E-Commerce for Community-Based Tourism in Developing Countries

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Abstract

Tourism is growing fastest in developing countries, where it is a major component of most economies. Community-based tourism (CBT) fosters local development in poorer rural areas. Information and Communication Technologies are being deployed within poor communities in developing countries to promote local development. This paper describes an initiative for introducing electronic commerce for CBT (e-CBT) in three Asian rural communities in order to reveal its potential for community development. e-CBT targets an important market segment in the rich countries, consisting of individual travellers for whom travel is an essential component of their life-style and who seek new and authentic experiences that are not directed towards a mass market, but practical examples are needed to prove the concept.

Keywords: Community based tourism, electronic commerce, developing countries

1. Introduction

Tourism is one of the world’s largest industries, generating an estimated 11% of global GDP and employing some 200 million people (Roe and Urquhart, 2001). Developing countries are receiving an increasing number of tourists, and this represents a significant part of their GDP. Tourism thus offers huge opportunities for developing countries, yet it has been recognized that many tourism policies developed by central governments without local involvement fail to cater for the sensitivities and aspirations of the communities that tourists visit. The 2002 Conference on Community Based Ecotourism in Southeast Asia agreed that local communities should have the right to self-determination and to decide whether or not to accept the tourism that will surely affect their lives and livelihoods.

In developing countries, tourism is generally a micro-enterprise and so lends itself to local entrepreneurial activity. Community-based tourism (CBT) has emerged as a mechanism for fostering locally based tourism operations. Moreover, as Information and Communication Technologies (ICTs) are beginning to be deployed in rural communities for the purpose of fostering local development, communities are able to implement e-commerce in support of their CBT operations. Even small and remote communities with an Internet connection can address global markets.

The purpose of this paper is to introduce the concept of e-commerce for community based tourism, e-CBT, as a mechanism for local development. e-CBT involves the operation of local tourism activities which are promoted across the Internet by a community using a community based telecentre providing community access to ICTs. The concept is proposed as a method for fostering rural development in developing countries.

2. Background

Tourism often plays a major role in developing countries and CBT has special potential in enabling economic sustainability while preserving and benefiting local quality of life. The Internet provides a cost-effective and increasingly available mechanism to enable CBT.
2.1 Tourism and the Developing World

Tourism is a key export for developing countries and the least developed countries (LDCs). It is growing rapidly and is a significant source of foreign exchange (WTO, 2002). The World Tourism Organisation (WTO) suggests that there is a strong economic case for promoting tourism in developing countries if its benefits include unlocking opportunities for the poor (WTO 2002). Success in poverty alleviation through tourism depends in part on effective community-public-private partnerships that serve to ensure money stays in the community and the local economy is linked to the provision of tourism-related services.

A March 2001 conference on tourism in LDCs concluded that for the majority of LDCs, tourism development can be a means of increasing participation in the global economy, alleviating poverty and achieving socio-economic progress (UNCTAD, 2001). At least 60% of LDCs have placed international tourism at the heart of their development strategy, and they expect the sector to spearhead their economic re-specialization. The LDC representatives at the meeting recognised that tourism can be an engine for employment creation, poverty alleviation, reduction of gender inequality, and protection of the natural culture and heritage (UN, 2001).

2.2 Community Based Tourism (CBT)

Community-based tourism is regarded as a tool for natural and cultural resource conservation and community development and it is closely associated with ecotourism. It is a community-based practice that provides contributions and incentives for natural and cultural conservation as well as providing opportunities for improved community livelihood. It has the potential to create jobs and generate entrepreneurial opportunities for people from a variety of backgrounds, skills and experiences, including rural communities and especially women. CBT has been implemented in many developing countries, often in support of wildlife management, environmental protection and/or development for indigenous peoples. CBT occurs when decisions about tourism activity and development are driven by the host community. It usually involves some form of cultural exchange where tourists meet with local communities and witness or participate in aspects of their lifestyle. Ecotourism also emphasises observation and learning by the tourist, alongside economic and cultural conservation, and the delivery of benefits that ensure long-term sustainability of communities and natural resources (Allcock, 2003). Two Asian examples of CBT serve to illustrate how it is being used as a tool for local development.

In Vietnam, the International Union for Conservation of Nature and Natural Resources is operating a community-based tourism pilot in Sa Pa, a highly visited area of ethnic minorities. The goal of the project is to assist local stakeholders to achieve an environmentally, culturally and socio-economically sustainable form of tourism, establishing mechanisms that support the active participation of the community in tourism decision-making and implementation.

In Laos, the Nam Ha ecotourism project uses CBT as a vehicle to integrate environmental and cultural conservation with sustainable socio- and economic development. Working closely with local villagers, limits were set on the number of trekking tourists allowed each year so as not to overwhelm the communities and to ensure that tourist incomes supplement rather than replace other economic activities.

Typically, with CBT the community runs all of the activities that a tourist engages in: lodging, food, guiding and craft sales. Benefits include: economic growth in rural regions; the distribution of tourism revenue, which can foster improved welfare and equity in the industry; improved resource conservation by local people; and diversification of the regional and national tourism product (Sproule, 1996).
3. Telecentres for Tourism Development in Developing Countries

A common means of providing public access to ICTs in developing countries is the Multi-purpose Community Telecentre, also known as an information kiosk, information centre or just telecentre. Telecentres are springing up all over the developing world, as grassroots projects driven by communities, non-government organisations or research bodies, or as pilot projects intended by governments as pre-cursors to wider infrastructure projects designed to close the digital divide between better off people in the cities who can more easily access the Internet than their poorer compatriots in rural areas. For example, the government of Nepal is running a project that will implement 15 pilot rural development telecentres in order to provide communities with shared access to ICTs. Mechanisms will be developed to ensure that rural communities are able to articulate and prioritise their own information requirements and to implement necessary strategies to meet those requirements. Arising from the pilots, suitable mechanisms and policy interventions will be designed for replicating successes and for achieving a national rollout of rural development telecentres (Rising Nepal, 2002).

4. e-CBT

Communities that are able to mobilise themselves towards CBT and are provided with access to the Internet can engage directly with global tourism markets, bypass the intermediary information-handlers to attract visitors and retain a larger proportion of tourism receipts. e-CBT can kick-start the introduction of telecentres into rural communities, which can subsequently be used to foster the other forms of development that ICTs make possible. While there is a continuing debate concerning the financial sustainability of development telecentres (Harris et al., 2004), telecentres that target income-generating opportunities from the outset are more likely to survive after the initial start-up funding dries up.

4.1 The Target Market for e-CBT

The market for e-CBT is the same as that for CBT, but the introduction of ICTs is particularly suited to the marketing and management of CBT as it is well matched to an identifiable type of consumer, the ‘neo-consumer’ (Honeywill, 2002), an emerging breed of consumer that represents only a quarter of the population in developed countries, but which controls half the discretionary spending power of the economy. Neo-consumers are characterised by their tendency to travel and spend more than the average, look for more authentic and experiential tourist opportunities, use the Internet widely and often (Honeywill, 2002).

4.2 e-CBT Potential

CBT has the potential to satisfy many of the life-style needs of neo-consumers and e-CBT represents an appropriate form of engaging with them, for promotion, marketing and information exchange as well as for sales transaction processing. In its suitability for the neo-consumer market segment, e-CBT represents a potentially potent force in tourism development since the search for new and novel experiences is one of the major engines driving the tourism life cycle and CBT opens up new experiences that match those sought by neo-consumers. As a platform for community development, e-CBT has special potential for poverty alleviation. Firstly, it reverses the prevailing pattern whereby much of the tourism industry is controlled by financial interests located away from tourist destinations (Heyndael, 2002). Moreover, it fosters micro-enterprise tourism which acts as a catalyst to complement and promote: community fisheries, traditional agriculture, handicraft production, and conservation practices, as well as helping to enhance the quality of natural and cultural resource utilisation (di Castri and Balaji, 2002).
An example of such an e-CBT that is currently operating is Jailoo Tourism (JT). JT is part of a new approach to developing Kyrgyzstan’s tourism industry (see also www.helvetas.kg), a strategy centered on Cultural Tourism. Cultural Tourism emphasizes the interaction and communication of tourists with authentic culture and the everyday life of local people, while encouraging multi-national cooperation and cross-cultural interaction. By taking tourists into the mountains to spend time in the yurts of Kyrgyz nomads, JT gives guests a chance to get a taste of Kyrgyz nomadic life. JT is also focused on CBT, helping local people benefit from the tourism industry while still living in remote villages. Local Kyrgyz nomads learn to offer a unique service to tourists, while gaining extra income during the summer, and participating in the economic development of their country.

4.3 e-CBT Drawbacks
Notwithstanding the many advantages and positive characteristics associated with e-CBT, a number of potential disadvantages can also be identified and these should not be ignored. Firstly, given the fundamental right of communities to decide their own future, to preserve their lifestyle and not necessarily to welcome outsiders, while e-CBT may enable communities to choose how to present themselves to the world, there is nevertheless an assumption that they will do so. It appears to be the case that if they don’t choose, someone else will choose for them – not being on-line is hardly an option these days. The consequences of going on-line extend far beyond those associated with tourism promotion, since Internet connectivity will also open up communities to external influences, information, values, etc. We can argue that we all have the right to know, to have access to this information, yet we recognize that this may cause a sudden loss of innocence. To push a community from an uninformed, Internet-free world into an information overloaded, Internet surrounded world in a matter of a few weeks or months must constitute an immense culture shock and threat to traditional values and ways of life. There is thus a need to manage the transition to e-CBT with extreme care.

5. Research Issues
Godde (1998) points out that web sites promoting community tourism ventures are becoming increasingly common, largely because of the information they can supply tourists that travel agencies often cannot. However, few, if any, sites incorporate interactive or transactional capabilities with the community. Although Internet promotions have the advantage of wide international exposure at low cost, for communities without technical access and support, promoting a community-based web site may require outside assistance (Godde, 1998). Accordingly, research is required to explore the opportunities for testing the development potential of e-CBT. Accordingly, research can engage with communities and institutions in such a way that each of these factors is properly addressed. Also, the research should take into account the characteristics of ICTs that are believed to be relevant to the following aspects of tourism development (di Castri et al., 2002):

- isolated/fragmented peoples can offer highly specific tourism activities involving ecological, cultural, ethnographical, archaeological and adventure aspects;
- local initiatives and small entrepreneurs can make their operations more viable by eliminating intermediaries that have traditionally swallowed much of the revenue;
- tourists can be empowered to organise their trips à la carte, with a greater choice of destinations but without the additional costs of a travel agency;
- public awareness of bio-diversity and conservation can be raised.

6. e-CBT Examples and Research Opportunities
Three examples are currently being researched in Asia. The first is in Western China, the second in Sarawak, Malaysia and the third in the mountains of northern Viêt Nam. In this section, we briefly introduce each of these three in turn, highlighting both the e-CBT features and the nature of tourism in the location, before considering the research opportunities.

6.1 The Bai Yang Gou Valley Tourist Region, Xinjiang Province, China.
The Bai Yang Gou nature reserve in the north Tien Shan Mountains, Xinjiang Province, is the home of a nomadic Kazakh shepherd community who travel into the surrounding hills during the summer to feed their animals on the high summer pastures. During this time they live in yurts and herd their animals on horseback. The area is one of outstanding natural beauty and the people constitute an ethnic minority with their own traditions and culture. Tourists already visit the valley, but they are bussed in for an afternoon to witness a few horse riding displays by the Kazakhks, then bussed back to the city. During a visit by the authors in October 2002 (Davison et al., 2003), the area was demonstrated to be well served with wireless telecommunications. The Jailoo Tourism project in Kyrgyzstan, discussed earlier, serves as a working model for the type of CBT envisaged in Bai Yang Gou. The authors propose to partner with Xinjiang University and the Xinjiang Tourism Bureau.

6.2 Bario, Sarawak, Malaysia.
Bario is a remote rural community in the Kelabit Highlands of the Malaysian State of Sarawak, on the island of Borneo. It is the homeland of the Kelabit people, one of the smallest indigenous Sarawakian ethnic minorities. Bario is one of the centres visited by the indigenous Penan tribe, the last remaining semi-nomadic people living in the rainforest. Bario is also the site of a pioneering international award-winning rural ICT project, e-Bario, which involved the establishment of a development telecentre. This proposal seeks to utilise e-commerce to promote CBT in Bario in order to raise local incomes and to construct a model for doing the same with other rural and remote communities in Asia. As with many similar communities, the population of Bario has been dwindling and the economic viability of the community is threatened.

The new telecentre brings opportunities for local development with ICTs. The surrounding mountains provide opportunities for trekking in pristine rainforests and cultural encounters with the indigenous peoples who still preserve their long-established customs. Bario already enjoys a steady trickle of tourists, but so far the community has done little to promote the area for tourism, although it is eager to do so in order to create jobs, provide enterprise opportunities and raise incomes. Community representatives feel that the area is able to absorb more visitors staying for a longer time, especially as they are mostly dispersed throughout the surrounding forested hills on trekking expeditions, and therefore their impact at any particular site is slight. The research will partner with Universiti Malaysia Sarawak, which was instrumental in introducing the telecentre, and the State Department of Tourism, whose Minister has given approval.

6.3 Ba Bể Lake National Park, Bac Kan Province, Viêt Nam.
Ba Bể Lake is situated in a remote national park among the mountains of Northern Viêt Nam. The area provides opportunities for boating and small-scale eco-tourism. There are several villages inhabited by ethnic communities, mostly Tay and Hmong. Some of these villages offer home stay accommodation, though there is also one hotel. In 2002, there were around 35,000 visitors to Ba Bể, of whom about 10% were foreigners. Currently, tourists pay an agent to take them to visit the ethnic minority communities in and around Ba Bể Lake. However, if visitors come for a second time, they often go directly to the community that they know. First time visitors need a guide, as there is little information publicly available to
inform tourists where to go and what to expect. Local guiding services in the national park are not well developed.

In order to preserve the assets that attract the tourists, the Province must resist the temptation to develop mass tourism in the area, in the hope of generating revenues for the residents. The natural assets that exist in the Ba Bể Lake area include the culture and the way of life of the ethnic minorities who live in the national park. These form attractions to a niche market of affluent foreign tourists who wish to encounter local cultures in authentic settings at close quarters. e-CBT can be operated by the communities of Ba Bể Lake when they have been mobilised towards providing visitors with local attractions, accommodation, guiding and catering services, handicrafts, and adventure activities such as trekking, fishing and wildlife observation.

6.4 Research Activities in the Three Locations

The research at these three locations will consist of the following principal components:

- social mobilisation in the participating communities towards the development of consistently high quality tourism products that are sensitive and complementary to the local environment and culture;
  - the effectiveness of the social mobilisation process, as well as the appropriateness of these products, will need to be measured. Researchers will facilitate the development of measures, as well as the training of local people to whom the relevant skills will need to be transferred.
- construction and deployment of e-commerce technologies capable of marketing the destinations for appropriate tourists and for transacting payments for such products;
  - these technologies will largely involve content management systems, adapted for use in communities where English is not widely spoken or written.
- empowerment of the participating communities through the deployment of ICTs in the form of a telecentre with the means to operate and manage the e-commerce facilities in support of local tourism;
  - subsequent in-depth qualitative research will be needed to assess the extent to which the community has been empowered the overall and future development directions.
- reflections on the overall effectiveness of the E-CBT practices will facilitate generalisation of the concept to developing communities in other parts of the world.

This will require the researchers to visit the communities studied on a regular basis as part of a longitudinal study into their effectiveness.

7. Conclusions

With developing countries enjoying something of a boom in world tourism, running against global trends, there are emerging opportunities for diverting more of the income that tourism can generate towards the communities that often attract the expenditure in the first place, but which so far have not enjoyed a fair share of the benefits. The changing nature of the tourism and travel industries, which are becoming increasingly based on new information technologies, combined with the increasing availability of such technologies for rural people, present a powerful opportunity for empowering poor people with the ability to exploit the natural assets under their custodianship for their own improvement and also for the preservation of those assets. Tourism is a highly lucrative and therefore competitive global marketplace. E-CBT has the potential for balancing market conditions more in favour of small local operators who can promote their sought-after products to global niche markets on equal terms with large corporations. Being small, individualised and non-mass market oriented, local operators have an advantage over larger organisations when targeting
appropriate consumers, and ICTs allow such operators to exploit that advantage in a manner that is wholly suited to their market. For E-CBT to become the development tool that it promises to be, action oriented research initiatives are required as proof of concept projects to expose the difficulties as well as the potential and to clear a path for multiple replications so that large scale benefits can be generated. The cases that we have presented in this paper go some way towards demonstrating this proof of concept – at least on the drawing board. The challenge now is to move forwards and see E-CBT operationalised in practice. The first author has established a website for this purpose (http://asianencounters.org) that documents the ongoing success stories.

**References**


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