tourist activities that pay attention to the relations between man and nature, causes no damage or pollution to the eco-environment or harm to local communities’ interests, and guarantee local sustainable development, can be collectively called “ecotourism”.

In 1987, World Wildlife Fund (WWF) organized and launched the world’s first explicit ecotourism project. In the following decade, more and more countries undertook planning and managed their ecotourism, in which they highlighted the importance of the participation by local community residents and the protection of local environment and the culture with local characteristics in the tourism area, and kept understanding, enriching and developing the types and definition of ecotourism.

To actively promote ecotourism around the world, the United Nations named 2002 “International Year of Ecotourism”. As one of the activities during the UN “International Year of Ecotourism”, the World Ecotourism Summit was held in Quebec, Canada from May 19 to 22 in the same year. At the summit, over 1,000 delegates from state-owned, private and non-government sectors from 132 countries studied problems related to the development of ecotourism and offered their suggestions.

All in all, ecotourism, as an emerging form of tourism, focuses on environmental and cultural protection while bringing, to the tourists, unique travel experiences, and is making its own contribution to reducing the emission of greenhouse gas and mitigating climate change.
Figure: Overview of the Eco-tourism Industrial Chain in China

Special travels
- Development of travel routes
- Adventure travels
- Scientific investigation travels

Peripheral eco-tourism services
- Eco-tourism accommodation
- Environment-friendly catering
- Green traffic and logistics
- Development of souvenirs with distinct characteristics

Ecotourism attractions
- Development and operation
- Eco-tour guides and guided tours
- Rural ecological leisure tours
- Local community involvement in the development

Capital
- Travel agencies, education and training
- Platform of tourist information channels
- Skill trainings for practitioners
- Travel guides and itineraries
- Travel agents and tourism products intermediates

Market
- Environment-friendly catering

Technology
- Green traffic and logistics

Concept
- Development of souvenirs with distinct characteristics
1.2 Green Enterprises and Decent Work

The history of ecotourism is shorter than that of mass tourism. The concept of mass tourism is well known because of its long history and long-term development, making it an indispensable part of the life of people around the world. From its origin, mass tourism emerged because the industrial revolution improved people’s living standards and gave birth to their desire to travel; while ecotourism has an intimate association with the awakening of people’s environmental awareness and the revival, among the traditional mass travelers, of the sense of responsibility for nature. Thus we can see that mass tourism and ecotourism originated completely differently, since the former is desire-oriented and the latter is responsibility-oriented.

With respect to development, mass tourism has maintained comparatively stable and slow growth through more than a century and its evolution of the industry has seen only slight changes. Ecotourism is completely different. Since the appearance of the word “ecotourism” in 1983, in a short period of 23 years, ecotourism has been developing at an amazing speed in both the developed countries where green movement has profound influences and the developing and underdeveloped countries where pollution is relatively severe. The concept of ecotourism has been constantly fulfilled; tourist activities and travel destinations have kept increasing; and enormous achievements have been made in both theoretical studies and practical operation. It is safe to say that the great vitality that ecotourism shows in its development speed is too far ahead for the traditional mass tourism to catch up with.

Compared with the primary industry such as the manufacturing industry, or even the traditional tourism industry, ecotourism can better demonstrate “the scope of decent labor”. In the ecotourism industry, practitioners mainly provide a positive, healthy and pleasant experience for the customers, in which each and every good practitioner in ecotourism will show such positive, healthy, natural and pleasant mood in themselves.

“Ecotourism and its sustained development undertake urgent missions in three aspects: it has to stimulate the economic vitality and alleviate poverty; it has to create job opportunities for the most disadvantaged group of people; and it has to provide necessary money for protecting the nature and the cultural resources. All participators in ecotourism must work as one for these three important goals.”

-Francesco Frangialli
World Tourism Organization Secretary-general
1.3 Technology, Investment and HR Development Trends

In recent years, China has seen constant practices in ecotourism, but the quality of ecotourism development is not that satisfactory. Right now, many ecotourism practices in China have not met the essential requirements, for they highlight more on “getting closer to the nature”, but less on “protecting the nature”. Some ecotourism products are not ecotourism products in the real sense, but another form of nature tourism or sightseeing.

Development of the ecotourism industry in China is faced with the following major problems: firstly, ecotourism planning lags behind, and planning concepts, professionalism and planning depth are unsatisfactory. Secondly, the connotation, characteristics and rules of ecotourism have not been keenly mastered; guidance on ecotourism development is less than enough; technical standards have not been put in position; market positioning is not clear; and repeated development is more common. Thirdly, the operation, management and services of ecotourism are comparatively extensive. Fourthly, due to insufficient guidance and blind development, the phenomenon of environmental degradation still exists in some places that have launched ecotourism. And fifth, some travelers do not have the awareness of protecting the ecology, or know clearly how to get closer to the nature, return to the nature and get along harmoniously with the nature, and thus have improper demands on ecotourism.

1.4 Industry Policy, Planning, Key Projects and Special Funds

For entrepreneurs, paying close attention to government policies and regulations in the field of tourism (especially ecotourism) helps them predict the development direction of the industry and the potential business opportunities. Currently, all policies issued by the Chinese government fall into three categories: laws and regulations, financial or economic measures and government actions, of which government actions refer to the support to the tourism industry and the guidance over the industrial structure of tourism through administration.

Our analysis of policies covers both national and local policies. Due to the vast territory of China, local governments may issue repeated policies and policies with local characteristics which apply to local development. In this handbook, interpretation of local policies will cover those in some representative regions.
Ecotourism

Analysis of laws and regulations

Laws and regulations in the tourism industry as a whole

Ecotourism is a part of the tourism industry, so we first of all need to understand the laws and regulations in the tourism industry as a whole.

Tourism legislation in China started in the early days of the reform and opening up. Currently, tourism laws and regulations may be divided into two categories: general laws and regulations on commerce and environmental protection and specific laws and regulations on the tourism industry. The former covers the Contract Law of the People’s Republic of China, Environmental Protection Law of the People’s Republic of China, Law of the People’s Republic of China on Chinese-Foreign Joint Ventures, Company Law of the People’s Republic of China, Law of the People’s Republic of China on Combating Unfair Competitions, Law of the People’s Republic of China on the Protection of Consumers’ Rights and Interests, etc. The legal principles and provisions set in these laws and regulations apply to the tourism industry, and have to be abided by in venture preparation and operation. On the other hand, over 10 specific laws and regulations on the tourism industry have been promulgated in China so far, including the Travel Agencies Management Ordinance, Tour Guides Management Ordinance, Interim Provisions of Travel Agency Quality Bond, Security Management Measures for the Hotel Industry, Provisions of the People’s Republic of China on Star-rated Tourist Hotels for Foreign Guests, Interim Provisions on Tourist Complaints, Places of Entertainment Management Ordinance, Interim Measures for the Management of Tourism Safety, Interim Regulations on the Administration of Scenic Areas, Measures for the Administration of Tourism Planning and Management, etc.

Seen from the departments that formulate them, some laws and regulations are special laws and regulations approved by the State Council of China, some are regulations formulated by the tourism authority, i.e., the National Tourism Administration, alone or together with the other related departments. Furthermore, there are a great number of laws and regulations made by the local governments, such as Beijing Tourism Management Ordinance.

Laws and regulations related to ecotourism

China does not have any specific national laws or regulations on ecotourism. The laws and regulations related to ecotourism are mainly on environment protection, and exploitation and protection of resources, including Law of the People’s Republic of China on Land Administration, Forest Law of the People’s Republic of China, Grassland Law of the People’s Republic of China, Law of the People’s Republic of China on the Protection of Wildlife, Water Law of the People’s Republic of China, etc. The above laws touch upon different aspects of ecotourism planning, ecotourism management, ecotourism
environmental education and community involvement in ecotourism, but in a separated, not systematic way. For example, they include separate provisions on land, forest, grassland, wildlife, as well as the ownership of, right to use and transfer of the ownership of water resources. As for ecotourism planning and the planning of different natural resources, Law of the People's Republic of China on Land Administration provides the overall planning on land use, Water Law of the People's Republic of China guides the planning on water resources, Forest Law of the People's Republic of China provides for forestry planning, Grassland Law of the People's Republic of China oversees grassland planning, and Law of the People's Republic of China on Ore Resources is for the planning of ore resources, etc.

In June 2005, the State Environmental Protection Administration (now Ministry of Environmental Protection of the People's Republic of China) and the National Tourism Administration jointly issued Notice on Further Intensifying the Work of Protecting the Eco-environment to set more detailed requirements on environmental management in all links such as tourism development and planning, construction, operation, service and consumption, especially on how the environmental protection departments and tourism authorities could do a good job in supervising and managing travel activities, which played a positive role in promoting the protection of ecology in tourism. In August 2006, the State Environmental Protection Administration, the National Tourism Administration and the Ministry of Construction jointly held an ecotourism site meeting to promote experience and the healthy development of ecotourism.

Generally speaking, China has not had improved laws and regulations on tourism, especially on ecotourism. Against such a background, entrepreneurs need to understand more the laws and regulations related to ecotourism so as to lay a sound foundation for starting up businesses.

**Analysis of the policy space**

The development of the ecotourism market has to rely on the regulation of macro-control policies. In recent years, state policies to support ecotourism have covered an increasingly extensive scope. Though there has not been any thematic document, related contents are noteworthy for entrepreneurs.

Premier Wen Jiabao once pointed out in 2009, “Tourism is an important industry of the national economy, playing a very significant role in expanding domestic demand and promoting economic growth; tourism consumption is sustainable and multi-tiered, occupying an important position in the total social demand, especially consumer demand.”

Against the background of vigorously developing the tourism industry, the Ministry of Environmental Protection of China and the National Tourism Administration issued the National Ecotourism Development Outline in 2008, which clearly specifies the long-term development goals of ecotourism
in China, i.e., “to set a responsible tourism development concept extensively, to deliver eco-friendly
tourist services widely, to widely spread travel behaviors that respect the nature, and to root the
ecotourism consumption deeply; to use energy-saving technologies extensively in the field of tourism, to
fully protect ecotourism resources, and to achieve a continued growth of ecotourism; to form systems,
standards and technical systems related to ecotourism; to form high-quality, reasonably-structured
operational and management teams; to form industrial chains and enterprise groups related to the
development of ecotourism; to produce a group of ecotourism products with worldwide attraction, of
ecotourism operating agencies with international competitiveness, and of ecotourism travelers of an
international demonstration significance; to keep reducing the negative impacts of tourism on the eco-
environment, to give more support to the protection of eco-resources, and to build a more harmonious
relationship among ecotourism stakeholders.”

The benign development of the ecotourism market has to rely on the regulation of macro-control
policies. According to Opinions on Accelerating the Development of the Tourism Industry issued by
the State Council, National Ecotourism Development Outline (2008-2015), National Rural Tourism
Development Outline (2009-2015), among the latest important documents, we summarize them into
the following:

**Policy-triggered market opportunities**

- To lower the entry barriers of the tourism market, break industrial and regional barriers,
  streamline the examination and approval formalities, encourage social capital to fairly
  participate in tourism development, support the development of private and small and
  medium-sized tourism enterprises; and to allow travel agencies to get involved in government
  procurement and service outsourcing.

- To promote the integrated development of tourism with culture, agriculture, forestry, geology,
  oceanography, environmental protection, among other related industries and trades; and to
  support qualified areas to develop ecotourism and forestry tourism, etc.

- To promote energy conservation and environment protection; to implement the project of
  saving energy and water and reducing waste emissions in tourism; to encourage and support
  tourism enterprises to adopt advanced new technologies, use new energy, and take the road
  of running and developing tourism with less energy and material consumption and fewer
  waste emissions; to encourage the science and technology (S&T) innovation of equipment
  and facilities for protecting the eco-environment, vigorously promote advanced management
  methods, technologies and equipment, and improve the level of application of technologies in
  the development of ecotourism; to support hotels and restaurants, scenic spots, rural tourism
business operators and other tourism business units to make active use of new energy and new materials and to extensively adopt the technology of energy conservation and waste reduction; to design and build tourist accommodation facilities following ecological principles; to treat sewage in an ecological way, adopt the three-dimensional self-purification water landscapes, establish a rainwater collection system, and use sprinkler irrigation, drip irrigation and pipe seepage, among other advanced irrigation technologies, for green belt sprinkling; and to make use of renewable resources like solar energy, biogas, wind, biomass, geothermal energy, etc.

- To rationally determine the capacity of tourists of a scenic spot, strictly carry out the tourism project environmental impact assessment system, strengthen the protection of water resources and soil and water conservation; and to advocate low-carbon ways of travel.

- Central west regions and the frontier area of minority nationalities have to make use of natural and cultural tourism resources, nurture special and advantageous industries; to make active use of wasteland, barren hills, barren beaches, garbage dumps, abandoned mines, remote islands and rocky desertification land which can be exploited and developed to develop tourism programs.

- To adopt the ways of scenic spot spur, company and farmers, comprehensive development and entire village extension to intensify the development of different types of rural tourism products like leisure vacations in the countryside and suburbs, eco-agricultural sightseeing and customs experience, and launch the construction of special villages with distinct characteristics that are themed with culture, history and ecology.

- Under the premise of properly protecting the natural ecology, the indigenous living environment and the cultural and historical remains, to make a rational use of ethnic villages and ancient villages and towns, build featured towns and villages for landscape tourism, standardize the development of “pleasure-in-farmhouse tourism”, leisure farms and other tourism products; to expand and improve the function for leisure and vocations of sightseeing-type rural tourism products, make them more compatible, informative and participatory, and cultivate choices in rural tourism products to meet the demands of different levels for leisure and vacations; to make the most of national customs and features of production and life in ancient villages in their original state and in ethnic villages, intensify the protection of cultural relics, residences, streets and the other ancient buildings, and highlight the cultural characteristics; to improve the development level of “pleasure-in-farmhouse tourism”, give prominence to the features of life in the rural areas, and create an atmosphere of rural culture; to support farmers to engage in traditional handicrafts and the processing of agricultural and
Ecotourism

To encourage the organic combination of rural tourism with educational tourism, and advocate the involvement of rural tourism into the system of extracurricular teaching courses; to support colleges, universities and middle and primary schools to, under the premise of guaranteeing their students’ security, organize, together with travel agencies, their students to participate in targeted educational activities like visiting and observing the countryside, learning, viewing and emulating, S&T experiments, life experience and labor training; to combine the new-type caring for the aged and the travels of retired people closely with rural tourism, provide travel routes and tourism products for the aged according to their physical needs and travel interests, and target the potential of the tourism market for “the baby boomers”.

To actively explore rural tourism programs with distinct characteristics through a variety of ways such as combining the attraction of investors and their investments with self-raised capital; developing tourism programs by individual farm households, with the collaborative effort of several farm households and of rural and urban residents, through urban residents’ or travel agencies’ contracting, or proprietors’ rent; or by local farm households according to their share ratios.

To build ecotourism demonstrations in areas featuring different eco-environment and types of resource endowments, improve local capacity for sustainable development, and guide local people to eradicate poverty and build wealth; to select typical and representative towns and villages to build poverty-alleviation-through-ecotourism experimental zones, explore the patterns that could advance local sustainable development, and promote the construction of the new rural areas; and to timely launch the campaign of building popular ecotourism cities and favourite countryside destinations.

To make it an important task of developing ecotourism to strengthen the education of travelers’ ethical standards, build educational bases for ecotourism, guide travelers to travel in a civilized way, and encourage them to be the participators, advocators and practitioners of environmental protection; to make full use the scientific connotation of ecotourism, increase popular reading materials, make the tour guide manuals more scientific, build bases for science education, and increase the scientific and technological contents of ecotourism activities.

Financial subsidies and administrative support

To give due support to eligible tourism enterprises when starting business, out of the central finance, a special fund for promoting the development of the service industry, that for
supporting the development of SMEs, that for the development of foreign trade, and that for energy conservation and emission reduction; to try to set, out of the national or local finances, a special fund for developing rural tourism to mainly invest in infrastructure, the protection of resources and the environment, planning, trainings and other public services, and provide interest on loans or subsidies.

- To improve the policy of “selling home appliances to the rural residents”, and encourage farmers involved in “pleasure-in-farmhouse tourism” to purchase household electric appliances, autos and motorcycles in batches.

- In combination with the project of building a new countryside, local governments at all levels increase the capital investment in the construction of rural tourism infrastructure, and include rural tourism into their planning of investment in related projects.

- To speed up the formulation of laws and regulations on ecotourism planning and management, security management, supervision and protection and environmental impact assessment; develop standards on ecotourism products, service standards and management standards that conform to the requirements of sustainable development, and promote the implementation of ecotourism product certification.

- To intensify ecotourism guidance and services; to build a multi-tier ecotourism expert advice mechanism; to give play to the role of public environmental protection organizations, support and guide the behavior of ecotourism volunteers, consolidate the public foundation for the development of ecotourism; to advance the construction of the ecological compensation mechanism, and push forward and improve the ecotourism property right system.

- To implement the policy that hotels and restaurants pay equally for water, power and gas as the general industrial undertakings.

**Taxes and administrative fees reduction**

- To guide and encourage farmers to develop rural tourism and give full reward to the locally retained portion from the paid-in enterprise income tax within a certain period from the year it begins to profit.

- To accelerate and improve the resource compensation tax system, promote the establishment of socialized ecotourism development fund, and improve the efficiency of using the ecotourism development fund; and to give impetus to the establishment of a price regulating mechanism which facilitates the promotion of resource conservation and environmental protection.
Financial support

- To intensify a variety of financial credits to tourism enterprises and tourism programs which conform to the conditions for tourism market access and the credit principles, and rationally determine the terms of and the interest rate on loans; and to allow eligible tourism enterprises to enjoy the preferential loan policy for SMEs.

- Financial institutions have to actively give credit support, as regulated, to the tourism enterprises which are with resource advantages and market potential, but in temporary business plights; to further improve the tourism enterprises financing guarantee system, among other credit enhancement systems; and various types of credit guarantee institutions have to increase the intensity of guarantee for tourism enterprises and programs.

- To promote the linking of rural tourism development programs with a variety of funds for assisting the rural areas, and grant small-sized loans for rural development to rural tourism business operators; to strengthen the credit and guarantee support for farmers and enterprises and grant them a certain percentage of premium subsidies or discounts.

- To guide and encourage intermediate agencies to provide capital financing, credit guarantee, finance leasing, project financing, trust investment, among other services, develop new financial products, improve the ways of service, streamline the loan formalities, explore to promote such guarantee forms as chattel mortgage, equity mortgage, forest right mortgage and land use right mortgage, and establish and improve the rural tourism financing guarantee system in accordance with the law.

- To encourage farmers to become shareholders and run rural tourism enterprises with the land use right, fixed assets, capital and technology, and enjoy stable and long-term returns in such forms as pay, rental and shares.

- To actively promote the development of ecotourism to integrate with the capital market, channel social capital and foreign investments into the field of ecotourism, and expand the channels for investing in and raising funds for the development of ecotourism; to encourage SMEs and rural tourism business operators to achieve micro-financing in the form of joint guarantee by cooperation.

Talents and other support

- To include the promotion of employment through tourism into employment development planning and vocational training programs, and well implement related supportive policies;
to pay attention to train four types of talents: rural tourism business operators, rural tourism pace-setters, skillful craftsmen and rural tourism staff, and make efforts to train a high-quality practical team of talents on rural tourism; to strengthen the building of the system of ecotourism talents, and intensify the training on ecotourism in a targeted way.

- To encourage travel agencies, among other enterprises and eligible traveler distribution centers of various types to carry out professional marketing and online promotion and to expand the marketing channels of rural tourism; to make more efforts to promote public rural tourism, and try to open special columns on rural tourism on the mainstream media of various types.

- To encourage travel agencies, hotels and other chain brands to enter into rural tourism areas, promote the public tourism services system in the countryside, and fully share the established countryside projects to build a more improved and convenient rural tourism services system; travel agencies may set up an extensive association with postal agencies, village committees, neighborhood committees and rural groups in different places to construct a service system.

- To support the company + farmers mode of operation to guide and provide support for enterprises in such aspects as R&D, technical support, after-sale services, brand promotion and logistics.

- To make rural tourism a grand stage for migrant workers to go back home and start their own businesses and for university students to go back home and start an undertaking, implement the project of getting employed or venturing through rural tourism so as to drive employment through starting undertakings; to build rural tourism business incubators in selected areas, make full use of the supportive policies issued by the state and local governments at all levels, and make supportive measures.

- Local governments at all levels allocate a certain amount of money to construct environmental infrastructure, encourage rural tourism enterprises to adopt small-scale sewage and waste treatment facilities and to protect the rural eco-environment by giving them subsidies and rewards; when giving support to energy conservation and the circular economy, the priority should be rural tourism demonstration.

- To activate the rural homestead resources, and on the farmers’ free will and on the basis of meeting their personal use of homestead as residence, guide the extra residences with property rights to participate, as shares, in the construction of concentrated and scale rural tourism accommodation facilities with property rights, and launch rural tourism operational activities.
Chapter 2. Business Opportunities

2.1 Development Trends of Ecotourism in the International Market

The world today maintains extensive peace, making it a hard-won relatively stable period in every aspect, which may be said a “golden period” for developing the tourism industry. Both traditional tourism and ecotourism have a favorable development environment. Around the world, ecotourism is developing at a high speed, showing a strong development momentum. The annual growth rate of ecotourism is about 20% to 25%, far higher than that of the world tourism industry.

As ecotourism gets further developed around the world, it has entered the stage of stable and mature development. Ecotourism is developing all around the world; ecotourism planning has been more standardized, and ecotourism cities have become increasingly targeted; governments are paying more attention to the development of ecotourism and issue various supportive policies, which play an important role in developing ecotourism; the development of ecotourism promotes the emergence and development of emerging disciplines like social ecology, agricultural ecology, etc.; and the division of the market for ecotourism and ecotourism products has become increasingly rational.

2.2 Development Trends of Ecotourism in the Domestic Market

In China, the ecotourism industry is attracting more and more human resources and financial input. Comparatively speaking, ecotourism has attracted more attention and enjoyed more development opportunities than the traditional mass tourism in China. However, in terms of the scale and number of tourism practitioners, travelers and business income, the ecotourism industry lags behind traditional mass tourism by several orders of magnitude, which makes ecotourism, though having become more and more favored in recent years, reliant on traditional mass tourism. Against the status quo, it becomes a necessary premise to start an undertaking to carefully analyze the development trends of the ecotourism market.

In 2009, the State Council of China issued Opinions on Accelerating the Development of the Tourism Industry, which provides a clear policy orientation for the tourism industry. In the Opinions, it’s proposed to “develop the tourism industry into a strategic pillar industry in the national economy”, indicating that the important role of the tourism industry in the national economy and social development of
Ecotourism

China has attracted due attention from the central government of China, and the development of the tourism industry has begun to get integrated in the national strategic system for economic and social development.

Government support for the ecotourism industry

In the field of ecotourism, as mentioned in Chapter I, the State Council, the National Tourism Administration and the Ministry of Environmental Protection, among other government departments, have issued a number of policy documents like Opinions on Accelerating the Development of the Tourism Industry, National Ecotourism Development Outline (2008-2015), National Rural Tourism Development Outline (2009-2015), etc., setting the general direction for the development of tourism, especially the ecotourism industry in China, and providing supportive policies in government administration, taxation, talent cultivation, and financial credits. This is extremely good news for ecotourism entrepreneurs.

Under the national policies, local governments have also made a series of supportive schemes of different types on ecotourism based on local situations. For example, in 2005, Sichuan Provincial People’s Government issued Planning Outline on Building Sichuan into An Ecological Province, which clearly proposes “to make ecotourism an important content of constructing Sichuan into an ecological province”. In 2007, Anhui Provincial People’s Government issued Opinions on Accelerating the Construction of Anhui Province into a Big Tourism Province, which sets the development idea of building Anhui into a big province of tourism, and proposes “to provide financial subsidies for planning preparation, scenic spot construction, innovation of travel hotels and of ‘homestay-farmhouse tourism’”; in Planning of Poyang Lake Ecological Economic Zone issued by the National Development and Reform Commission, it is proposed to “focus on developing the tourism industry. Following the principle of government guidance, community involvement and market operation, efforts have to be made to strengthen the construction of auxiliary travel facilities and the management and service platform, and try to build Poyang Lake ecotourism demonstration area the highland for the development of ecotourism in China and an important destination of the international ecotourism.” All these policies provide important support for developing local ecotourism.

Government support for self-employment

In recent years, the central government of China has emphasized on driving employment through self-employment, expanding the scope of increasing employment through policy means to a more extensive domain, i.e., creating, through policy adjustment and institutional reforms, a policy environment which is more favorable for starting new businesses, including changing the laborers’ employment
concept, promoting the development of small enterprises, private enterprises and self-employers. The issuance of Guidance on the Promotion of Driving Employment through Entrepreneurship has further demonstrated the government’s active policy on employment.

In terms of preferential taxation policies, 8,000 yuan of the business tax, city maintenance and construction tax, extra charges on education and personal income tax will be deducted from each person’s income each year for entrepreneurs who were formerly laid-off workers. The government will intensify its efforts and enlarge the coverage of its policy.

In terms of preferential policies for administrative fees, to encourage the unemployed population to get self employed or start their own businesses, it is provided that within two years since the registration of unemployment by the unemployed, disability by the disabled, demobilization by the soldiers and graduation by university graduates, those of them engaged in individual operation shall be exempt from administrative charges on management, registration, licensing and certification within 3 years since they firstly register at the administration for industry and commerce. Specifically, the charges they are exempt from include not only the administrative charges on management, registration, licensing and certification of individual operations which are set upon the approval of the State Council, the Ministry of Finance and the National Development and Reform Commission, but also those on management, registration, licensing and certification of individual operations which are set upon the approval of the people’s government of each province, autonomous region and municipality directly under the Central Government, and their respective financial and pricing departments as well according to their administration authority.

In terms of personal small guaranteed loans, the first thing is to enlarge the scope of borrowers to cover the entire registered eligible unemployed population and those people who have difficulty in getting employed in cities and towns; and the second is to increase the maximum amount of loans. Financial institutions handling small guaranteed loans can grant as much as 20,000 to 50,000 yuan to individuals. For businesses run together by eligible people or for those who organize themselves voluntarily for business operations, financial institutions handling small guaranteed loans may increase the scale of loans. The third thing is to give more financial subsidies. For newly-granted personal small guaranteed loans, the interest rate on them may rise 3% above the basis of the benchmark lending rate released by the People’s Bank of China, of which, loans to low-profit projects may receive full subsidies from the central finance objectively. A small guaranteed loans reward and make-up mechanism is further established to mobilize the initiative of banks handling personal small guaranteed loans, and of the guarantors and the credit communities, among other units handling small guaranteed loans.

In terms of expert consultation, the state establishes and improves a free public employment service
system for all laborers, with which it provides laborers such services as free policy advice, career guidance and employment agency. Competent departments have proposed to give subsidies to those unemployed and eligible rural migrant workers in cities, who attend vocational trainings, for vocational trainings, as provided.

In the meantime, targeting at the population of college and university students, the state has also issued a series of preferential policies to encourage them to seek self-employment.

**Continuous expansion of the consumption market and potential consumption markets**

Since May 1, 1995, China has adopted the 5-day work week system. Each time the state adjusts legal holidays for its residents, it brings about new development opportunities for the tourism industry. In recent years, the Chinese government has even launched the economic policy of “encouraging consumption and increasing domestic demands”, and set Golden Weeks (the 7-day holiday periods) during the New Year, the National Day, etc. and the 3-day “short break holidays” during the International Labor’s Day, the Dragon Boat Festival, etc., making the public holidays in China exceed 100 days every year and laying a solid foundation for the development of the tourism economy. The increase in various holidays plays an active role in developing the market for ecotourism consumption, which will keep showing itself.

For a long time, travelers have been taking the traditional mass tourism activities and become more and more “aesthetically tired”, and an increasing number of them desire to upgrade their tourism experience. With the increase in the national income and the frequent occurrence of environmental pollution problems in China, travelers hope to be closer to nature and ecological systems. As the Chinese people are having greater pressures from employment, studies, housing and daily living, more people are turning to travel as means to slow down their pace in life and relieve stress, and explore beautiful landscapes. In the meantime, the Chinese society is developing in a more diversified way in culture, art, aesthetics and education, making the formerly “minority” tourism markets profitable. Hence the ecotourism products on sub-divided markets for education, adventures and creation has great potential for business and increases in revenue.

**Rapid development of tourism e-commerce**

As the Internet economy is becoming increasingly mature, tourism e-commerce has become a bright spot which developed rapidly in the most recent decade. Ecotourism enterprises in the initial stage may find an excellent Internet platform in tourism e-commerce which opens new online marketing channels for tourism products, reduces enterprises’ promotion and operation costs, and expands the scale and
scope economies.

Right now, there is a batch of famous tourism e-commerce websites both at home and abroad, such as ctrip.com, Qunar.com and Go2EU.com which need the entrepreneurs to analyze carefully and make use of (See the attached tables for details).

**Untiring enthusiasm of the social organizations**

Social organizations have been actively pushing forward the development of the ecotourism industry. A great number of domestic and foreign non-government organizations on environmental protection, ecology protection and nurturing, community development, etc. are taking actions in their own ways. Generally speaking, non-government organizations can provide five categories of resources: first, the selection of project sites, direct participation in the design and implementation of ecotourism projects, and financial and other support; second, expert consultation, market analysis, environmental protection measures and other professional and consultative services; third, expansion of the tourist market and potential tourism markets for ecotourism projects, and building of a good publicity reputation through their own social networks; four, narrator trainings for some ecotourism projects, environmental education, among other training support; and five, small loans for the main or part of investment in some projects (See the attached tables for details).

**2.3 Address the Environmental Challenges Faced by the Industry through Entrepreneurship**

When the National Tourism Administration was preparing the National Ecotourism Development Outline (Exposure Draft) with some other departments, it set a short-term goal for the national ecotourism industry, i.e., “set up 100 ecotourism demonstration areas (places) and poverty-alleviation-via-ecotourism experimental zones of various types at all levels, nurture 100 ecotourism volunteers’ organizations; select 1000 ecotourism demonstration and operation enterprises, train 1,000 expert guides on ecotourism; build 10,000 ecotourism demonstration families and select through recommendation 10,000 ecotourism publicity messengers both at home and around the world.”

As can be seen from the above contents, ecotourism has to be combined with poverty alleviation (e.g. development of rural and wilderness ecotourism products, ecotourism product intermediates, and ecological working holidays.), with local farmer households (rural ecological lodgings and inns, rural ecological leisure products, etc.), with specialized guides to visitors/the nurture of tour guides (e.g. specialized guides on flora and fauna species, on geology and geomorphology and on community history, culture and customs, tour guides-oriented ecological/cultural training services, and the
development of learning-type tour routes, etc.), and with volunteers (ecological working holidays, ecological training programs.)...In the above combinations, market opportunities that are good for SMEs are indicated within the brackets.

According to the established relevant policies, the market demands both at home and abroad and the Chinese people’s level of knowledge on tourist behaviors, entrepreneurial opportunities in ecotourism are mainly concentrated in the following several aspects:

**Enterprises:** development of ecotourism destinations/routes, development of ecotourism experience, operation of periphery tourism facilities, professional ecological/cultural guide services, special travel services;

**The industry:** since the ecotourism industry sees a relatively chaotic development and both good and bad participating enterprises, and has failed to establish a sufficient reputation and credibility, there will be great demand on specialized ecotourism intermediates, information platforms, training services and relevant consultation services in the industry in the future;

**The society:** with increasing consumerism and stress levels, ecotourism has become an effective means of providing relief and a break from the pressures of daily life. Ecotourism products should therefore meet travellers’ needs to experience relaxation and a slower pace of life, as this is where the main opportunities lie for the industry. Entrepreneurs must not pursue “all-inclusiveness” or “scale” at the very beginning, but are suggested to carefully assess their own capabilities and the overlapping aspects of local characteristics and social demands, and search opportunities with reasonable initial investment, shorter start-up periods, and requiring rational specialty and professional knowledge and having comparatively obvious market demands.

What has to be started along with the entire entrepreneurial process shall be a full understanding of the natural and ecological environment of the location of the future ventures and general situation of the local community, careful and constant assessments and revisions of the environmental impacts of the future operational activities and environmental protection efficiency so as to get satisfactory market returns and a well protected market.
Chapter 3. Market Potential of Green Enterprises

3.1 Market Capacity and Size

China boasts abundant ecotourism resources and the social demand for ecotourism keeps enlarging. Scholar Peterson divides the market for ecotourism products into 9 categories, i.e., package tours, festivals, accommodation, guide services, tourist attractions, non-profit associations, catering services, retail and transportation.

In Opinions on Accelerating the Development of the Tourism Industry issued by the State Council, it makes clear the overall development goals of the tourism market in the following several years, i.e., “By 2015, the tourism market will further expand, domestic travelers are expected to reach 3.3 billion person visits, and realize an average annual growth of 10%. The number of inbound tourists who spend at least one night in China will reach 90 million visitors, and realize an average annual growth of 8%; and the number of outbound tourists will reach 83 million visits, and realize an average annual growth of 9%. Tourism consumption will grow steadily; the urban and rural residents are able to travel at least 2 times each year; and the tourism consumption will account for 10% of the overall consumption of the entire population. The economic and social benefits of tourism will become more apparent; the overall annual income from the tourism industry will grow by over 12%; and the ratio of the added value of the tourism industry to the national GDP will rise to 4.5%, accounting for 12% of the total added value of the service industry. The newly employed population in the tourism industry will reach 500,000 persons each year. The quality of tourism services will be improved significantly, and the sustainable development capacity strengthened greatly.”

3.2 Existing Enterprises, their Core Competitiveness and Business Performance

With the nurturing and development of the market, the development of the ecotourism products, according to different local conditions and the overall market situation, sees the following main tiers:

Mass ecotourism products

Mass ecotourism products refer to the ecotourism products developed to adapt to the mass tourism consumption market. They mainly include such activities as sightseeing, scene appreciation, education,
leisure, pastoral picking and ecological agriculture in regions of ecotourism resources like scenic areas, nature reserves, forest parks, geological parks, cultural relic protection units, natural open space areas, agricultural tourism demonstration sites, etc.

In recent years, a great number of mass tourist attractions have been developed in an artificial, commercial and urbanized way, making some natural scenic spots in China which have been listed in “the directory of world heritages” suffer more and more construction-induced destructions. The mountains are cut into, trees chopped down and the forest destroyed in some scenic areas, aggravating water and soil losses. Due to mountain floods, the mountains cave in, destroying beautiful scenery and injuring people; or during drought periods, there is an exhaustion of water resources and a shortage the drinking water. Moreover, some constructions have destroyed or blocked scenic spots and do not respect local community traditions, leading to this disharmony between nature and the cultural landscapes and destroying the integrity and intactness of the landscapes.

Therefore, the tourism industry in China is in desperate need for high-quality mass tourism products. The concept of “development under the premise of protection” must become one of the principles that the entrepreneurs in the tourism industry have to keep in mind for the future.

**Development and operation of tourist areas**

One core of the mass ecotourism products is the development and operation of tourism areas. According to the results of the survey on the development status quo of ecotourism in China launched jointly by the National Tourism Administration and the Ministry of Environmental Protection in 2010, China had initially established the system of multi-type ecotourism destinations with nature reserves, forest parks, scenic spots, wetland parks, geological parks and water conservancy scenic areas as the carriers. Meanwhile, problems still existed, such as the destruction of the environment and resources, poor eco-compatibility of tourist infrastructure, inadequate implementation of related laws and regulations on environmental protection and environmental management measures and low awareness of environmental-protection among the travelers.

As can be seen from the above results, ecotourism destinations (scenic spots) in China are located mainly in some established scenic areas and nature reserves, but are not mature. For those the relative intactness and acceptability to visitors are both important indicators; and ecotourism destinations (scenic spots) are not considered better when they are larger. Furthermore, some large scenic spots are usually run by state-owned or large-scale capital groups. The experience of ecotourism is not only appreciating the magnificent scenes, but more importantly, the ecology experience, relaxation experience and learning experience in nature. That’s why running and operating some small and medium-sized ecotourism destinations can totally become an important choice for entrepreneurs.
In tourism development and the design of tourism projects, the following aspects should be taken into consideration when selecting sites for ecotourism destinations, whose scale is not that large, i.e., they shall not be so far away from the city or populous areas (no more than a 5-hour drive on the highway), be easily accessible through public transportation (bus, train or boat), and have an association with the local community (for example, local people provide rural lodging and catering services).

- In tourism development and the design of tourism projects, entrepreneurs are suggested to consider the positioning of the projects from market demand, ecological protection, cultural integration and local conditions. A full preparation has to be made from such aspects as thematic planning of the tourist attractions in the area, design of special travel routes, the portfolio of tourism products, the ways of consuming tourism products, the acquirement of knowledge and environmental education of the travelers, etc., and it is suggested to make special response plans to deal with possible wastes, pollutants and ecological impacts.

- Entrepreneurs have to note to take into consideration the overall local economic development planning and guarantee that the market returns to be brought about by the development are higher than the opportunity cost they pay, i.e., to obtain maximum profit with minimum investment. A business idea should never be carried forth without a clear business plan.

- Entrepreneurs have to pay attention to avoiding the traditional simple development mode of building “all-attraction scenic spots”, which refers to the development of positioning, within a tourism area, elements with distinct characteristics (such as waterfalls, lakes, rocks, viewing platforms, plants, etc.) as scenic attractions before connecting them together with paths (e.g., roads, narrow footways) or means of transport (e.g., electric cart, bus, etc.). It is undoubtedly compressing a whole area into some fragments, and travelers mainly appreciate one attraction after another, which greatly reduces the travel time and the depth of experience. For ecotourism areas, “all-attraction scenic spots” have to be turned into a “scenic line”, i.e., by delicately designing the travel routes and guide contents, allowing the travelers to take their time to enjoy the scenes and get an appropriate feeling of experience in the tourism area. In this aspect, designers have to pay great attention to not only the traditional visual effects, but also the travelers’ other senses for sound and smells, temperature, humidity and light sensitivity, curiosity to discover new things, and the satisfaction to learn new knowledge as well.

**Product resources in ecotourism areas**

According to related documents issued by the National Tourism Administration and other authorities, resources of ecotourism products are divided into the following three categories of primary, secondary and general ecotourism resources:
• Primary ecotourism resources: this refers to the ecological environment and cultural systems that are basically not disturbed by human activities. For primary ecotourism resources, the usage model should feature low capacity, small scale, low frequency and high limitations. Tourism products developed from primary ecotourism resources are ecotourism products in the strict and pure sense, being small in quantity, but they should be competitive ones.

• Secondary ecotourism resources: this refers to the ecological environment and cultural systems that are, comparatively speaking, greatly affected by the external activities, but better conserved. Because the secondary ecotourism resources are the main impetus for developing the tourism industry in the ecotourism work, the goal is to create competitive products in a large quantity. Only a large quantity of the secondary ecotourism resources can satisfy the masses, which can further maintain a large flow of tourists, and then make possible the real benefits. They should be developed into competitive ones, never becoming excessive and poor because of the large quantity.

• General ecotourism resources: in one sense, it refers to the generalization of the ecological environment including nature, society and humanity; well preserved ecosystems and biodiversity; and those in renovation. In the other sense, it views ecotourism as a principle and guiding direction so as to form the comprehensive social influences. In other words, it attempts to spread the basic philosophy, basic principle and basic thought of ecotourism into the whole course of ecotourism development with the aim to form the mutually interdependent relations between ecotourism and sustainable development at the level of general ecological resources.

Model ecotourism products

Model ecotourism products mainly refer to those with unique ecological resources, a relatively higher level of tourism development, management and services and model effects in their business development pattern. They mainly include outings, sightseeing, scientific investigations, explorations, education, repose, fruit/harvest picking in the countryside, ecological working holidays, ecological agriculture and other activities in natural and cultural heritage areas, scenic spots, nature reserves, conservation areas with ecological functions, forest parks, geological parks, national parks, cultural relics conservation units, rivers and the wilderness, and some other areas with ecotourism resources. Among them, we will focus on rural tourism products.

Themed with the countryside, rural tourism is a tourism product planned and designed by making use of the differences between the rural and urban areas. On the basis of agricultural and ecological resources, it is a tourism form, through which tourists can relax their body and mind, their needs for food, residence, travel, tour, entertainment and learning can also be met, and they can experience the
rural charm and nature, and participate in agricultural activities. As a relatively new form of tourism development project, it has not only become increasingly dynamic, but has shown great prospects in the area of tourism development. As estimated, the nationwide rural tourism received over 385 million visits in 2008, with the total revenue reaching 57.3 billion yuan, creating 4.95 million direct jobs for farmers, and 18.4 million indirect and seasonal jobs. With the issuance of National Rural Tourism Development Outline (2009-2015), local authorities have further increased policy support to rural tourism.

In contrast with the past traditional tourism, travelers now have shorter holidays more frequently. In China, the “2-day weekend” and “Golden Week” have made extraordinarily prevalent the short-distance tourism market around economically developed areas, which has been evidenced by the success of the 1-to-2-day sightseeing tourism market. Rural tourism can therefore be a travel choice around the rural areas.

Having visited many famous mountains and great rivers, urban tourists have turned to rural travel not far from their homes in order to be closer to nature. “Homestay -farmhouse” tourism, “harvest picking garden” and many other options around large and medium-sized cities have been an important aspect for more and more urban residents during their holiday travels.

It will be a sub-divided tourism market with huge potentials to develop the rural tourism characterized by short-distance vacation in the countryside around economically developed rural areas. Though it is difficult to exactly estimate the scale to which this market may reach, rapid development in the coming decade is to be expected.

In general, because rural tourism is still in its infancy in China, the supply of products is relatively primitive and elementary, the total output of the industry has not yet reached an adequate scale, and related authorities have not paid much attention to it. It is too early to say that the entire market has been truly formed, so diverse market resources are at the level of exploration deployment, and the supply chain is still being grouped and organized. What accompanies the continuous development of the rural tourism industry is that tourism products in good and bad qualities are intermingled. Because of certain development philosophy for quick success and instant benefits, far from benefiting the natural environment and community in the countryside where they are located, quite a few tourism products have brought about contradiction inside the community and environmental pollution and destruction. The increasingly deteriorating environment has further worsened tourists’ experience.

Thus, in the available rural tourism market, there exist various problems and opportunities as well. How to develop rural tourism products while truly paying attention to the ecology and community development and to create “competitive products” is something that entrepreneurs should consider, and the opportunity to develop their business as well.
At present, rural tourism products provided in China are mainly limited to accommodation and catering services, with insufficient efforts to guide tourists to enjoy the local scenic views, participate in agricultural activities, present the local history and customs, acquire the local ecological knowledge, etc. Tourism services with the characteristics of local culture and traditions are in particular shortage.

Arriving in the countryside, tourists not only want to enjoy the local food, but expect to tour local scenic views, learn about the local culture and ecological surroundings, and enjoy the local environment and easy tempo. In the context of spatial shift, many commonly-seen activities and knowledge for the locals may be very appealing to tourists. Such activities include harvesting vegetables, going to mountains and recognizing flowers and grass, watching the locals making the New Year cakes, knowing about the operation procedures of marsh gas tank, etc. Meticulously planned and organized, such activities can always constitute an important element to make the rural holiday travel more attractive and rural tourism activities more colorful and diverse.

**Special ecotourism products**

Special ecotourism products refer to those which have unique advantages in their ecological resources, and have formed special glamour in the market. They mainly include exploration, outdoor pedestrian traversing, mountain climbing, bird watching, observation of wild animals, natural ecological investigation, photographing, drifting and diving, etc. These travel options require professional skills and due to the low capacity of locals to provide these services, their development scale in China is relatively small, but the future market demand is is expected to increase.

**Supportive service products for ecotourism**

Supportive service products for ecotourism mainly refer to environmentally and ecologically friendly supportive service products, which rely on ecotourism scenic spots and travelling routes to provide tour and traveling support for tourists. They mainly cover traffic, catering, accommodation, conference, ecotourism guide, development of tourist souvenirs, tour information consultation, tour agencies, etc. As such products have lower hurdles for development, and their market capacity is much higher, a better designing philosophy and a higher level of execution is required.

**3.3 Potential Clients**

Compared with other tourism products, ecotourism products have the following basic features: in terms of composition, they are mainly composed of the natural environment and regions; in terms of functions, they advocate not adding too many artificial factors or polishing, but the harmony between
man and nature to cater to the travelers’ longing to return to the nature; in terms of value orientation, they pay attention to not risking natural resources and stress that people today have to provide more tourism resources for later generations; and in terms of the ultimate goal, they stress the win-win co-existence between man and nature. They are not simply going back to embrace the great nature, but a kind of special tourism products featuring two-way stimulation, which seek to develop tourism with ecology and protect the ecology through tourism.

Based on relevant researches and practices in recent years, ecotourism entrepreneurs are suggested to pay due attention to the subdivided markets with the following potential sources of clients:

**The potential market with individual clients**

- The healthy middle-aged and senior people who have relatively higher incomes;
- The middle-aged and young urban residents with medium and high incomes and greater pressures in their daily life;
- Families which value the growth and education of their children;
- Outdoor activity and adventure fans;
- Groups of people with special demands (like photographing, bird watching, scientific investigations, and cultural research.)

**The potential market with group clients**

- Private/foreign-invested enterprises: corporate annual meetings, trade union activities, staff clubs, and ecological working holidays.
- Primary and secondary schools/children’s palaces/Science and Technology Museums: summer (and winter) camps, students’ outings, and teachers’ collective learning and trainings.
- Professional groups: research institutes, outdoor clubs, self-service travel clubs, cycling clubs, and bird watching societies.
- Non-government organizations (NGOs): institutional trainings, workshops, environmental education (nature experience), and community development projects.
- Travel agencies: fixed tourist destinations, and recommended tourist destinations.
3.4 Risk Analysis

As a relatively young market, ecotourism embodies various commercial risks in policy guarantee, market maturity, environmental impacts, etc. Entrepreneurs on the threshold of this market should have a full understanding of the market risks and prepare related countermeasures.

- Policy and legislation guarantees are insufficient. Until now, China has not yet issued a set of special ecotourism-oriented laws or regulations at the state level, or formed any complete legal system for ecotourism. The current special documents related to ecotourism are mainly regulatory ones which are approved and developed by competent authorities in connection with the ecotourism plans in special protective areas, so they merely produce effects in special areas, but have no common effects. At the same time, insufficiency in procedural guarantees of ecotourism plans also lies in that ecotourism plans are in shortage of legal binding effects at the status of the Basic Law and legal sanction effects in case of plan violations. China has no special planning laws, and the planning of sightseeing places is based on local laws and regulations, which have no legal effects at the status of Basic Law. Related responsibilities should be borne by those who violate the ecotourism plans, and the laws should also define the actual responsibilities and bearing methods to ensure the authoritativeness of ecotourism plans.

- Science and technology guarantees are insufficient. As a complicated systematic engineering, the development of ecotourism extends to ecology, landscape architecture, environmental science, sociology, folklore, geography, aesthetics, architecture, marketing, management science, among many other aspects, and needs to rely on extensive planning subjects, environmental ecology, among many other scientific foundations. Measuring environmental capacity, planning ecotourism routes, designing supportive facility systems and conducting characteristic ecological cultural activities all have to rely on a large number of specialized techniques, equipment and talents. China’s ecotourism plans lack the capital guarantees for science and technology input, and the incentive mechanisms of encouraging scientific ecotourism development. If the scientific ecotourism plans fail to be sufficiently guaranteed, their accuracy and authoritativeness will be inevitably influenced.

- Stakeholders are relatively complicated. The development of most ecotourism products, which relies heavily on the local conditions, requires the full participation of numerous stakeholders. Local governments, administrative authorities, tourist district operators and community residents, etc., have direct interests in the ecotourism plans, so if not handled properly, it will produce an enduring influence on market development. In particular, community residents should adopt appropriate and stable approaches and procedures to ensure their own right to know, to make suggestions and to oversee and guarantee the full function of culture, local knowledge and ecological wisdom that they
have passed down from generation to generation.

- Fourthly, the awareness of social environmental costs is indifferent. Under China's current statistical and accounting systems, an enterprise’s business results are measured by economic returns, which essentially contravene multiple objectives of ecotourism. When the overwhelming majority of other enterprises have not yet considered the measurement of their environmental costs and economic results, and environmental benefits from their businesses, it is a challenge that enterprises involved in ecotourism incorporate the environmental goal into their overall strategic goals. As entrepreneurs in ecotourism districts, if they swim with the tide without considering the negative influence on the environment, they will inevitably excessively attract tourists and unilaterally pursue the economic returns, while going against the basic philosophy of ecological and community friendliness.

- Lastly, the management ownership over ecotourism resources is unclear. As for the main ecotourism carriers such as forest parks, nature reserves, scenic spots and many other resources, they are differently governed by forestry, construction, environmental and agricultural authorities and water resource departments. For example, of the state level nature reserves, with the exception of three nature reserves in Wolong, Baishuijiang and Foping that are under the direct administration of the State Forestry Administration, all others are managed by administrative authorities in the forestry, environmental protection, resources and agriculture departments of provinces, autonomous regions and municipals directly under the central government, or by administrative authorities in forestry, environmental protection, resources and agriculture of municipalities and counties; and even some state-level reserves are managed by the township governments.
Chapter 4. Case Study and Lessons Learnt

4.1 Case study 1

Uncle Zhaxi: Sustained Accommodation Tourism in Tibetan Villages (Ganzi, Sichuan)

Background

Famous for its unique natural sceneries and mysterious traditional culture, the mountainous areas in Southwest China have been attracting a large group of tourists, so it has been one of the most important strategies for the central and local governments to promote the development of regional economy, transform the industry growth mode, and expedite the exchanges with foreign countries. However, the fast development of the tourism industry, and the construction of roads and infrastructure and consumption of wild animals have posed a major threat against the beautiful ecological environment and traditional culture in the local areas.

Located in the autonomous state Ganzi in western Sichuan, Danba County contains the Jiaju village, a Tibetan village with picturesque sceneries and the most traditional Tibetan appearance, and is reputed as the “Fairy World” in the Tibetan residence of Sichuan and Tibet, and was recognized as one of “China’s Most Beautiful Villages” by Chinese National Geography in 2004.

Located at the foot of snow-covered mountains and surrounded by stream valleys, Jiaju covers an area of about 5km² with over 150 households of Tibetan villagers. The village winds up from the Dajin Stream Valley and stretches to the foot of the snow-covered mountain. In the 1980s, because of inadequate arable land in these mountainous areas, it was difficult for villagers to sustain themselves by growing grains. This village once explored some methods to throw off poverty and set out on a road to prosperity. For instance, local villagers attempted to exploit the mica ores in the mountains, but the mine shop was closed because of the existing potential safety hazards and environmental pollutions; and planted apple trees, for which they had to face the fluctuating market.

For the past few years, the simple and unaffected folk customs and tranquil lifestyle have been attracting more and more tourists.

Keywords

Tibetan village, tavern, environmental pressure, national culture, community stories
Ecotourism

**Stories of start-up**

**Starting up from a tavern and initial taste of success**

In 2000, the village pioneered in developing tourism under the leadership of the local government. As an asphalt road was built to connect the village to the outside world, a small number of villagers in Jiaju took the lead to receive tourists.

Uncle Zhaxi was one of them. He had just retired from a government post, took the initiative in starting a private business and managed the Tibetan residence tavern business. At the very beginning, his biggest challenge was that he failed to adapt to the service industry, was inexperienced in running hotels, and was even embarrassed to charge clients because he had never done any business before. He recalled, “The work did not go well in the very beginning, because nobody had ever engaged in receiving tourists, and no one was willing to do it”.

After surmounting difficulties encountered in the beginning, he began to earn returns by carefully managing the tavern. Especially after the village was recognized as one of “China’s Most Beautiful Villages” by Chinese National Geography in 2004, the number of tourists has significantly increased, and the business performance of the tavern has also improved dramatically: the revenue from travel receptions increased from about 20 thousand yuan in 2001 to 100 thousand yuan in 2007. Moreover, many tourists have become his friends, and two walls of the tavern are covered with the photos sent by his customers.

**Establish systems and respond to challenges**

On the downside, the tranquil fairy world became boisterous as tourists continued to flood in. Villagers rushed to build houses to increase the reception capacity. As a result trees in the surrounding mountains were excessively cut down. Tourists brought not only economic development to this Tibetan village, but also certain environmental problems which challenged the environment and traditional folk customs that featured the harmony between man and nature.

The promising future had not yet unfolded itself, vicious competition, environmental deterioration, shortage of water resources, among other problems in the village became increasingly severe, and tourism development in Jiaju was pushed to a crossroad. Where is the future of Jiaju?

After attending a series of ecotourism trainings and exchanges held by environmental protection organizations, villages began to realize that environment played an important role in tourism development and they should never allow the current economic development of Jiaju to damage the happiness of future generations.
Under the leadership of major businessmen including Uncle Zhaxi, Jiaju has established Jiaju Tourism Society which is composed of all the travel reception households in the village and coordinates the contradictions between travel reception households as well as between reception and non-reception households. The society has drawn up rules and regulations in such aspects as the capacity of tourists that a household is allowed to receive and the maintenance of community environmental sanitation. Uncle Zhaxi also sets an example to conform to the rules and regulations of the society, limiting the number of beds within 30. If the tourists exceed the limit, he would advise them to turn to other households for reception.

However, Uncle Zhaxi also faces certain dilemmas. Most tourists are happy to follow his recommendations and stay at a reception household as advised. In cases when the service or standards of the accommodation is unacceptable, some tourists then hold Uncle Zhaxi accountable, which is upsetting. He believes that the local tourism industry will only last if it can cater to a large amount of people, and therefore when his own reception house is full, he recommends other households. Uncle Zhaxi believes that by doing so, other reception households will help non-reception households participate in travel reception in different ways, so as to achieve common prosperity for all.

**Get support from the government and sustain the development**

The successful example set by Uncle Zhaxi and other households has attracted more households to become involved in the reception of tourists. At present, among the over 160 households in the villages, one third are capable of receiving tourists, and the rest can also receive benefits from the ticket revenues.

To help villagers improve their reception quality, Danba Tourism Administration and many other authorities have also adopted a number of supportive measures: organizing reception households to attend trainings related to tour guide interpretations, services and sanitations; improving infrastructure such as water supply, power supply and roads; inviting architecture experts to design villagers’ residence renovation plans; providing low-interest loans for villagers to help them renovate housing into spacious and bright guest rooms with a strong Tibetan flavor.

Nowadays, many tourists come to Jiaju to experience the Tibetan culture. “Tourists are particularly interested in Jiaju’s history and legends, so we explain to them to enhance their understanding of the Tibetan culture.” Villagers said, “A majority of the young villagers serve as narrators and performers, and many of them have received professional trainings.”

Villagers pay more attention to the future development than the short-term benefits. Uncle Zhaxi said, “To attract more tourists to stay, we will build more comfortable guest rooms; hire professional Tibetan cooks to prepare more diverse and exquisite Tibetan food; continue to collect, sort out and narrate folk
legends in the village, so that tourists will enjoy lasting picturesque sceneries, diverse delicious food and more and more stories.”

**Lessons learnt**

In many areas of Southwest China, due to the lack of complete and rational tourism plans and that of the ecotourism consciousness and skills among local community residents, tourism development has exerted obvious negative influences on the local traditional culture and fragile ecological system. This will not only rock the ecological environment, but is very likely to ignite community contradictions and sabotage the social stability and even weaken the capability for the sustained tourism development by damaging resources in tourism attractions.

As pioneers, Uncle Zhaxi and his partners, in face of the returns and problems of start-ups, chose to establish a society to promote industry self-discipline and standardization and avoid vicious competition and damage to the ecological environment. Their practice of achieving mutual benefit between communities and protecting the environment has laid a vital foundation for their long-term profits.

To some extent, this case also reminds us that the contradiction between ecological deterioration and local community culture is one of the risks that ecotourism entrepreneurs should pay special attention to and try to avoid. If we are blinded by the market and profits, and deviate from the development principle of environmental friendliness and respect for the local culture, it will be nearly impossible to achieve final success.

**4.2 Case study 2**

**Boxue Ecological Village: The Ancient Village’s Road to Ecotourism (Haikou, Hainan)**

**Background**

Boxue Village is located in Yongxing Town, Xiuying District, Haikou City, Hainan Province. It has only 300 residents, who are traditional farmers and mainly live on planting lychee, wampee and other tropical fruits. There are stone houses boasting a history of over 200 years in the village and verdant forests around it. Under the influence of the market economy, almost all the young villagers have left to work in other places. In most days, you can only find the middle-aged, the elderly, women and children in the village, giving a sense of forlornness.

In 2008, Chen Nan, the first university graduate of the village who now works for the media, went
back to Hainan for an interview and stayed there for a month. What impressed him the most were not the scenic spots or hotels, but the reality of “a rich tourism island with poor islanders”. To him, in the over two decades since Hainan became a province and a special economic zone, the tourism industry has become its pillar industry, but more and more residents on the island have been marginalized and unable to enjoy the maximum development profits, which was true in his hometown Boxue Village.

In 2009 Chen Nan visited Taiwan and there he found a village called “Taomi Ecological Village”. In this village, villagers built guest houses and rented them to college and university students, and the economic benefits brought about by nearby colleges and universities helped the operators to alleviate financial pressures; some used guest houses for developing tourism, attracting more and more visitors from other places of the island and other parts of the world to experience ecotourism and ecological holidays here. One fifth of the villagers were engaged in ecological industries, and the others kept running traditional agriculture, but enjoyed the benefits indirectly from ecological industries because ecotourism had appreciated agriculture.

“An ecological village can directly become a tourist and vacation destination. The rural lifestyle is more and more embodying the ‘beauty’ and ‘happiness’ that present-day people dream of. As long as the nest is well built, hens will be attracted to lay eggs here.” After careful consideration, Chen decided to transfer the experience in Taiwan to Boxue Village, his hometown, hoping to help the villagers to gain true benefits and share interests with the entrepreneurial actions of ecotourism.

**Keywords**

Ancient village, protective development, ecological village, special guest houses, special tourism products, sports and leisure activities

**Stories of start-up**

**Put forward the slogan of building an ecological village, establish the development council**

In November, 2009, Chen Nan went back to his hometown Boxue Village and invited some villagers to discuss how to realize common prosperity and asked all villagers to vote to set up the Boxue Ecological Village Development Council. The council is a multi-purpose cooperation platform aiming to integrate resources in the village and seek cooperation with the outside world. The government, the society, enterprises, non-profit foundations and individual citizens can all contribute their wisdom and strength to the platform to build a “place with dreams”.

“We expected to organize the capable villagers in this way to do something!” Chen said, “We aim at transforming Boxue Village from a traditional village to a tourism education base integrating organic...
Ecotourism

agriculture, ecological conservation and leisure experience, which is dedicated to creating a lifestyle that can sustain in the infinite future and represent an effective and feasible way of solving the gradual degradation of the social, ecological and spiritual environments. With dreams, people will have a future and will not be marginalized.”

In terms of the development pattern, Chen and villagers prepared the development and planning blueprint for the village, i.e., the “3-circle development mode”.

The first circle is the “homestay-farmhouse” tourism. The ancient village would be renovated and become the innermost circle. The houses made of volcanic stones which have a history of hundreds of years in the village would be renovated into “guest houses” with distinctive features and a taste of “homestay-farmhouse tourism” to attract those who are interested in experiencing the villages in the volcanic areas in Haikou to come and enjoy their vacations.

The second circle is the sports leisure tourism. Surrounding the ancient village, a 3km-diameter mountain biking lane would be built and made into a star cycling lane in the suburbs of Haikou to attract cycling fans to relax and exercise here and to drive up consumption. In the orchards at both sides of the cycling lane, farmers are encouraged to build farms with self-employment so as to enjoy the fruits of economic development to the greatest extent.

The third circle is the outer area of the cycling lane, which is open to cooperation and investment for tourism or real estate projects. It is discussible as to whether to invite farmers to participate by shares with their lands or to rent lands from farmers.

Entrepreneurs hoped that they may take the road of independent development instead of the usual mode of introducing developers, so as to stimulate the villagers’ awareness of independent development and their initiative.

**Fight for support from all social circles, get venture funds**

With the development blueprint drawn, the greatest challenge became the lack of capital. Entrepreneurs did not have large amounts of capital, nor were they willing to introduce developers from outside, under which circumstance, they studied policies and tried everything possible to obtain government support, while searching for sponsorships through a number of channels.

At the end of 2009, Chen Nan wrote a letter to Wei Liucheng, then secretary of CPC Hainan Provincial Committee, and to all its standing members, in which he illustrated his dream and concepts of building “Boxue Ecological Village” and the designed development path.

Such an idea might once jump into the mind of many people, but not everyone would really pick up the
pen and translate it into words. The good news was after Mr. Wei received the letter, he forwarded it to relevant leaders in Haikou, which won Boxue Village certain government recognition in its later development.

In 2010, finding Hainan Province planning the project of “pilot civilized ecological village”, villagers sensitively felt its association with and significance to their venture. They hence actively applied for it and finally succeeded in making “Boxue Ecological Village” the “pilot civilized ecological village” in 2010, receiving some amount of capital from the province, the city and the district. Following the instruction of Chen Ci, secretary of CPC Haikou Municipal Committee, governments at the municipal and district levels allocated 600,000 yuan to help Boxue Ecological Village dig a deep-water pumped well, build a great reservoir, and install the water pipes to households and into the fields, solving the problem of water shortage for domestic and production purposes in this old revolutionary base. In June 2011, the inauguration ceremony was held for Boxue Ecological Village Culture Room upon its completion with the 200,000 yuan-donation from Xiuying District People’s Government, and Yao Ming, a famous basketball player, inscribed the plaque for the Culture Room. In November 2011, Xiuying District People’s Government donated another 80,000 yuan to help renovate the roads in Boxue Ecological Village, and Xiuying District Office of Spiritual Civilization Construction invested nearly 150,000 yuan.

Besides seeking government support, the entrepreneurs in Boxue Village also received some small-amount funds from non-profit funds, social venture projects and opportunities for talent training; and by cooperating with some citizens’ groups like Hainan Cycling Association, opened new market channels and expanded the sources of potential clients.

In 2011, the entrepreneurs mainly sought to interact and cooperate with the financial institutions in Hainan. Chen Nan expressed that they expected the financial institutions in Hainan to provide better-targeted products for the farmers to build restaurants and guest houses in the ecological village, for which both the government and banks had to make concerted efforts.

**Constantly search for markets, gradually set product positioning**

After more than a year of starting up, Boxue Ecological Village has found a series of models of developing tourism products and market positioning which cover leisure tourism reception, derivative tourism products, etc., all relying on its good ecological environment and ancient culture.

**Model 1: Home of Scented-rose Wood – a distinctive product of rural leisure holidays**

The first “pleasure-in-farmhouse” product launched by Boxue Ecological Village is Home of Scented-rose Wood, which is named after local specialty scented-rose wood. It has also made “volcanic village cuisine” featuring black goat hotpot and pheasants raised in lychee gardens its specialties. There are
also fresh vegetables harvested from the volcanic soil. In winter, the specialty is hotpot, which is simple, easy to make and full of the rural flavor. In the meanwhile, due attention is paid to ensuring sanitation and the quality of dishes.

In the year since it was opened to the public, thanks to the spread of reputation, customers would drive to the Home of Scented-rose Wood to taste black goat hotpot. The diners also spoke highly of the cassava soup, pickled Hainan powder, black goat, Yongxing tofu, and vegetables grown by the farmers themselves.

To run the Home of Scented-rose Wood, a fresh college graduate has returned to Boxue Village to serve as the general manager. Before assuming the post, he worked in the cafés and restaurants in Suzhou and Shanghai to accumulate experience in business operations and management in the catering industry.

While developing local cuisines, Boxue Village also developed local guest houses in the ancient village. Villagers invited professional designers to build guest houses and yards with distinctive local characteristics, and to show local volcanic stones culture, most of the guest houses and yards are decorated with volcanic stones. The total investment amounted to about 750,000 yuan.

Themed on the concept of “birds’ migration”, guest houses are built mainly to attract customers from North China and provide residence services. The guest houses include the following types:

The phase 1 lodging in the Home of Scented-rose Wood includes two main rooms and eight guest rooms in five categories, namely:

- 2 wide-bed guest rooms: each may accommodate 5-6 persons, rent by day, 120 yuan for a night, suitable for student groups, families and other small groups;
- 2 first-grade standard rooms: 158 yuan for a night, rent by day or by month, and the monthly rent is 2,000 yuan/room;
- 2 first-grade big-bed rooms: 158 yuan for a night, rent by day or by month, and the monthly rent is 2,000 yuan/room;
- 1 high-grade standard room: 228 yuan for a night, rent by day or by month, and the monthly rent is 2,500 yuan/room;
- 1 high-grade standard room: 258 yuan for a night, rent by day or by month, and the monthly rent is 3,000 yuan/room;

A public kitchen is provided for customers who rent the guest room(s) by month to cook independently.
or together. Customers may plant their own vegetables in our fields, or buy vegetables from the villagers to experience the life in a lychee garden.

**Model 2: Cycling tourism - a sports leisure product**

In 2010, the first rural mountain biking lane in Hainan Province, which was also a provincial level tourism development project, was launched in Boxue Ecological Village and put into use. The project cost nearly 100,000 yuan which was all raised and borrowed from villagers. A roughly 4km-diameter round track was developed on the land voluntarily donated by villagers. Relying on themselves, the villagers worked together to complete the track within a short period of 3 months.

The biking lane is 3.5 meters wide and about 3km long. It runs through a primitive lychee forest, a natural secondary forest, a modern lychee garden, a wampee garden, a tangerine garden and a chayote garden. Cyclists can feel the primitive forest and rustic landscapes and the simple folk customs here.

After the completion of the single-lane track, Boxue Ecological Village won the right to hold the first session of the 2010 Hainan Cycling League, an event hosted by Hainan Cycling Association. A fashion cycling event to be held in such a poor village was covered by provincial media and the central media branch in Hainan, immediately attracted great attention, and made the single-lane track and the village known to more people. On November 13, 2011, Boxue Ecological Village undertook the mountain biking race of Hainan Cycling Championship which was hosted by Hainan Department of Culture and Sports.

**Model 3: 100% natural honey – an ecological agricultural product**

Boxue Ecological Village has great honey resources, based on which it has developed a series of “100% natural” honey products including lychee honey, longan honey and flowers honey. To open market channels, entrepreneurs opened an online shop on Taobao (http://boxuecun.taobao.com/) and seized nationwide opportunities to exhibit organic food to sell their products and build up product reputation.

**Set eyes on long-term development, make further progress**

In November 2010, Chen Nan took the lead to set up Haikou Rural Ecotourism Association. In the future, it will serve as a platform with Boxue Ecological Village as the base to organize training sessions for Haikou leading operators in the ecotourism industry to cultivate talents for Boxue Ecological Village and other ecological villages in Haikou. It is planned to invite experts in rural ecotourism, managers in star-rated hotels, media operators and professionals from the cycling association, experts in biodiversity and honeybees, architects, planners, artists and writers to give lectures to local farmers. In the meanwhile, trainings on and certification of family hotel business, ecological tour guides, homestay-farmhouse tourism and ecological handicrafts were launched to the farmers “learn skills, build up confidence,
develop their own ideas”. With full accumulation of knowledge and concept updating, the construction of Boxue Ecological Village will succeed and prosper for long.

After more than two years of hard work, the brand of Boxue Ecological Village has been initially set up, which begins to attract due attention from the local government. Xiuying District People’s Government not only makes Boxue Ecological Village a pilot unit, but has made it clear that priority will be given to developing Boxue Ecological Village and provided it with financial, HR and material support. The district government will invest 200,000 yuan to renovate and build a rural cultural activities center and to renovate the village square. It will be a new chapter in the infrastructure construction of Boxue Ecological Village, following which a group of hardware projects like ancient village restoration and conservation, honeybee museum, Boxue reading bar, family hotels and rural restaurants will be launched in succession.

Lessons learnt

In this case, the most prominent feature is how to find the distinct features of tourism products and make product features more distinct while marketing and competing for support in a variety of forms.

In terms of product features, entrepreneurs kept firmly to two points: first, the features of the village being “ancient” and “ecological”; and second, the honey with distinctive local features, centering around which a series of products were developed.

In terms of product marketing, entrepreneurs extend their product information to groups that might be interested in their products via public events (such as the cycling race), media publicity and the Internet, among a variety of forms.

In terms of competing for support, entrepreneurs have not only realized the active participation of villagers in democratic forms, but also grasped policy orientation and opportunities and won government support, which has laid a solid foundation for the entrepreneurship.

4.3 Case study 3

Nanling: Respect for Local Communities and Ecological Development (Nanling, Guangdong)

Background

Located on the border of Guangdong and Hunan, Nanling is the largest state-level forest park in
Guangdong Province, and a place with the highest altitude in Guangdong. It is the home to the three highest peaks in Guangdong. It is also the watershed of the Yangtze River system and the Pearl River System. Nanling boasts biodiversity, having the largest area of primitive forests and the largest reserve of species in Guangdong. It used to be a reserve for South China Tiger, and is the habitat for South China Tigers, macaques and black bears. It also has a forest farm built in 1908, which accommodated over 30,000 people at its heyday. But due to industrial restructuring in China, i.e., from chopping trees down, planting trees, conserving the forest to ecological protection, its population has shrunk to more than 2,000 now, making it a miniature of social stagnation in China.

**Keywords**
Ecotourism scenic spots development, community development, nature conservation, organic combination of nature, community and business

**Stories of start-up**

(Taking into consideration the readability of the story, the below contents are presented in the first person by main entrepreneurs. Main contents are from the speech made by Chen Xujun, ecotourism developer in Nanling and famous expert in the ecotourism industry, and are edited and supplemented accordingly. It is expected that readers will, from this case, understand some in-depth principles on developing ecotourism scenic spots and routes and the coordination of the relations among all stakeholders.)

As a tourism developer, I believe that ecotourism is a way of travel which is most closely combined with sustainable development I have ever seen. However, ecotourism in China has become a “slogan” and “label”. Everything is said to be ecological. I once saw a business advertisement in Sichuan, in which it stated “ecological hotpot”, and that confused me for quite a while; in the north of Tianhe River, there is a real estate project named “ecological building”. Is it because especially more trees are planted there or environmentally friendly and energy-saving materials are used? Neither. It is called that way because it catches the attention of everybody, so every commodity is said to be related to ecology.

The Chinese people, should truly discuss why ”ecological” is often misused. The fake and shoddy will drive out the authentic, and it is called “bad money drives out good”: when there is too much counterfeit money circulating, real money will be driven out of the market.

Against such a background, in the summer of 2004, I came to Nanling as the managing director of Nanling Zhongheng Ecotourism Development Co., Ltd., determined to overthrow the “mainstream” mode of development. I expected to build a huge regular triangle amidst the 273-km square mountain area.
Ecotourism

in Nanling, with the three angles representing nature conservation, community development and economic efficiency respectively.

**Relocate local people or not?**

In the development contract signed with the local government, the government expected to relocate the local people from Hexi District to Hedong District, so that an area of 500 mu in Hexi District would be open for our development, but would completely separate us from the local people. However, after conducting the field survey, we decided to turn down the offer and retain the atmosphere of the community. Why? As we have traveled to many places in China, we find that many developers are good at transforming miracles into decay and have forcibly occupied many advantageous resources. By ringing mesh wires, building up high walls and great yards, and raising many guard-dogs, they drive out the former residents. Developers and local residents fail to straighten the relations between each other, and residents react against developers deep down.

Such a traditional development philosophy does nothing good to the local people, tourists or developers. As the project in Nanling will last for 50 years, if neighbors of the scenic spot remain poor wretches in such a long period of time, and do not keep abreast with our development, we will be in great danger. On the other hand, a tourism product with relatively profound connotations must consider the social connections of the local community itself.

**Build the highway or not?**

As stipulated in the contract, the government required us to build a highway to the highest mountains in Guangdong as well. By then, they had completed about 10km of the total length of 17km, but we decided to cancel this project after we arrived.

Because the construction was at the expense of forests which had grown for hundreds of years, we felt that we could not do that. For one thing, there were political risks. Though the incumbent administration asked us to build a highway, what if its successor values the scientific outlook on development and require us to protect the environment? For another, there were business risks. To some extent, driving up the highest mountain does not constitute being close to nature. Man should walk up towards the mountain top, not reach it by helicopter or car. We should never hold the attitude of “I come, I conquer” to the great nature. We will keep the completed part, and reasonably handle the rest.

**Build new buildings or not?**

We decided not to construct new buildings for both community development and nature conservation.
reasons. We simply changed a shabby hostel into a hotel where a majority of people could live comfortably. Even the dormitories for workers on Ruyang Forest Farm are renovated into a youth hostel with a tasteful pub, and a terrace will be constructed so that everybody could drink tea and wine, and chat there.

**How to handle relations with the community?**

We Chinese people attach great importance to “proper time, place and people”, but I think the order should be inverted. “Proper people” are something we can be most certain about; “proper place” can be understood and known with the help of our own wisdom; and “proper time” can only be awaited. From the perspective of probability, the order should be “proper people, place and time”. When implementing this project, our top priority was to integrate it into the community, seek its sympathetic response and spur its development at the same time.

We figured out some methods to spiritually mobilize this community and found a breakthrough point -“Nobody says no to happiness”. In 2005, by cooperating with the Consulate General of France, we introduced, to Nanling, an exchange program of the China-France Culture Year. By so doing, we reformed the conventional practice of holding the culture program only in urban concert halls, art galleries and exhibition halls, or in the form of performance, exhibition and salon; instead we introduced the culture program to the folks, fields, mountain streams and wild forests. Specifically, the Consulate General of France paid to invite 4 French artists to stay in Nanling for two months and conduct artistic creation together with the local people. Our requirement was that Nanling should be viewed as the focus point of the stories, not just a place for artistic creation, and the artistic creation should embody the unique characteristics of the land.

They called to organize an art troupe, delivered lectures, played old movies, got aquatinted with the museum and library of this community, held a community summer camp, collected the oral history about the community, and offered local education of loving Nanling and their native land for children in Nanling. All of these were activities to stimulate the community confidence and vitality. In the past, children in our community would hide themselves at the sight of foreigners, but now they would take the initiative to go up and say “hello” to foreigners at the sight of them.

I also invited some journalists to collect the oral history. The first group was to collect stories from those aged above 70 years old: why they came and settled in Nanling; their love stories; their family stories; what Nanling was like during the “Culture Revolution”; what “Great Leap Forward” was like; what the “Culture Revolution” was like; what Nanling was like after the reform and opening up... By telling and listening to the stories, confidence can be expressed. Their grandchildren are unwilling to listen to their nagging, so now they pulled the journalists to visit the places where they used to work and cook. This
Ecotourism has reshaped their confidence and also enhanced our understanding of this land. Besides, we collected local buildings, old photos, old articles, and will build a museum to display all these items. I pay great attention to collecting the oral history, because I am sensitive to culture and interested in buildings.

I believe that one should go beyond “tourism” when undertaking a tourism project. It should be broken. One should be able to “fall in love” with sociology, anthropology, architecture, art, education, medical treatment, etc.

**How to spur the development of the community?**

We have established a special community development department to take charge of community communication and supportive affairs, which endows our product with much profounder connotations.

Take our family hotel project for example. Not all tourists want to dine in a restaurant. We can diversify the product structure and levels to meet the requirements of our target customers, providing them different experiences. I am always convinced that “nobody says no to happiness and benefits”. In real practice, we didn’t lecture about it: what has to be done when running a restaurant, the do’s and don’ts... We held several meetings, at which we sat together and chatted. “Now that you have the desire for the enterprise, what scale would you like it to be? What cuisine would you cook? Are you good at it? Do you focus on clients in Guangzhou, Shenzhen, the local place or Dongguan? Do you know their tastes?” Finally, we decided together the development direction of the restaurant and help decorate the house, make purchases, deal with the publicity and marketing, as well as collect suggestions and advice for improvement therein. Though it costs much more time and energy than running a restaurant by ourselves, it is significantly meaningful, and what’s vital is to improve the residents’ capability. I believe it is inappropriate to force the ideas which I view great onto other people during the implementation of the project to pursue efficiency. Guidance and encouragement is necessary, especially for the capacity of sustainable development.

**Why pay attention to the cooperation with social organizations?**

I hold that an enterprise has diverse social roles. On the one hand, it follows the development law of the commercial economy such as efficiency and product development; it is a social entity and has to play its social role; on the other hand, it can cooperate with NGOs and seek mutual innovation. For example, they can cooperate with artists and scholars to inject new connotations and elements into the product.

**How to conduct self-positioning?**

It especially focuses on how to shape enterprises’ sense of social responsibility. Winner of Nobel Prize
for Economics Friedman once said, “The social responsibility for starting an enterprise is to make profits”, to which I disagree. I think a qualified entrepreneur should remember three points: seek wealth properly, get it justly and use it soberly. Products have to meet the spiritual needs of man, just as some buildings would move visitors to tears. I had this feeling in the Roman Pantheon and Greek Acropolis. A vacation land should be a great spiritual site, not just a scenic spot, just as India and Nepal can both please tourists’ senses and touch their heart. City dwellers like us find our eyes impaired by ugliness, noses irritated by sinister air, and souls occupied by excessive materials.

A great entrepreneur must have three traits, namely innovativeness, rationality, dedication and cooperation. He must have such an insight and the capability of changing the commonness into miracles, because every piece of land is extraordinary. By analyzing it meticulously, one can figure out stories, biodiversity and usable and protectable aspects from it. However, many tourism products in China are changing miracles into decay, and the pure quantity economy has been spoiling a competitive product. Why do I go against “creation with a large sum of money”? Because the message beneath it is to disregard the wisdom and never carve products exquisitely.

**How to deal with governmental officials?**

In practice, an entrepreneur can never detour the government, and has to come into contact with them, because they are close stakeholders. Government officials are seeking for political achievements, GDP figures and quantity. It can’t be viewed as wrong, because we should not stand at the opponents’ point when doing something. On the contrary, we should compromise and consult, bearing in mind the goal of “advancing our own business”.

I have once told the officials of Shaoguan, where Nanling is located, “as we are in the most backward area in Guangdong, despite catching up with them barefoot, we cannot keep up with Guangzhou, Dongguan and Nanhai. If you compete with them in GDP according to the game rule in the Pearl River Delta, you have no chance to get promoted. Wouldn’t you like to learn from those officials who prefer environmental protection to GDP, and are responsible for future generations? Such officials have got promoted. It says so in the People’s Daily.”

**How to straighten the relations between planners, developers and the government?**

It’s not a matter of winning or losing. When doing any business, you should consider the stakeholder interests as much as possible: how would they think? What interests do they desire? All these can be done through repeated consultation, compromise and reform of your thoughts... It’s easy for one to stick to one thing, but difficult to give it up, and persuade someone to give up on something. In China, the needs of architects, builders and consumers should be taken into consideration simultaneously.
Some only have pessimistic thoughts, “no matter how well we accomplish our work, it is useless because the government is just like that, tourists are just at that level, and developers only get that kind of insight”. Such persons are common in China and throughout history, but they are not those who drive the history forward. I examine my conscience: I am always ready, so that when others would like me to do something, I will be capable of doing it.

We also lack the dedication attitude. Many domestic planners just take photos and send me the collected materials, and copy the projects in Sichuan and Yunnan directly to Guangdong. Then it’s done. On the contrary, when the foreign planner first came, he rolled up his pants and went into the river together with us. After spending 15 minutes in the middle of the river, he said, “I just want to feel and perceive the land”. Every second in China they used to perceive the site. Ridiculously, domestic planners are always on the plane, and spend much shorter time than foreign planners on perceiving the site. You can see their different attitudes, as determined by their dedication to the project. If I were a consultant, I would ask to read the local county annals, visit communities, and prepare a long list of materials I need them to collect for me... Vital points here are: the vertex, the lowest place, critical point, etc. Skills are necessary, which you can attain after seriously doing something.

**Lessons learnt**

How entrepreneurs position the ecotourism development in Nanling: an ecological and sustainable project is just like a love triangle between nature, community and commerce as well as a social practice --- how to give a declining community more choices in the new economic situation. Despite the good market reaction, if they would like to keep it in the long term, entrepreneurs should steadfastly and earnestly keep going. Accomplishing everyday work is much more convincing. Entrepreneurs should view themselves as common people who are concentrated on doing small things instead of always picturing the big in the mind. It is enough to do little things one by one. “Proper time” can be awaited, so they should firstly deal with the “proper people and place”--- complete the tasks at hand before talking about anything else.
Chapter 5. Suggestions on Developing Green Business Model

Compared with the mass tourism industry, ecotourism sees no obvious advantages in price, cost our source of customers at the initial development stage, so it has to adopt the strategy of designing product portfolios while seeking cooperation resources and striving for government support and preferences.

Currently, resources available in the ecotourism industry include preferential government policies, the strengthening of tourists’ environmental awareness, improvement of the level of consumers’ travel experience, innovation of the development practices and ideas, the training and retaining of talents, etc. Without any doubt, how to seek, make use of and share resources and how to create a business model in line with their respective characteristics and the market laws is of crucial importance to start-ups.

5.1 Pragmatic Business Models and Entrepreneurial Skills

Ecotourism enterprises have various business operation models, including:

**Ecotourism attractions**

Similar to the development and business model of mass tourism, when developing core ecotourism attractions and routes, consideration is given to developing the supportive service industry and tourist souvenirs, with building travel destinations which give priority to ecology and feature good environmental conservation as the main goal. In this aspect, attention has to be paid to following the environmentally friendly principles in the process of development and operation, and emphasis has to be placed on the interests of the community to be developed;

**Professional route design and guided tour services**

It is similar to the travel agency business model in mass tourism, but the requirements on designing professional and targeted travel routes and highlighting ecology and the great nature are far higher than those on the ordinary mass travel agencies. In the process of operation, the enterprise has to determine its positioning in an all-round and profound way, pinpoint the subdivided markets and main sources of customers, and develop travel routes according to its own features and market conditions. In the meanwhile, special attention has to be paid to employee training. In the travel agencies engaged
in ecotourism (including some special forms of tourism), the professionalism (including the ability to receive tourists, knowledge on the ecology and the environment awareness) of its tour guides represent core competitiveness;

**Environmentally-friendly lodging**

Lodging service is listed separately because the business model of hotels and restaurants (including inns and lodgings, hereinafter referred to as the hotel industry) has a style of its own. In this aspect, their business operation and management resemble those of the ordinary accommodation industry. For entrepreneurs, environmentally-friendly hotels, from the initial design to their daily operation, must strictly follow the environmentally-friendly principle of saving energy and resources, reducing the emission of pollutants, and recycling; and organizing exhibitions and events to publicize the knowledge on the environment and ecology to their employees and guests.

**Rural ecotourism**

As a tourism product with distinct Chinese characteristics, rural ecotourism now may be operated and developed through a number of models. Entrepreneurs have to choose the suitable model according to local circumstances and policy orientation:

- “Farmers + farmers”, a business model of ecotourism at its initial stage.
- “Company + farmers”, where local farmers are invited to engage themselves in rural ecotourism and their service of receiving tourists is regulated by tourism companies to prevent any damage to tourists’ interests because of intense competition.
- “Company + local community + farmers”, where the local community (such as the village committee) serves as a “bridge”, and the company cooperates firstly with the local community before organizing farmers to engage in rural ecotourism.
- The company model, which features a quick access to development, high starting point and scale development; with good ideas and scientific operation, it can easily lead rural ecotourism to the road of well-organized development.
- Joint-stocks, where tourism resources are rationally developed in the form of cooperation and shareholders receive returns based on their investment.
- “Government + company + rural tourism association + travel agencies”, which gives full play to each link in the industrial chain of tourism, prevents excessive commercialization through rational sharing of interests, protects the local culture, and enhances local residents’ sense of pride, thus laying a
solid foundation for the sustained development of tourism.

- “Government + company + farmers”, where the local governments at country and township levels and the tourism authorities make overall planning for developing tourism in the county based on market demands, determine the schedule, location and contents of development, mobilize local villagers to engage in the development, and provide necessary guidance and instructions in the process.

- Individual farms, i.e., “self-employed tourism households”, where the operators reform their own farms, pasture and fruit plants, and implement tourism projects to develop them into tourism attractions, in the intact sense, capable of receiving tourists and providing tourist services.

5.2 Create a Good Business Environment: Understand the Customer Groups with Strong Environmental Awareness and their Needs

In terms of customers and consumer groups, the next decade will see an ecotourism market pattern featuring the combination of high-end markets and the mass market. The public-oriented ecotourism products are a beneficial transition to ecotourism in a relatively strict sense at the present stage.

The masses will continue to be the main customers of ecotourism products. However their demand for and understanding of tourism are seeing changes. Specifically, compared with the past travel experience of “meeting one’s curiosity”, “visiting some place” or “non-stop traveling”, more and more travelers now begin to pursue travel experiences that offer a slow-paced life, where they can learn about the travel destinations, enjoy the natural ecology, and explore their inner mind. Specific differences are listed as below:

<table>
<thead>
<tr>
<th>Items/Objects</th>
<th>Traditional Mass Travelers</th>
<th>Eco-tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Level</td>
<td>Covering tourists of all levels, no requirement on higher personal qualities</td>
<td>Having certain ecological and cultural knowledge, being environmentally friendly, having an open mind and the ability to accept new things</td>
</tr>
<tr>
<td>Interests</td>
<td>Places of interests, artificial constructions, entertainment places, famous scenic spots, etc.</td>
<td>Natural landscapes, local cultural landscapes with distinct local characteristics which have not been (or fully) developed, featured natural phenomena, rural and agricultural landscapes, wildlife animals and plants, geology and landforms, etc.</td>
</tr>
<tr>
<td><strong>Items/Objects</strong></td>
<td><strong>Traditional Mass Travelers</strong></td>
<td><strong>Eco-tourists</strong></td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------</td>
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</tr>
<tr>
<td><strong>Forms of Tourism</strong></td>
<td>Sightseeing in groups in most cases, lack of variety in form</td>
<td>Self-service tourism, small-scale expeditions accompanied by local tour guides, traveling on foot or by bike, slow-paced leisure holidays, long-time observation at some fixed place, etc.; in a variety of forms</td>
</tr>
<tr>
<td><strong>Expectations and Gains</strong></td>
<td>Meeting one’s curiosity, “visiting some place”, photographing, tourist souvenirs, etc. Close contact with the nature, receiving education on nature and local culture, obtaining unique spiritual experience and ecological knowledge</td>
<td></td>
</tr>
<tr>
<td><strong>Way of Participation</strong></td>
<td>Passive</td>
<td>Active</td>
</tr>
</tbody>
</table>

In view of the above table and the analysis of the subdivided markets for ecotourism (See Chapter III for details), this handbook suggests entrepreneurs to pay attention to and develop the following customer groups:

- Urban residents under heavy work pressures like computer programmers, doctors, salespersons, public relations consultants, financial investment bankers, etc.;
- Urban families which pay great attention to the development of their children;
- Practitioners in industries relevant to the eco-environment and sustainable development;
- Groups of people who are interested in the eco-environment and food safety like organic agriculture, environmental-protection groups, and vegetarian groups;
- Self-service travelers and outdoor activity enthusiasts;

With regards to the ways of developing customer groups, two strategies, i.e., direct and indirect, may be adopted.

- **Direct strategy**: conveying information directly to the target customer groups via ads, face-to-face explanation, tourism trade fairs, etc, which requires high costs and great energy for start-ups;
- **Indirect strategy**: promoting ecotourism products through some intermediate agencies or groups. For example, tourism product information may be conveyed by some organic farms to
their members; or a short-term experience travel may be organized through the staff club in some enterprise. Its input-output ratio is relatively high, and is suitable for start-ups. Of course, entrepreneurs have to search for, analyze and try suitable cooperation channels.

5.3 Meet Market Demands with an Environmentally Friendly Business Model

The products provided by the ecotourism industry shall comply with the environmentally friendly business model. Both good and bad ecotourism products can be found in the domestic market, with an increasingly urgent need for more and better products. Special attention should be paid to the following two characteristics.

The industry is in urgent need of more role models

Ecotourism achieves the transition of the use patterns of local resources, and promotes local industrial restructuring and the implementation of the sustainable development strategy to maximize the benefits by engaging local enterprises and individuals in the development, operation and management of ecotourism products through the feedback mechanism of ecotourism interests and through the development of the tourism industry and that of ecotourism products.

However, in the real development of ecotourism in China, many enterprises fail to carefully study the development feasibility, but view it as a label to attract customers so as to cater to travelers’ mentality of returning to nature. Some enterprises, for their own economic benefits, make advantage of the controversy over the concept of ecotourism to twist the meaning of ecotourism on purpose, which then severely harms local reputation and leads to permanent environmental damages, threatening the long-term development of the tourism industry and going against the original intention to develop ecotourism.

According to related surveys, of the nature reserves in China which have launched ecotourism activities, 44% see garbage nuisance, 12% water pollution, 11% noise pollution and 3% air pollution. Many of them have failed to set the upper limit of tourist capacity and the number of tourists they receive has been very close to or exceeded their maximum capacity.

In this case, the ecotourism industry is in urgent need of truly environmentally friendly tourism products and enterprises to lead the Chinese ecotourism industry to the road with both environmental and economic benefits.
The field of education has much room for development

Currently, ecotourism in China is less developed, without necessary facilities for environmental education. Research shows that, of the 932 reserves of all categories in China, only 38 have established nature museums or exhibition halls, 59 have set up explanation signs, and most of the rest have shabby facilities and few signs on field knowledge. In addition, the knowledge is fragmentary, and displayed in conservative, backward and monotonous ways, thus failing to meet travelers’ needs.

In terms of human resources, there are not enough professional ecotourism narrators. The tour guides in some ecotourism attractions have never received special trainings, and are unable to explain the formation of geological land forms, the distribution of animals and plants, or the ecological systems in the reserves, among other knowledge on nature, for tourists to enhance their understanding of the nature and their environmental protection awareness.

The poor reception capacity will surely disappoint the tourists. Problems now are opportunities for the future! For the entrepreneurs in the ecotourism industry, the lack of professional tour guides and narrators in a huge number of ecotourism attractions means an epochal market opportunity, which is worthy of profound research and exploration.

5.4 Marketing Strategies

With market nurturing and development, for effective marketing, ecotourism products must be divided into different tiers to market to different target groups.

- Mass ecotourism products. Ecotourism products developed to cater to the mass tourism consumption market mainly include such activities as sightseeing, appreciating culture, fishing, pastoral picking and ecological agriculture in scenic spots, nature reserves, forest parks, geological parks, cultural relic preservation units, agricultural tourism demonstrations and other units with ecotourism resources.

- Demonstrative ecotourism products. They mainly refer to those ecotourism products featuring unique ecological resources, higher-level tourism development and management services and demonstrative mode of operation and development, covering such activities as sightseeing, appreciating culture, expeditions, adventures, hunting, pastoral picking and ecological agriculture in natural and cultural heritage, scenic areas, nature reserves, ecological reserves, forest parks, geological parks, national parks, cultural relic preservation units and other units with ecotourism resources.
• Special ecotourism products. Ecotourism has special advantages and has formed ecotourism products with unique appeal on the market. Such products mainly cover bird watching, observation of the migration of wildlife, desert explorations, expedition against natural ecology, etc. Featuring a small quantity, high taste and low capacity, these products are main ecotourism brands in China.

**Practical tips: how to develop the market with the help of the Internet?**

It is an inevitable link to develop the product market in the entrepreneurial process. For most entrepreneurs, advertising and some other traditional methods are unrealistic due to the huge costs. In the Internet era, low-cost online marketing can help attain relatively significant results of marketing and public praise accumulation. The following are some easy-to-use methods for reference:

• **Open a thematic blog, and continuously disseminate information**

Open blogs about the tourism products on various blog websites (e.g., blog.sina.com.cn, blogbus.com, etc.), attract public attention with continuously updated contents like pictures and scripts, and help build certain product credibility. (Mostly, pictures and videos are much more convincing than scripts).

(case: http://blog.sina.com.cn/dodocafe)

• **Make use of social networking platforms to make friends and accumulate public praises**

Register a special account and thematic page on social networking platforms, such as douban.com, weibo.com, renren.com and dianping.com, which are great resources to accumulate popularity. By doing this, it helps make a large circle of friends, and clients who have ever experienced your tourism products may be invited to pay attention and post their comment. Such third-party recommendations can produce good results of accumulating public praise.


• **Use the tourism industry websites to precisely target tourist sources and circulate information**

There are many tourism industry Internet platforms, and the target audience is specifically divided to some extent, such as yododo.com which mainly focuses on domestic self-service tourists, go2eu.com which mainly focuses on international self-service tourists, qunar.com which mainly focuses on the air ticket and hotel reservation and the group purchase of tourism products, tuniu.com which is characterized by the online order of tourism scenic spots and holiday travel products, etc. The free information dissemination, establishment of interest groups and advertising on them can target tourists more precisely than that on other media;
Ecotourism

- **Use the e-commerce platforms to improve business efficiency**

Nowadays, the e-commerce platform has become a mainstream means for business operations. Opening an online shop and payment account, online selling or accepting the reservation of tourism products can improve business efficiency, and achieve effective links with other communication means. (Case: http://boxuecun.taobao.com/)

- **Actively release Internet information**

Information is released in a passive way on both blogs and websites, because the audience has to log on the website in order to view the contents. However, the special mail group, electronic communications and MSN/QQ groups are all active channels to disseminate information. Though the number of the audience is not large at the very beginning, the number of returned and recommended tourists may increase if they are meticulously managed by adding into the mail and QQ groups filled with those (clients who once stayed in the hotel, tourists who once experienced the ecological tour guide service, etc.) who have purchased tourism products, and continuously lengthening the list in the gradual entrepreneurial development. Obviously, the quality of the released contents should be guaranteed to avoid excessive and indiscriminate information that may cause negative effects.

In the Internet era, using network tools to market and promote tourism products with distinctive features is a relatively effective and economical way, which is summarized and sorted out in this handbook.

**5.5 Risk Management**

*Against the risk of having inadequate guarantee from policies, laws and regulations*

When developing tourism attractions, some entrepreneurs once witnessed that the local government, residents and enterprises did not follow the original plans, and even willfully constructed buildings, parking lots and some other facilities in the tourist attractions, lowering the tour and ecology quality there.

Thus, in case of renting or transferring land or buildings, corresponding contracts must be signed, and contract clauses seriously weighed and examined; at the same time, it is advised to consult with legal professionals, or related governmental authorities.

*Against the risk of having inadequate guarantee for scientific tourism development*

Do a good job in tourism development planning and thoroughly implementing the idea of protecting
resources and the environment therein, which not only guarantees the success of development, but also serves as an important measure for preventing any damage to the resources and the environment.

If severe damages are done to the eco-environment by the developed tourism products, it will not only go against the original intention and principle of ecotourism, but also lead to corresponding penalty measures including fines, or business suspension for verification. Entrepreneurs in the field of ecotourism must have the awareness and follow the principle of paying equal attention to the eco-environment and profits.

While starting the business, entrepreneurs are suggested to consult professionals or check related materials to predict the environment capacity and impacts of tourism products on the environment and prepare for corresponding solutions.

**Against the risk of complicated relationships among stakeholders**

Due to their failure to get along well with local communities (because of noises, drainage, uneven distribution of benefits, etc.), some inn or hotel projects were not welcomed, or even resisted by local people, which greatly affected normal business activities and their profitability; the original initiators of some ecotourism projects, after making certain achievements at the initial stage, were driven out after more capital was attracted to the local area.

**Against the risk of weak awareness of social environmental costs**

Many Chinese provinces and cities are familiar with such cases: some tourism attractions known for their good eco-environment solicited travelers for short-term interests, which then damaged the local eco-environment. Plus their operation and management could not meet the needs of tourists, so they were at last eliminated out of the market, with local natural environment being irreparably damaged. To avoid similar tragedies, entrepreneurs are suggested to pay special attention to “the capacity of tourism products”, including the capacity of the eco-environment, that of services and reception and tourists’ attitudes, when planning the venture.

**Against the risk of unclear management ownership of tourist resources**

In today's China, management ownership is a complicated issue. For example, a bush may be governed by the agricultural department, the forestry department or the environment protection department.

To avoid possible risks that may be brought by multi-head management, entrepreneurs have to start with some soft contents (such as designing travel routes, guiding ecotourism tours, etc.) at the initial stage to try and get familiar with the local management system step by step.
5.6 Human Resources

The development of the ecotourism industry calls for the support of more human resources. In terms of talents, since the 1990s, more than a hundred colleges and universities in China have set up the undergraduate major of “Tourism Management”, and most of which have even provided corresponding postgraduate programs. All these efforts have prepared professional talents with a good foundation and extensive knowledge. In the meanwhile, Beijing Forestry University, Southwest Forestry University, Guangxi University, Shanghai Business School, Northwest Normal University, and Hainan Normal University, have set up the ecotourism major in recent years so as to cultivate talents for the industry in a more targeted way. Apart from colleges and universities, the numerous tourism vocational schools (secondary technical schools and professional high schools) also serve as an important channel for entrepreneurs to look for employees.

Besides recruiting graduates in related majors, it is an important human resources development strategy to recruit talents and find partners locally. Attracting local talents to join the team will have a positive influence on the operation and development of start-ups.

Meanwhile, joining hands with social organizations and schools and colleges to build a talent training mechanism is a long-term strategy for the development of talents. By cooperating with schools, colleges and universities and social organizations in terms of students’ practices and volunteers’ practices, the steady development of human resources will be promoted.

5.7 Foster Effective Partnership

In the ecotourism industry, regardless of the entrepreneurial patterns, an extensive and effective network of relations among the enterprises in the upstream, midstream and downstream of the industry has to be drawn to achieve effective support and win-win cooperation in terms of resource support, market expansion, HR development, environmental protection, and enhancement of professionalism. So the main aspects of this network are as follows:

- **Support providers**: competent government departments; tourism departments and departments supporting entrepreneurship; banks and credit institutions; environment and community foundations, entrepreneurship fostering agencies, travel industry association, etc.;

- **Win-win cooperation**: with owners of scenic spot properties; major scenic spots operators; surrounding self-government community organizations (including the village committee) and the residents; travel services and reception enterprises, etc.
• **Market expansion**: by travel agencies; travel intermediate agencies; tourism e-commerce businesses; associations; and media;

• **Environmental protection**: by environmental protection agencies; environmental service companies; EIA agencies; environmental organizations, etc.;

• **HR development**: by schools with related majors; training agencies; social organizations, etc.
Appendix 1: Supporting Organizations

At present, the first and foremost driving force for ecotourism development in China is the tourism development authorities in governments at all levels represented by the State Tourism Administration, and the eco-environment administrations led by the Ministry of Environment Protection and the State Administration of Forestry, which play an important role in the implementation of related laws, regulations and policies. Secondly, related industry associations play a role which cannot be ignored in the promotion of policies, information provision and services. Thirdly, a number of social organizations are also active in launching a variety of projects to push forward the development of the ecotourism industry. Fourthly, many colleges and universities and research institutes provide professional vision, knowledge and talents for ecotourism. Lastly, with the development of the information society, tourism intermediates of all types, including e-commerce enterprises and other emerging information platforms, can all boost the corporate development.

List of Supporting Organizations and Resource Organizations

<table>
<thead>
<tr>
<th>Governmental agencies</th>
<th>Name</th>
<th>Scope of business</th>
<th>Relevant programs</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National Tourism Administration</td>
<td>Planning and balancing the overall tourism development; formulating development policies, plans and standards; drawing up related laws and regulations and supervising their implementation; guiding the local tourism work. Organizing the general investigation, planning and development of tourist resources as well as the related protection work. Formulating, organizing and implementing tourism talents planning, and guiding the tourism training work.</td>
<td>China Domestic Tourism Exchange Fair, Strait Tourism Fair, Tourism Combats the Natural Disasters, and Post-disaster Recovery and Development, etc.</td>
<td><a href="http://www.cnta.com/">http://www.cnta.com/</a></td>
</tr>
<tr>
<td></td>
<td>Ministry of Human Resources and Social Security</td>
<td>Making overall plans for urban and rural employment and social security policies and responsibilities, setting up and perfecting the employment and old-age service and guaranteed system.</td>
<td>The College Students’ Entrepreneurship Guide program, build entrepreneurial cities in which jobs are created through self-employment, and state-level entrepreneurial cities, etc.</td>
<td><a href="http://www.mohrss.gov.cn">http://www.mohrss.gov.cn</a></td>
</tr>
<tr>
<td><strong>Governmental agencies</strong></td>
<td><strong>Industry associations</strong></td>
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<tr>
<td>Ministry of Environmental Protection (Department of Nature and Ecology Conservation)</td>
<td>Guiding, balancing and supervising the environmental protection work of various nature reserves, scenic attractions and forest parks; supervising the development and use of natural resources that influence the ecological environment; organizing and balancing the rural environmental protection work, organizing and guiding the comprehensive renovation of the rural environment, and guiding the construction of ecological demonstrations and ecological agriculture.</td>
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</tbody>
</table>
| China Biodiversity Protection Strategies and Action Plans, ecological construction demonstration zones, appraisal of the national ecological city (district, county), vast rural environment renovation demonstration, etc. | **China Tourism Association**
Offering advice and suggestions to the national tourism administration authorities; helping competent departments build tourism information networks. |
| Planning consultation, vocational trainings for staff, organization of technical exchanges, exhibitions, sampling surveys, safety inspections, guidance of the business of the special tourism association, etc. | **China Tourist Hotel Association**
Scientifically adding up and analyzing the data about the tourist hotel industry; analyzing and forecasting the current development status and trends of the industry to guide and regulate the market. |
| Organizing special discussions, training and investigation about the hotels, running the China Tourist Hotel Website and the association journal China Tourists Hotel, providing for hotels professional consultation services, appraisal of “China Hotels Golden Award”, etc. | **China Association of Travel Services**
Representing and safeguarding the common benefits of the travel services and legitimate rights of its members, acting as a bridge and bond between the government and its members. |
| The monthly association journal Travel Industry, International Tourism Expo, Special Tourism Introduction Meeting, etc. | **China Tourism Education Association**
Expediting the development of human resources for tourism and improvement of the tourism education quality. |
| Forum for Tourism Education and Response to Human Resources in the China Hotel Industry, Service Skill (hotel services) Competition among National Tourism Colleges, Seminar on the Tourism Education Innovation, Forum for the China-Russia Tourism Education, domestic and overseas investigation, etc. | **International Youth Hostels Federation (China)**
Helping and serving the domestic operators of youth hostels; promoting the cultural exchanges between the youth, and publicizing the self-service, healthy and ecological tour. |
## Supporting Organizations

<table>
<thead>
<tr>
<th><strong>Governmental agencies</strong></th>
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<tbody>
<tr>
<td><strong>China Country Retreat Association</strong></td>
<td>Promoting the standard operation of the country retreat industry; spurring the sustainable, rapid, balanced and healthy development of the country retreat industry.</td>
<td>Evaluating the qualifications of the star-level demonstration units, appraising the qualifications of the ecological demonstration food, providing consultation services for the country retreat development and planning, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Professional institutions</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>China Tourism Academy</strong></td>
<td>Launching researches on basic theories, policies, key points and complicated problems that may influence the tourism development; taking part in the studying, drawing up and evidencing of the tourism development planning; providing related technical support for the tourism development planning reported for examination by the local authorities.</td>
<td>The tourism economy monitoring and warning system, tourism satisfaction investigation, a database of Chinese tourism experts, inventory of China’s tourism documents, etc.</td>
</tr>
<tr>
<td><strong>China Country Tourism Development Design Website</strong></td>
<td>Exploring and studying the leisure upgrading of the rural tourism project and the design and development of the innovative vacation tourism products.</td>
<td>Providing market information about rural tourism and channels for the project investment attraction; providing a large number of development project cases, download of policy materials, online consultation with experts, etc.</td>
</tr>
<tr>
<td><strong>Global Environmental Institute</strong></td>
<td>Viewing the negotiation protection system as the operation model, and franchise operation as the incentive method to encourage the local government and communities to develop the economy with the attitude of being responsible for environment; popularizing the community-oriented sustainable community protection model.</td>
<td>China Rural Sustainable Development Project; Environment Entrepreneurial Training Project</td>
</tr>
<tr>
<td><strong>Institute of Environment and Development</strong></td>
<td>Training leaders with the vision of sustainable development, and are capable of implementing the development strategy; strengthening the capabilities of the masses to access the environment information and knowledge with the information and communications technologies.</td>
<td>New Ventures China: providing services to enterprises, upgrading the enterprise management level, and providing comprehensive support for entrepreneurs’ participation into the financing partnership and project demonstration; providing sustainable development enterprises with network services, etc.</td>
</tr>
<tr>
<td><strong>Shan Shui Conservation Center</strong></td>
<td>Demonstrating the living example of harmony between man and nature, and making the natural protection more mainstream among national and local policies as well as public consciousness.</td>
<td>Its current projects mainly focus on West China, and those related to the ecotourism are Community Protection Fund Project, Ecotourism Project, Agreement-based Protection Project</td>
</tr>
</tbody>
</table>
## Governmental agencies

| The Nature Conservancy (China) | Enhancing effective communication between various stakeholders around the nature reserves, and jointly seeking sustainable development; improving the stakeholders’ capacity of ecological conservation through training their capacities and sharing knowledge. | Building the capacity of protecting reserves; popularizing new reserve patterns such as forest parks and social public reserves. | http://www.tnc.org.cn |

## E-commerce

| qunar.com | The biggest Chinese-language online travel website around the globe | Providing for tourists the in-depth search of domestic and foreign air tickets and hotels as well as holiday and visa services to help Chinese tourists make a better choice for travel. | http://www.qunar.com |

| yododo.com | The biggest Chinese-language Web2.0 community platform for self-service travel around the global | Online search strategies and questions-answers about the tourist destination as well as the various information about the scenic spots such as food, lodging, travel, entertainment, etc.; online reservation of hotels, purchase of admission tickets, or campaign launching. | http://www.yododo.com/ |

## Others

| Lonely Planet | It is the most popular travel guide for independent travel around the globe, enjoying a large number of readers in China. | As the partner of the Lonely Planet in China, the SDX Joint Publishing Company will successively release Chinese editions of guides for independent travel in different provinces in the next few years. For the tourism entrepreneurs, this is an important platform for dissemination. | http://www.lonelyplanet.com.cn/ |