

**Tour operators' perceptions of the links  
between conservation and tourism  
sector development in Madagascar:  
interview survey feedback**

**DRAFT – NOT FOR CIRCULATION**

**DRAFT REPORT**

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## Foreword

The World Wildlife Fund (WWF) Madagascar commissioned the 'Environment and Business Development Group' and the 'Tourism and Travel Research Institute' at the University of Nottingham to assess the links between protected areas, biodiversity and tourism sector development in Madagascar. The project is financed by the WWF in collaboration with the Ministry of Environment, Forests and Tourism and the Office Nationale du Tourisme de Madagascar (ONTM). The research presented here represents one part of the research programme and complements the analysis of a visitor questionnaire survey which was conducted in Madagascar during December 2008 and January 2009. The cumulative results from these studies are used to put forward recommendations for the development of the tourism sector in the main section of the report.

This annex of the main report focuses on the presentation of results from an in-depth interview survey with international tour operators across Madagascar's key markets and Malagasy ground operators. It evaluates tour operators' perceptions of:

- operational challenges and opportunities
- client interest and willingness to contribute to conservation
- the sector's willingness and capacity to contribute to conservation

A total of 59 interviews were conducted with tour operators: 42 interviews were carried out with international operators in France, Italy, United States, United Kingdom, Germany and Switzerland; and 17 interviews were carried out with ground operators in Madagascar. The sample included micro through to large sized businesses, and the products provided range from nature/culture/adventure specialists through to resort-based offerings. This sample therefore provides a unique and valuable contribution to understanding by collating the views of diverse international and national players using a qualitative, in-depth investigatory approach to research design and analysis.

The interviews revealed detailed insight into the industry's perceptions of operational issues in Madagascar, and on linkages between tourism development and conservation related goals. It is evident that the key operational challenges to overcome focus on concerns relating to accommodation, infrastructure and service delivery across the sector. Improvements are critical in order to overcome the widespread perception that the destination is expensive and offers poor value for money, despite the attractiveness of its biodiversity to visitors. An improved quality of experience instigates a greater propensity to contribute to conservation measures, and a continuity of business over the long-term, through the satisfaction of client and operator requirements.

Many examples of tour operator contributions to conservation and related measures are identified in this report, and there is significant opportunity to widen contributions in pre, during and post-trip activities. This can range from highlighting opportunities for clients to make donations to specific projects, through to actively incorporating conservation projects into tour itinerary management and corporate donation programmes. To enable this, destination-led initiatives need to include the development of opportunities for international operators and Malagasy ground operators to identify ways in which they can make a contribution, share expertise and centrally coordinate mechanisms for the effective management of donations.

## **Associations referred to in this report**

### **ANGAP      l'Association Nationale pour la Gestion des Aires Protégées**

A public sector body responsible for the management of National Parks and protected areas

### **GO TO MADAGASCAR**

An association of private sector businesses which aims to sustainable business approaches

### **ONTM      Office Nationale du Tourisme de Madagascar**

The national, publicly funded tourism body

### **TOP      Association des Tour Opérateurs**

A private sector association responsible for tour guide training

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# 1. Introduction

Tour operators play an important role in marketing tourism to Madagascar, directing tourist flows and developing destination products and services. It is therefore important to gain insight into the sector's perceptions of setting up and managing tour products, how they interact with biodiversity resources, and how they can potentially link to conservation initiatives. Tour operators are one part of the wider tourism system in Madagascar, and their actions are often inevitably limited by destination-level facilities, capacities and initiatives of other tourism stakeholders, including accommodation and serviced providers, and the public sector with its role in managing and maintaining infrastructure. While recognising the multiple-stakeholder approach that is required for the development of Malagasy tourism and conservation goals, this report focuses on the attitudes of operators in its key international source markets and ground operations.

According to tourist arrival figures sourced from the Malagasy Ministry of Tourism<sup>1</sup>, the key source markets in order of importance are; France, Reunion, US, UK, Switzerland, Germany and Italy. With the exception of Reunion, interviews were secured with operators across these markets. The richness and diversity of views expressed, and the willingness of operators to participate in the research is encouraging. It suggests industry concern with Malagasy tourism development, and a desire to participate in furthering understanding of the potential opportunities and challenges in conservation, biodiversity and tourism sector management.

The following section details the methodological steps adopted in the research followed by a presentation of the interview results. This first addresses operational challenges and opportunities, followed by perceptions' of client interest in conservation, and finally an examination of the ways in which tour operators can make a contribution to conservation practices. In the final section of the report the results are summarised through a SWOT analysis and a series of research propositions regarding the factors which encourage and limit the potential for tour operators to contribute to conservation measures.

## **Definitions: International Operators and Ground Operators**

**'International operators'** is used to refer to tour operators and travel agents in the international marketplace. It is recognised that travel agents traditionally have a retail function and tour operators a packaging function, but the distinctions between the sectors are becoming increasingly blurred in the European market. Use of the term 'international operator' therefore effectively conveys international (i.e. overseas or outbound) companies engaged in tour itinerary design alongside sales.

**'Ground operators'** refer to tour operators/travel agents in Madagascar. This sector is sometimes known as 'inbound' operations/agents. It covers Malagasy businesses which are typically contracted (or in some cases are part owned) by international operators to develop and manage tour itineraries, as well as those which market tours directly to tourists.

<sup>1</sup> Mintel (2006) *Travel and Tourism – Madagascar – May 2006*. Mintel Group Ltd: London

## 2. Methodology

The interview questions were developed in consultation with the technical supervisory team comprising representatives of WWF and ONTM. The process for this was as follows:

- review of relevant documentation provided by WWF
- preparation of initial draft by consultants
- review of the initial draft by WWF Madagascar and ONTM
- final revision by consultants integrating feedback from WWF and ONTM

The questions covered three key areas: firstly, operational issues in Madagascar (the practicalities of organising and managing tours, and identification of associated challenges and opportunities); secondly, client interest in conservation issues and ways in which they might be willing to contribute; and thirdly, the potential for international and ground operators to develop tools to address links between tourism and conservation. The interview format was first piloted on two companies, which led to minor refinements to some questions.

Because of the scale of the survey and the spread across different markets, it was necessary to use a team of interviewers to carry out the interviews within the project timescale. A rigorous process was used to ensure consistency in the way the interviews were conducted and in the presentation of the feedback to be provided. This process involved the following elements:

- An interview guide was designed which ensured a consistency in the questions to be asked and in the presentation of the feedback to be provided. Clear guidelines were provided regarding a semi-structured interview approach, which ensures key questions are addressed, while enabling the interviewer to tailor the discussion towards each individual participant's areas of interest and/or expertise.
- Each interviewer submitted interview write-ups and feedback to the management team immediately following each interview in order to monitor quality and regularity.
- At the end of the interview process, each interviewer provided a report summarising the key findings and their key impressions from the interviews that they had conducted.

The countries covered included France, Italy, United States, Switzerland, Germany, United Kingdom and Madagascar. The research achieved 42 interviews with international operators and 17 interviews with ground operators in Madagascar. The sample was identified purposively, in consultation with the technical supervisory team, using the following process:

- Internet based research of relevant trade association and company websites to identify tour operators offering tourism products in Madagascar
- Information from previous surveys and from ONTM
- Preparation of lists of tour operators for each outbound market covered by the study, and for Malagasy ground operators
- Review of these lists by WWF and ONTM to highlight priority operators to invite for interview, and suggestions of additional operators to consider

- Revision of the tour operator lists by the consultants integrating feedback from WWF and ONTM
- Monitoring of progress with interviews in order to obtain interviews from a representative sample of companies in each international market, and for Malagasy ground operators

The sample achieved a balance of operators in terms organisational size and the type of products/services offered. Operators of a range of sizes from micro to large are represented, as are tours covering mid-range to luxury products, and feature specialist pursuits (based on nature, culture or adventure activities such as hiking) through to more mainstream, resort/accommodation based pursuits. Products include tailor/custom made packages, and pre-arranged group-based itineraries.

Contacts were identified through telephoning the companies and wherever possible, gaining a contact name and email address of a person with a high level of knowledge of operational issues and associated managerial decisions regarding Madagascar, and the tourism products offered in Madagascar by their company. An email was then sent to the contact requesting an interview, setting out the broad remit of the project, and assuring that standards of research confidentiality would be followed. A reminder email was sent out after a two week period in the case of a non-response. The response rate was pleasing (averaging just over 50%), especially considering it had been anticipated that some companies would decline on the basis that the research was to be conducted in the in the first quarter of the year when operators are particularly busy. The unforeseen political unrest in Madagascar at the beginning of the year also presented some difficulties in securing interviews.

The interviews were carried out throughout January and February 2009. Interviews lasted between 30 to 40 minutes and were held by telephone with international tour operators, and face to face with the majority of Malagasy operators. In micro-sized companies, the interviews were mostly held with company founders/directors, and in all other companies, were mostly held with product/operational managers for Africa. In a few instances interviews were held with tour leaders, which was useful to provide an understanding of experiences directly from the field. Where appropriate, a form of 'snowball' sampling was adopted by asking participants for recommendations of other companies to contact (ground operators in the case of interviews with international operators for example).

The detailed notes provided from each interview were sorted into thematic categories using the qualitative analysis computer package 'NVivo'. This enabled a systematic method to 'tag' the text according to the thematic area it addressed, and thereby maximise analytical accuracy in capturing and comparing detailed content of each interview according to the source country of the participant. The potential for bias or error in the interpretation of results was monitored through ensuring that all findings can be directly traced back to the associated interview feedback form(s). A copy of the feedback report was also sent to participants from the UK and US markets (i.e. English speaking) in order to verify the accuracy of the content. The findings have also been cross-checked with other studies and with the results of the WTP survey (see main report) and the Compagnie Sextant survey of 2006 (conducted for ONTM). The consistency of results across studies lends confidence to the findings presented here.

The results are presented according to the three thematic areas of the interview guidelines, namely:

- Operational aspects and the importance of Madagascar's biodiversity and protected area for international and ground operators
- Client awareness/interest/willingness to pay
- Actions international and ground operators take, or would be willing to take, to assist Madagascar's biodiversity and protected areas

In qualitative research, the results are presented descriptively, demonstrating both recurrent themes alongside individual insights, rather than reporting the number of participants expressing particular views or experiences. The analysis of issues which emerged during the interviews focuses more on drawing out indications of issues for consideration, rather than definitive and conclusive generalisations. Direct quotations are used wherever possible in order to illustrate the analysis. For some markets, these quotations have been carefully translated from the language used to conduct the interview. In accordance with standards of research confidentiality, company names are not referred to. Where appropriate, comparisons are made between responses according to source market and company characteristics (size and products offered), in order to both understand the reasoning behind responses, and to draw out similarities and differences in attitudes and actions. However, all types of operators in all of the markets covered by the interviews, gave a similar spectrum of responses, and therefore all key findings are identified based on consideration of all responses from tour operators and ground operators combined.

## **2.1 Sample classification**

Companies are classified on two variables: the main type of product offered and the size of the company. Table 1 provides a definition of the three classifications of company product types, namely: 'nature/culture/adventure' focused, 'resort/accommodation' focused and 'combination'. Companies are classified according to the *main focus* of products offered. The complexity of product offerings means that the distinction between company offerings is not always straightforward. The following classificatory groupings are designed to reflect the principal focus of companies' operations in Madagascar, based upon the data gathered at the time of research. It is recognised that companies may offer some features which are reflective of other classifications, but these are not representative of the *dominant* products offered.

Table 1 Classification of companies according to product type

Product Type	Description
<b>Nature/Culture Adventure</b>	Companies in this group specialise in interactions with aspects of Madagascar's natural and cultural heritage, or adventure activities such as hiking or trekking. Some companies may operate at a very high level of expertise regarding conservational/developmental issues. Products may range from mid-range to luxury, and some are offered on a tailor/custom made basis. They are typically independently owned, but may be specialist divisions of larger companies. Independent companies in this group are characteristically micro to small in size. Clients choosing such companies are generally more interested in the nature of the adventure activities offered than accommodation/resort features, and vary from basic to expert in their level of interest/knowledge of conservation/biodiversity issues.
<b>Resort/ Accommodation</b>	Companies in this group focus on accommodation based packages in Madagascar's most popular reserves and resorts. The services and features of accommodations offered are central to product offerings. Products may range from mid-range to luxury. The companies are characteristically medium to large size and clients choosing such companies are looking for rest and relaxation in a tropical/exotic destination, ranging from family holidays through to romantic breaks such as honeymoons. Many also offer activities such as cruising and diving.
<b>Combination</b>	Companies in this group provide tours which offer a balanced combination of nature/culture/adventure and resort features. For example, the first half of the holiday may be focused on exploration of natural and cultural features, and the final part of the package designed for relaxation in a resort environment. These may be arranged on a tailor/custom made basis, or as pre-arranged group tours. Companies in this group range from micro/small through to large businesses.

In the assessment of company size, businesses are categorised according to annual turnover, the number of staff employed or in the case of travel services, the number of clients served. For this research, it was not possible or appropriate to classify operators according to company turnover, since this is generally commercially sensitive information. It was more effective to classify companies according to size; both in terms of the number of staff, and clients served.

Company size gives an indication of organisational characteristics and market outreach, but does not necessarily act as an indication of the proportion of sales which are made to Madagascar. Therefore, data was also gathered on the number of clients served for the company overall, and for Madagascar in particular. Since some participants could not provide responses for all classificatory questions, this proved to be an efficient method to cross-reference information during the analytical process, and to provide confidence in the classification process.

Table 2 details the classification of companies as micro, small, medium or large according to the number of staff employed in head office operations, and the number of passengers per year for the company overall. Data for the definition of company size according to the number of head office staff is drawn from a guide to micro, small and medium sized enterprises (SMEs) by the European Commission (2005<sup>2</sup>). There is no

<sup>2</sup> European Commission (2005) 'The new SME definition: User guide and model declaration'. Enterprise and Industry Publications. [http://ec.europa.eu/enterprise/enterprise\\_policy/sme\\_definition/sme\\_user\\_guide.pdf](http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf)

standard classification of tour operations' businesses according to clients carried. The figures used are therefore drawn from a previous published study <sup>3</sup>, slightly adapted to reflect the characteristics of operations to Madagascar. Figures pertaining to the number of clients carried to Madagascar were considered on a case by case basis in the analysis.

*Table 2 Classification of company size by number of staff and clients per year*

Company category	Number of head office staff	Clients served per year
<b>Large</b>	≥ 251	≥ 25,001
<b>Medium</b>	≤ 250	10,001 – 25,000
<b>Small</b>	≤ 50	1001 – 10,000
<b>Micro</b>	≤ 10	100 – 1000

## **2.2 Sample classification by country**

The following section provides details on the overall profile of companies interviewed for the research, by source market. The tables below summarise the overall breakdown of the sample of companies interviewed by company size (Table 3) and products offered (Table 4). Most of the companies interviewed fall into the micro/small sized company category, and offer nature/culture/adventure products. Medium/large companies are only dominant in the French marketplace. This reflects that France is the most important source market for Madagascar and is a popular 'mainstream' holiday choice for French tourists, associated with the country's colonial and language ties, and availability of direct flights. Correspondingly, the French operators interviewed represented the highest proportion of resort-based packages, or combination tours. By comparison, Madagascar is marketed mainly as a 'specialist' destination in other European and the US market, and those customers who choose it on the basis of resort/accommodation features, also seek a strong element of nature/culture/adventure experiences (i.e. a 'combination').

*Table 3: Breakdown of company size by source market*

Market	Micro	Small	Medium	Large
France	1	5	3	5
Italy	1	3	n/a	n/a
US	5	2	1	n/a
UK	2	5	2	1
Germany/ Switzerland	6	n/a	n/a	n/a
Madagascar	4	12	n/a	1
TOTAL	19	27	6	7

<sup>3</sup> Tapper, R. (2001). Tourism and socio-economic development: UK tour operators' business approaches in the context of the new international agenda. *International Journal of Tourism Research* 3: 351-366.

Table 4: Breakdown of key products offered by source market

Market	Nature/Culture /Adventure	Resort	Combination
France	4	3	7
Italy	2	1	1
US	7	n/a	1
UK	6	n/a	4
Germany/ Switzerland	6	n/a	n/a
Madagascar	12	1	4
<b>TOTAL</b>	37	5	17

### **Madagascar**

17 interviews were carried out with ground operators in Madagascar. Interviews were carried out in mostly French (12), followed by German (4), and one interview in English. The sample includes both Malagasy nationals, and Europeans living and operating in Madagascar. Most products are classified as micro/small focused on nature/culture/adventure activities, followed by combination offerings. One large operator focused on resort packages is also included. The sample includes some of the most highly regarded operators in Madagascar, particularly concerning expertise for conservation related issues. One of the companies interviewed included an operator which received a highly commendation in the responsibletravel.com awards. Several delays were experienced in securing Malagasy interviews due to political unrest and the subsequent impact this had on commercial activity. A special thank you is extended for the companies concerned for giving of their time for the purpose of this research.

### **France**

The sample of French operators included the most significant representation of large companies and medium sized companies. Many of the small/micro companies are subsidiaries of larger operators. It is notable that the majority of companies offer resort or combination experiences. Although it is not a major destination, Madagascar is an important destination in the French market compared to other countries. Most of the largest French tour operators feature Madagascar and for several medium or small tour operators, Madagascar represents an important number of clients. Generally, the tour operators interviewed have been featuring Madagascar for a long time. Some of the companies (generally not the largest) have a very good knowledge of the destination and offer a large possibility of tours there.

3 of the operators interviewed have been certified by the ATR (Act for a Responsible Tourism). This French association was created and funded by some operators specialised in nature/adventure/hiking activities. The certification implies a commitment from the tour operator towards the environment and the population in the countries they feature in order to limit the negative impacts of tourism. 5 of the other companies interviewed have also applied for this certification, including large companies. The sample therefore provided a broad insight into a range of French operators' attitudes and practices towards conservation and tourism development, and was particularly useful in terms of understanding the perspective of larger companies.

### ***United Kingdom***

10 interviews were carried out with UK tour operators. Most companies are categorised as micro and small businesses, with 2 medium-sized and 1 large business. These characteristics are reflective of the fact that Madagascar is more of a specialist rather than a mainstream offering (i.e. resort based package holiday) in the UK marketplace. Madagascar is currently little featured by the very largest UK tour operators, and where it is offered, has only recently been added in many cases. Indeed, an interview request to a large UK operator was declined on the basis that until greater operational familiarity is gained, the company was not keen to participate in the research. Conversely, some of the other companies in the sample have been operating in Madagascar for 20 years or so.

The sample is split between companies which focus on nature/culture/adventure activities and those which offer a 'combination' of activities. Participants included all 4 of the British companies which took part in a recent familiarization tour of Madagascar that was arranged by Conservation International, and companies which have been recognized for responsible tourism practices through a classification programme of the 'Association of Independent Tour Operators'. One company (a volunteering organization) was highly commended in the 2008 responsibletravel.com awards. The participants therefore offered a high level of expertise in Madagascar as a product, and on conservation issues.

### ***United States***

8 interviews were carried out with US tour operators. Most companies are categorised as micro and small businesses, with one medium sized operator. The medium sized company offers a mix of specialist interests and resort/accommodation based experiences, and all other businesses focus on nature/culture/adventure. The medium sized company represented a specialist division of a larger chain, but companies were generally independently owned. The market characteristics of tour operators which feature Madagascar are similar to the UK, Germany and Switzerland in that it is little featured by larger operators and is a specialist, rather than mainstream destination. In the case of the US, this is a reflection of the travel distance and cost to Madagascar, and the perceived inconvenience of having to take flights routed through Paris.

World Wildlife Fund (US) provided useful suggestions and contact details for several of the companies interviewed. Participants included two of the six companies present on a recent familiarization tour led by Conservation International, and companies which have received adventure-based tourism awards from organizations such as 'National Geographic' and/or are part of the 'Adventure Collection' group of companies which are actively committed to responsible tourism practices. One company acts as an official Conservation Travel Provider in conjunction with WWF. The participants therefore offered a high level of expertise in Madagascar as a product, and on conservation issues. Since three of the companies interviewed are yet to run the first tour (with product itineraries for two companies still in preliminary stages of development), useful insight was gained into motivations and attitudes towards setting up tours in Madagascar.

### ***Germany/Switzerland***

The sample included 1 Swiss operator and 5 German tour operators. All companies are classified as micro enterprises which principally focus on nature/culture/adventure activities, with some engagement by the inbound operators in 'combination' packages which include a resort-based experience for part of the trip. This reflects that Madagascar is primarily a niche destination in the German and Swiss markets. Most of the companies established tours in Madagascar some time ago (15 years in some cases) and are passionate about the country, with strong interests and expertise in nature and culture issues.

### ***Italy***

Interviews with Italian operators were particularly difficult to secure, with many companies expressing a lack of time to participate. The sample included micro/small operators which offered both nature/culture/adventure products, resort-based and combination packages. The comparatively small sample size is comparable to that of the WTP survey. The sample result is disappointing since Madagascar is offered by several of the large Italian operators as a resort based package. However, it was possible to gain insight into this market through the perspective of French operators interviewed.

## **3. Operational aspects and the importance of Madagascar's biodiversity and protected areas**

The interviews began with questions on operational aspects such as the factors participants perceive to be important in influencing clients' purchasing decisions, and how tour itineraries are developed and managed. This provides an understanding of Madagascar's key selling points, from which it is evident that conservation and protected area management are major factors. The interviews also identified a range of issues which make it difficult for operators to manage tours in Madagascar, and how participants suggest they might be overcome. Their key concerns relate to service performance in accommodation, infrastructure and National Park management.

### ***3.1 Key elements which influence clients to choose Madagascar***

Madagascar is primarily perceived as a destination which appeals to clients interested in wildlife and natural history. Its endemic flora and fauna provides a unique selling point in all international markets (Box 1), to the extent that some nature/culture/adventure operators attract a significant number of clients with high levels of related professional expertise – "*Our customers are often biologists or teachers*". French and Italian companies comment on the value of the beaches, although this is little mentioned by other markets unless featured as a honeymoon destination. French participants place most emphasis on language, culture, heritage, hospitality and the diversity of the population as attracting factors. This demonstrates the legacy of the colonial relationship between these two countries. It differs to views expressed by other source markets whereby cultural aspects are not an influencing factor in purchasing choice, although it is noted that clients enjoy these aspects once in destination. Indeed, it is suggested that there is considerable opportunity to more fully incorporate cultural elements into tour itineraries (see Section 5.1.4). There is some evidence of its appeal as a family holiday

destination both for resort and nature/culture/adventure operators, although this is less marked for the US long-haul market, which reflects travelling distance and cost.

Madagascar is described as “*off the tourist trail*”, “*wild*”, “*alternative*”, “*iconic*”, “*unusual*” and “*unknown*”. Some international operators feature Madagascar with the specific purpose of maintaining competitive edge by broadening their product portfolios to include lesser known destinations, even though the proportion of their sales to Madagascar may be low. UK and US operators report that clients choose Madagascar after they have experienced safaris in other African destinations such as South Africa, Kenya and Botswana – “*They have often already been to Africa but want to see Madagascar’s unique species and landscapes*”. Some clients are fulfilling a lifelong dream to see lemurs in their natural habitat. The value of beach-based products is more apparent in the French market, whereby operators refer to clients choosing Madagascar after having experienced other Indian Ocean destinations such as the Seychelles, Mauritius and Reunion. Regardless of the product focus, it is often felt that clients want to see the Island “*before it is too late*” and that part of its attractiveness is associated with the fact that it “*hasn’t yet been over-run*”. This highlights the challenges to be addressed in encouraging product development which promotes tourism growth, while ensuring long-term attractiveness through protection of the island’s diverse and unique selling points.

Examples of tour operators’ comments on environmental damage are shown in Box 2.

**Box 1.**  
**Examples of tour operators’ comments on the importance of Madagascar’s biodiversity for their products and clients**

It is a natural history product

Clients have knowledge about Madagascar's biodiversity and protected areas. They know very well the country is amongst the world megadiversity (high rate of fauna and flora endemism).

Great interest. I would say 70% are interested in it [biodiversity].

60-70 % of clients know about flora and fauna

Clients choose the destination also for its biodiversity.

Natural reserves are very important for our tours

They are sensitive to biodiversity because that's what they see once in Madagascar.

...that Madagascar is a country with a big diversity in terms of fauna and flora, that is real and at the same time fragile

Biodiversity represents 25% in the choice of the client.

**Box 2.**

**Examples of tour operators' comments on environmental damage**

Madagascar needs to talk about the baobab trees, and you should certainly not see them being slashed and burned.

[Travelling around Madagascar] you realize how much is deforested

They are often aware of how special it is, and that 80% of the things you see out there, you will not see elsewhere. They are aware of deforestation.

In Madagascar, you can see the problems of deforestation. It is visible for the clients so it affects them.

The road ... to the coast is a tragedy of deforestation.

Our clients are aware of environmental issues

Madagascar has a very bad reputation as "environmental sinner", because they are clearing their forests

The government needs to look at land use issues - logging, subsistence farming, tourism - and delineate it appropriately to ensure the quality of wildlife experiences

### ***3.2 Desirable product/service features in product development***

Accommodation and infrastructure are the most commonly reported considerations in product development decisions, with requirements varying according to the type of products operators provide. Nature/culture/adventure operators are concerned about the problems experience in securing accommodation which is accessible to areas of interest such as National Parks and protected areas for wildlife viewing and/or hiking. In such cases it is considered that "*clients are willing to adapt to relatively uncomfortable accommodation conditions provided the quality of wildlife and flora is good*". The primary need in this sector is for clean and safe accommodation, and many participants would also like to see an improvement in the quality and availability of accommodation around areas such as National Parks and in the provision of more "authentic" accommodation. A common challenge to operators from mid-range through to the luxury end of the market is the availability of sufficient and appropriate accommodation types in terms of quality and service level (see Section 4.4.2).

The low quality of road and air infrastructure is identified as a key limitation on the accessibility of differing sites and areas. Nature/culture/adventure operators commonly wish to offer something different to competitors, such as visiting lesser known or newly created reserves and National Parks. However, this depends upon accessibility in terms of transport safety and travel times. The quality of roads and the associated ease of the journey are also important for operators offering family tour packages or day excursions as part of resort packages, since clients do not wish to spend too much time on the road. Such issues are further considered in Section 4.4 of this report, which highlights that investment in product development is heavily dependent upon improvements to destination infrastructure. This is an instrumental factor in developing the potential for the private sector to contribute to conservation management.

### **3.3 International and ground operator relationships**

Most of the international operators contract local ground operators, with the exception of some of the larger international companies which operate in part ownership (in the French market in particular). They rely on ground operators to arrange and manage tour itineraries, although some international operators may also continue to directly book some elements of the tour. Some operators may also use their own tour guides with high levels of specialist expertise. The most effective ground operators are seen to “*add definite value to the trip*”. Commonly cited valued characteristics of Malagasy partners are that they have a high level of destination knowledge, are able to provide suitable product itineraries, are transparent and honest, respect legislation, and are able to deal efficiently with operational challenges as they arise - “*They do not try to cheat or hide problems, and are very active in solving any issues at destination both when planning a tour and when customers are there*”.

Limited examples were found of international operators using South African based partners to manage tours, because they did not feel confident that Malagasy partners could meet service expectations. The limitations in the perceived capacities of local partners are exemplified by the following statement in clients' pre-departure material information of one luxury operator - “*In setting up our programme we spoke with all the good agents in Antananarivo and selected a shortlist. We then personally tested them all out. We are 100% confident that we have found the best agents on the ground. However, [company name] are not a slick operation – they simply don't exist in Madagascar*”.

Several international operators feel that ground operators could play a stronger role in guide training on customer service issues, and develop greater flexibility and creativity in developing tour itineraries. This is felt to be a limiting factor in discussions about programme development when international operators want to add something unique to differentiate tours, and when clients request a change to itineraries. Problems with communication are also highlighted, noting that a slow response to requests (in proposals for tailor/custom-made itineraries for example) can result in a loss of business in the international marketplace. International operators note that cultural differences inevitably extend to business relationships in terms of a “*different mentality and attitude to work and promises*”. For some this is an expected part of business and it makes the work “*interesting*”, but in other instances can lead to a withdrawal of custom.

A ground operator commented that it can be frustrating when needing to explain the basic principles of sustainability, and the associated considerations in incorporating conservation related features into tour itineraries to international operators. The relationship between ground operators and international operators needs to be managed in a way that facilitates the optimum use of the expertise of both parties. This is particularly evident in relation to comments made regarding meeting clients' service expectations. Many international operators are concerned with poor levels of service and therefore take great care to ensure that clients' expectations are managed pre-departure and that they are prepared for “*unpredictable events*” such as delays and itinerary changes. In contrast, a ground operator commented that clients can be “*very demanding*”. In order to increase mutual understanding, increased communication is required. This currently tends to be approached on an individual basis between partners, but it could be useful for workshops and other communication opportunities to be organised at events such as trade fairs. This could be a role for tourist bodies, trade

associations or non-governmental organisations. It could help provide an opportunity for international operators to express perspectives on servicing requirements and for ground operators' to showcase destination knowledge, which in turn can lead to an improvement in tour itineraries and associated linkages to conservation management practices.

### **3.4 Operational challenges and how they might be addressed**

The key challenges highlighted by participants focus on issues surrounding infrastructure, accommodation, and servicing performance in National Parks. These factors are individually discussed in the forthcoming sections. The following section focuses on issues raised concerning servicing performance and client satisfaction, marketing requirements, the need for coordinated public and private sector approaches, and limitations in the capacities of local guides (Box 3). The overall message is that Madagascar is perceived as a "*complicated*" destination to manage in terms of addressing these challenges. This limits to degree to which it is offered by international operators both in terms of whether it is featured in the first place, and in the range of tours offered. Madagascar is also considered to be an expensive destination.

A further factor is that many clients tend to be experienced travellers, often having visited other African and/or Indian Ocean destinations, and therefore have high service expectations based on their experiences of tourism and National Parks in other countries of the region. Since international operators are legally responsible for clients' health and safety, overall satisfaction, and for ensuring that the holiday meets expectations, they are very much focused on ensuring product offerings minimise the risk of client complaints, accidents or problems arising from sanitary conditions.

If clients are disappointed by the holiday experience, this tarnishes the country's image as a destination - "*Madagascar is very alluring and has great appeal, but if customers are coming home with a blasé experience of a mediocre service, they won't come back and they won't tell their friends*". Some consider that challenges are to be expected since it is a "*new*", "*emerging*" or "*budding*" destination, and that they "*are part of the country's authenticity*" and "*part of the charm of travelling in these kinds of countries*". Others question how long "*excuses*" for poor servicing performance can be made.

Operators face differing types of challenge according to the main products they provide. For instance, nature/culture/adventure companies may be more tolerant of lesser accommodation standards if the landscapes, wildlife and interpretation provided by guides compensate for any disappointment clients experience, while resort-based operators may be more tolerant of any shortcomings in guides' interpretive skills, if the quality of the accommodation is appropriate.

The two main 'brands' of Madagascar – one as an 'adventure/natural history' destination, and the other as a 'beach' destination provide a distinct set of operational opportunities and challenges in terms of how to attract and retain client appeal across these markets. They illustrate the tensions in developing and maintaining a low volume, high value strategy which contributes to conservation through an 'exclusive' appeal, versus encouraging higher volumes at lower value. One participant commented that "*They need to be able to address all different kinds of markets – the cruise ships, the big boys, those who advertise in the Sunday supplements, the hardcore specialists who take their own guides from the UK, through to safari operators like us on the fringes*". This

would depend upon a coordinated approach in investment and development decisions, and marketing/promotion activities.

International operators note the need for more marketing and communication materials to be made available at destination level which can be incorporated into operators' advertising materials and tour information. Participants would like to see greater efforts to increase awareness of Madagascar's wildlife and to improve the destination's image - *"From a tourism, conservation and marketing point of view it needs to lift its image as a conservation hotspot, it is just not known for that in the tourism field. It also needs to lift its image from being a tropical island to a place for serious wildlife"*; and also highlighted that there is an opportunity to focus more on cultural elements - *"Madagascar is very culturally rich, and that needs to be marketed so it balances out the high expectations regarding wildlife"*. For all markets, price/value for money, and infrastructure are a central issue in terms of potential growth. For instance, an adventure-based operator considers that *"It could be a trekking destination, but it's not as competitive as Morocco or Peru. The location and infrastructure make it less competitive"*.

International and ground operators feel that greater investment by the private sector is fundamental to destination development, but that this is hindered by governmental policies and bureaucracy, and an associated lack of investor confidence. Opinions differ across all operators on which type of investment should be encouraged in terms of types of ownership and product focus. An international nature-based operator cites the need for more air strips to be provided in order that private safari operators invest in conservation projects in more remote areas. Conversely, an international resort-based operator considers there is a need for more foreign investment in hotel chains. Meanwhile, a ground operator comments upon the problems with too much foreign investment - *"Tourism investment costs are too high for national investors. As a consequence, international investors monopolize the market"*.

It is beyond the remit of this research to address questions of wider destination development, management and associated considerations. However, the responses of the participants suggest that more coordinated governmental policy responses and increased regulation for conservation would help to improve the situation for tourism and to establish a more collaborative approach from both the public and private sector. An international operator notes that *"The ONTM and the country generally need to understand the standards of its main competitors. Everyone is so convinced that the flora and fauna is remarkable, but other countries can challenge this, and they have better guides, accommodation, service and infrastructure. They need to improve standards all the way through"*. This needs to be addressed through coordinated action and continuous improvement, beginning with building the foundations upon which other elements can follow - *"It has to be a whole series of things. There is no point in increasing arrivals without having the necessary accommodation or being able to move people from A to B."*

Some operational challenges are obviously more readily addressed in the shorter term. Since client dissatisfaction is a potential threat to the destination's image, and in turn could limit the resources available to invest in conservation measures, it is most critical to address comparatively straightforward issues such as improving service delivery across all tourism sectors. It is evident that greater foreign language proficiency is required across the guiding sector in Madagascar, including English. Some concern is also expressed regarding the capacity of guides in National Parks to appropriately

monitor tourist behaviour (see Section 3.4.3). An international operator suggests that ANGAP (the association responsible for National Park management) should take responsibility for researching international guiding standards, and create a list of professional standards focused on Madagascar's specific characteristics; and that TOP (the Tour Operators' Association) could then implement this alongside its service related training and code of behaviour. Several international operators suggest that guides could be brought in from Kenya or South Africa to deliver training. This could be a potentially useful tool, but it would need to be complemented by a wider ongoing programme of improvement in order to ensure its continuous effectiveness.

It is also evident that international and ground operators perceive a need for more guides with English language proficiency – *"I hate to focus on language, but their English is not adequate. We need guides who can communicate natural history and ecology at a high level"*. A ground operator suggests that *"Applied languages for tourism might be a subject offered at the Faculty of Arts and Humanities in the University"*. Other operators comment on a need for more specialist guides. *"There are not enough specialized guides in ornithology, but our clients love watching birds"*. Concerns are also expressed regarding the levels of service provided by guides (see Section 3.4.3) – *"Training programmes on biodiversity knowledge and politeness are needed to improve guides' competencies"*. Limitations in guide availability are most apparent during the peak season, but in order to build local capacity it is apparent that there are a range of training opportunities focused on language, service and biodiversity expertise.

**Box 3.**

**Examples of tour operators' concerns related to service and infrastructure problems**

The infrastructure is appalling, it really is very hard work, and there are always flight delays.

On our visit, I think every single flight was delayed, and for operators with 10/12 day tours, that is a big problem. People are paying a lot of money and if 6 mornings of activities are changed, they are going to be disappointed. So it is a difficult place to sell

What is really difficult is that away from the coast, very few understand that they could charge more, and provide a better service. They need to understand that in mainland Africa people will pay £300 a night, but they don't charge this, and they don't provide what the top end clients want. They don't want foam mattresses and pillows, or dodgy shower curtains - it all just feels so cheap in many lodges.

International operators are always cautious to feature Madagascar because of the lack of availability in correct accommodation, lack of professionalism, lack of guarantee of the services, the lack of airlines and the cost of the product in general.

A comparable trip to Galapagos is much easier

Madagascar is a very expensive product, more expensive than Indonesia or other comparable destinations.

Accommodation we stay at the best available, but it still needs work.

Higher quality accommodation is lacking, and we can't be consistent in our itineraries - they may need to include both a 2 star and 4 star hotel, It's a real medley.

If they are serious about tourism and conservation, and want to increase the yield of tourism, they need to improve standards all the way through.

After the natural history part of our trips we will fly people out to Mauritius or the Seychelles to relax in upmarket hotels. It isn't a cheap destination, and even some of the top accommodation isn't air conditioned, and our clients will just not put up with it.

### 3.4.1 Infrastructure

Poor road infrastructure and high numbers of delayed/cancelled internal flights are a significant challenge and limit tour itineraries in terms of the accessibility to accommodations and other potential sites (Box 3). Road infrastructure needs to be improved to improve travelling comfort, time and safety, which in turn improves satisfaction and encourages increased dispersion of visitors. Several international operators comment that although such improvements are critical, development needs to be sensitively approached - *"I wouldn't want to see it changed too much, but things do need to be stabilised if more foreign visitors are to be hosted"*. This highlights the need to ensure that development is appropriate in terms of improving infrastructure service provision in a controlled and systematic manner.

Internal flights commonly are delayed or cancelled, and this has serious implications for operators regarding client satisfaction due to the consequent effects of cancellations/changes on tour itineraries. It is also likely that such problems negatively impact upon conservation since visits to charitable projects may be cut from itineraries, and high level of dissatisfaction may limit the propensity of clients to make financial donations. On an operational level, infrastructure problems increase international operators' concern with ensuring that ground operators are skilled in rearranging itineraries and building in contingencies. Both international and ground operators consider scheduling and ticketing arrangements to be problematic, and it is suggested that the creation of a 'circuit' of flights would be a useful for tour planning.

The expense of international and internal flights is also felt to be a limiting factor in tour development. Potential custom from long-haul markets such as the US is limited by the need to fly via Paris, which results in a longer and more expensive journey. Italian operators express concern regarding the impact of the recent decision to drop direct flights since this has increased journey time and costs as it is now necessary for Italian tourists to fly via Paris. Overall, continued improvement to road and flight infrastructure is vital in order to encourage increased engagement of international operators in order to encourage the increased dispersion of visitors, and to provide a quality of service which can increase Madagascar's competitiveness as a destination over the longer-term.

### 3.4.2 Accommodation

The quality and quantity of accommodation is considered to be another key operational restraint. It is felt that *"demand exceeds supply"*, particularly for accommodation of appropriate quality outside of cities and the popular coastal resorts. The lack of availability is compounded by international and ground operators' frustration with a perceived *"lack of professionalism"* among accommodation service providers both at the mid-range and luxury ends of the market. It is felt that communication is poor in terms of responses to enquiries, and that problems in securing the purchase of rooms negatively affects sales. This is compounded by criticisms of unreliable arrangements for room booking between hotels and ground/international operators in the availability of rooms - *"We have difficulties with accommodation. Hoteliers work as we used to do many years ago. For example, in Madagascar there is no allotment for accommodation. This means that sometimes it's not possible to have rooms in a hotel and we don't know why. It depends also on the ground operator you are working with. Depending on the relationship the ground operator has with the hotelier, you might or might not have rooms"*.

A ground operator suggests that “*Tariffs applied by service providers must be regulated by the state*”. An international operator highlights the frustration they feel that ground operators are unable to provide a breakdown of the overall cost and the prices charged by each accommodation unit featured in itineraries. This participant suggests that a centralised accommodation database which is internationally accessible could be useful to overcome this problem. It is generally felt that improved operational planning requires a transparent booking system which provides open and reliable information on the availability of rooms, a greater commitment to honouring reservations by ensuring rooms are actually available when clients arrive, and a fixed pricing system.

The problems in securing suitable accommodation are so acute that one operator has recently dropped its luxury package. “*We used to run a third trip, which was our most profitable trip, it was a collection [i.e. luxury] style, but we have had to cancel it this year because the standards of service are just not there. And where the standards so exist, the demand is too great, so we couldn't secure it. After 2 years of struggle in running it, it just wasn't worth the client complaints, we just couldn't promise to provide what they wanted*”. Some international operators which provide ‘combination’ packages deal with this limitation by flying clients out to countries such as the Seychelles or Mauritius following the natural history part of the trip, where upmarket/boutique hotels with good service performance can be guaranteed. Although operators offering nature/culture/adventure activities note that clients will accept an element of discomfort in accommodation if their expectations in terms of landscapes and wildlife are met, it is also noted that suitable accommodation is in short supply in more remote areas/around National Parks, and that this in turn limits itineraries.

International operators stress the need to manage customer expectations and sell products very carefully, since developing consistency in the accommodation offered across itineraries is very difficult - one participant describes this as an “*Achilles heel in developing tours*”. International operators describe mid-range accommodation as “*squalid*” and “*ghastly*”. It is also considered that prices are very high in relation to the type and quality of accommodation available in Madagascar compared to other European or African destinations, at both the mid-range and luxury end of the market. One operator reports that this has negatively impacted upon sales, and in turn the number of trips run by the operator – “*Lodges have put up their prices at a phenomenal amount, and now they are overpriced. A few years ago we used to send about 100 people, but this year I do not expect more than about 25-30. It hasn't helped but their payment is in euros, but they have effectively priced themselves out of the market. We used to run two longer trips, but have now dropped one as it costs almost £5000 and we didn't think it viable*”.

Nature/culture/adventure operators indicate a need for a greater supply of eco-lodges, including a need for more foreign investment in large hotel chains. At the same time, , a French operator comments that much of the available accommodation has a “*lack of local charm*”, since much of it is established and run by European, especially French, owners and managers, who have created a European, rather than Malagasy ambience. Controlled development of appropriate accommodation stock is necessary for medium to long-term development since it is currently evident that Madagascar lacks competitiveness in this respect, which in turn negatively impacts upon the potential to raise revenue for conservation initiatives - “*In some parts of Africa you have to pay \$100 a night as a bed fee towards community fees – but for Madagascar to do that, they*

*would have to do what the rest of Africa has already done and offer what top end tourists want*".

### **3.4.3 Guides/National Park management**

Both international and ground operators report that although clients are satisfied with wildlife experiences, tourism in the National Parks generally operates at too high a volume and density, especially at the most accessible and therefore heavily visited sites. For some international operators this results in a loss of the exclusivity which their clients seek (and most importantly, would be willing to pay for), since *"everyone is on the same lemur trail"*. It is also felt that although the interpretive trails provided in some National Parks are very good, *"you don't feel like you are in the wilderness"*. A greater dispersal of tourists through improving the accessibility to more conservation sites (including their facilities for receiving and managing tourists) and raising the quality of the services provided for tourists in National Parks are required to ease this: such improvements would also help to spread the economic benefits of tourism to more communities in Madagascar. Opening up more conservation areas would also enable provision of sites that are targeted at differing types of tourists - for example, to separate serious wildlife enthusiasts from tourists on day trips from resorts, since the interests of these two groups are often not compatible - *"There needs to be a greater focus on ecotourism, and those interested in wildlife. So many French and Italians go who are just not interested, so you get noisy groups in National Parks where they are basically shouting at each other and scaring off the animals"*.

Improving access for tourists to National Parks and reserves is a longer-term focus, which also involves careful management of tourism and conservation issues (for example, there may be a need to habituate lemurs in areas made more accessible for tourism). Of immediate concern is the need to address servicing standards: operators indicate that there can be a lack of consistency in the pricing structures of National Parks, and that this creates operational problems when the prices charged are higher than those originally quoted, or where not enough guides are provided or available in relation to the number of tourists in the group, adversely affecting the guide/tourist ratio. It is evident that a lack of availability of guides to manage groups of tourists in the peak season leads to problems with client satisfaction and management of groups, particularly in ensuring that they keep to trails and do not disturb wildlife.

Some international operators specialising in natural history products comment that there can be a shortage of guides in areas such as ornithology, particularly during the high season. More generally, participants comment that although guides demonstrate a high level of scientific expertise on local flora and fauna, service delivery in terms of responding to client requests or questions can be disappointing. For example, several international operators comment that guides are not forthcoming with cultural insights – *"Clients are interested in hearing stories, rich fables and cultural stories, but you need to cajole guides to hear these types of things. They know the Latin names of everything in the parks, but they do not really engage with clients"*.

Operators report that basic conservation rules in National Parks are not always adhered to properly, such as ensuring that tourists stick to trails or that wildlife is not disturbed. An operator who observed an incident of guides using a branch to try and encourage a chameleon to move notes that *"It isn't that they had bad intentions, they just wanted to*

*provide us with an experience*". He comments – *"Our clients are so eco-sensitive, that they didn't like this"*. Unwittingly, guides may therefore be causing dissatisfaction in the client experience, alongside the obvious implications on conservation management. Several ground operators suggest that most problems occur in peak periods when there are insufficient available guides and *"It is difficult for guides to keep watch over tourists if they come by groups"*.

An international operator offering a resort based package highlights the need to improve disabled access in National Parks. Some larger international and ground operators consider that more trails need to be developed in order to handle larger groups of tourists, while some smaller operators wish numbers to be limited and note that there is a need for greater customisation in guiding services according to the various types of tourists and tour groups. Overall, it is evident that National Parks need to be managed in a way which meets conservation goals alongside the needs of a diverse range of client groups if revenues are to be effectively secured over the longer term. This may require a revision of current operational procedures, as well as more effective implementation and enforcement of existing procedures. Some changes may simply require improved communication. For instance, several international and ground operators comment on the need for greater communication of the reasoning behind changes to operational requirements, such as the recently introduced operational requirements for nocturnal walks, which international and ground operators consider impractical - *"ANGAP recently banned nocturnal walks without obtaining licences and permission in duplicate in advance – this is crazy! It is evident that there is a lack of capacity and control, and a whole lot of creatures are disappearing, but there is no way all this can be organised in advance"*.

International and ground operators note that ANGAP needs to be better resourced and managed. Some meet with ANGAP and/or National Park managers to discuss operational issues, but the meetings tend to be sporadic, and without the attendance of senior managers, it is felt that limited action is taken. One international operator states that it has been trying to establish a conservation project in a National Park but finds communications with ANGAP difficult since the association's resources are very limited and that *"people don't really want to make decisions"*. Overall while increased designation of National Park and protected areas is viewed as a positive development, operators emphasise that there still is a need for wider improvements in overall management of National Parks and particularly for investment in improvements to accessibility, visitor management and service delivery.

Box 4 provides examples of tour operators' concerns related to guides, National Parks and trails.

**Box 4.**

**Examples of tour operators' concerns related to guides, National Parks and trails**

**Guides & National Park Regulations**

Guide training is required. I saw the guides collecting the trash from the camp, and then when we were driving back they threw it over a hedge!

We need guides who can communicate natural history and ecology at a high level.

The government needs to get money and resources to the people in parks. They need to fund naturalist guide training. It needs to help locals who want to conserve the land and

protect the animals. They need to be involved and proactive so people come back with experience that it blew their mind - like Botswana.

A huge concern is the level of guide service. Compared to other destinations it is far below expectations. They have the knowledge, but they lack simple skills.... Over and over again the most simple of rules were broken.... These were National Park certified guides ... said to be the best around. They knew wildlife, species and the environment - but just not how to lead a group.

Guides - on our trip they would do certain things that wouldn't be acceptable on other safaris. For example they manipulate the environment, or touch wildlife so that tourists can get a better view...They have a level of casualness which you don't find on other safari circuits

Often, local guides in the Parks are not strict enough towards occidental tourists. For example if someone throws something on the ground, or cuts a plant, ... they don't explain enough why they shouldn't do that.

National Park creation is much more recent than in classic African destinations. Conservation rules are still in their infancy...Elsewhere in Africa there are really stricter rules.

Conservation is much more strictly regulated in the Galapagos or Antarctica. Trails are clearly marked, more than 16 people are not allowed at a time.

#### **Trails**

The government needs to help ANGAP with better signage or trails, or the private sector needs to be able to provide this. You know, providing a one mile interpretive walk does not turn a place into an international safari destination!

They need to get more National Parks, more trails, and to habituate more lemurs. They need to open up more areas.

The limited number of areas available at the moment means that numbers are too concentrated.

## **4. Perceived client interest and willingness to pay for conservation management**

This part of the interview focused on participants' perceptions of their clients' interest/awareness of conservation issues, and their willingness to contribute to initiatives pre, during and post departure. It was found that many international and ground operators value the role of tour guides in relaying conservation information, but would welcome greater availability of written information which can then be distributed to clients. Although some international and ground operators encourage donations at the time of booking, it is widely felt that financial contributions are best sought during or post-departure, rather than pre-departure. Operators consider that once clients have experienced the country, they have a greater willingness to donate. It is also suggested that clients may be more generous post-departure because they can transfer funds electronically rather than making immediate cash donations from money they are carrying on their holiday. This can also simplify collection and distribution of donations, which is particularly important for smaller companies that do not have established

charitable foundations to manage financial implications (such as taxation) and/or consider that administrative resources are too great to collect and distribute monies.

International and ground operators generally consider that client interest is greatest for projects which focus on local community development interests. There is significant interest amongst operators in incorporating charitable/conservation projects into tour itineraries, since it has the potential to add interest and distinctiveness to tours. This presents opportunities to encourage donations by tourists either at the time of visit, during an end-of-tour meeting, or upon their return home. The key requirement here is that more projects are made accessible and appealing to clients. There is less support for opportunities to incorporate fixed donations into tour prices due to concerns with the impact on operators' competitive positioning and associated client demand - "*The price for Madagascar is already expensive so increasing the cost could be a risk that people wouldn't go*".

It is felt that increased prices might risk placing operators at a competitive disadvantage and it would therefore only be possible "*If the whole sector played the same game, not only one operator*". There is also concern with being seen to pressurise clients - "*It is generally not our business model to ask for donations at the time of booking, as we are worried that it will put people off, you know, we are asking for money all along, so don't want to ask for more. But when they return we send them information and help facilitate donations*". However, outlooks towards the feasibility of increasing tour costs either through a fixed client donation, or corporate support (as detailed in Section 5.1.1.) are linked to characteristics of operator businesses in terms of the type of products offered, and clients attracted. There is comparatively greater support for such measures among operators at the luxury end of the market, which offer products focused on nature and wildlife interactions (and conservation concerns are therefore inherent to product quality).

Operators highlight the importance of being able to demonstrate that the funds are efficiently channelled. For example, international operators note that - "*Clients would be happy for this to happen if they knew where payments were going*" and "*Only if they knew where the money was going – and not to National Parks for example, which are just corrupt*". The following sections detail the findings related to operators' attitudes towards making donations at the time of booking (see Section 4.2) and during or post trip (see Section 4.3). It is evident that there is considerable potential to encourage donations from booking through to the return home, providing that clients feel confident that funds are transparently and effectively used, and that efficient administrative procedures are developed in order for operators to channel payments.

Box 5 provides examples of tour operators' comments on encouraging their clients to make donations to conservation and other projects in Madagascar, and on incorporating donations into their tour prices

**Box 5.**

**Examples of tour operators' comments on their clients' willingness to make donations to conservation and other projects in Madagascar**

Yes I think a lot of them would - clients make a big donation if they know it is going to a good cause, and there is no profit involved.

Customers are likely to make the most donations if they can see it has positive impact.

They need to see a project first, and travelling with an expert is the real key.

Client will donate if they get very specific details about an active project.

It should be the choice of the clients. But they would need to know where the money was going, there is so much corruption. Most would be interested in nature related projects.

It is difficult to convince our clients that the money goes to the right places.

Yes, willingness of clients exists if they are sure that the money is spent effectively.

I don't think a tourism tax would be a solution, because you never know where it goes to.

I don't think so, they are sceptical about where the money goes.

They prefer to give it direct so they can be sure it is going to the right person

We also want them to see it as value added, rather than soliciting from our customers.

**Donation amount**

We organised a tour that they automatically visited a project of forestation and the tourists spent about 10 Euros each there.

They would give around 50 Euros.

Maybe they would be willing to give less than 25 or 50 Euros but once they are back from the journey because they are more aware of the situation in Madagascar. Not at the time of booking.

Maybe up to 10 to 15 Euros.

Clients would be willing to give between 5 and 50 euros, not more than 50 euros anyway.

Sometimes clients donate about 100 Euro extra if they see the necessity of some projects.

**4.1 Client information and perceived interest in conservation issues**

Many international operators produce company sustainable/responsible tourism policies which can be accessed on the website and in the case of some nature/culture/adventure operators is distributed to clients pre-departure. Many nature/culture/adventure operators provide detailed country dossiers which include information on the Malagasy people and environment. Policies and related materials address overall environmental, socio-cultural and economic impacts rather than focus specifically on biodiversity. They do however include guidelines on appropriate behaviour when viewing wildlife (such as observing from a distance), visiting natural environments (such as not collecting items to take home), disposing of litter responsibly, promoting waste reduction, and keeping use of water and energy as low as possible. The distribution of such information is linked to operators' expertise and capacity to produce information, a commitment to conservation

issues, and a perceived client interest for such pre-departure information. Some suggest that if more information is made available at destination level, it could assist operators in compiling information to distribute to clients.

The most commonly referred to source of information in the French market is to ANGAP's website and its guidelines on appropriate behaviour in National Parks. Particular sources of information were not mentioned by operators in other markets, perhaps indicating a lack of availability of materials in the required language. For many international operators, especially those focused on resort-based or combination tours, it is considered more effective to relay information when clients are in destination and are therefore more likely to have a stronger awareness of the issues. For the most part, client interest in Madagascar's rich biodiversity is important in influencing the decision to choose the destination (see Section 3.1 and Box 1), but it is only when in destination that clients' knowledge and understanding deepens.

Ground operators report that interest and knowledge differs across nationalities, making comments such as "*British people are fussier towards biodiversity and protected areas than other clients*", "*Japanese people are very interested in baobab trees, which have spiritual and cultural values for them*" and "*French people do not really take interest in biodiversity compared to Anglo-Saxon people. Those tourists ask more detailed questions during the visits*". Inter-cultural understanding is an issue which many international operators discuss with ground operators, and such comments from ground operators demonstrate the important in tailoring approaches to international market characteristics. Both groups of operator cite the importance role of tour guides in relaying conservation information to clients. This underlines the importance of ensuring that guide training is developed and maintained at high standards. It is also important that clients are informed prior to departure (in a way which is appropriate and sensitive to each company's target clientele) in order to manage behavioural expectations. Since resource considerations and destination/site-specific knowledge are likely to limit some operators' potential to produce specific information, it could be useful for such materials to be provided by bodies such as the ONTM, Go To Madagascar and/or conservation bodies.

#### ***4.2 Perceived client interest in making financial donations at the time of booking***

Responses to this question were generally negative with operators across all markets and product groups suggesting greater client interest in making donations either during, or post-trip. Participants who attempted to estimate how much clients would be willing to donate at the time of booking quote in the range of 10 to 50 euros, but many felt unable to provide a specific figure. In the larger companies this is often because the operators' only sell through travel agents and therefore do not have direct contact with clients. The primary reasons given for a lack of interest in this approach included concerns with being seen to "*force*" extra costs onto clients, operational questions regarding how monies can be collected and reliably distributed, and a view that higher donations can be encouraged during and post trip. It is felt that Madagascar is already a relatively expensive destination, clients are faced with a range of extra costs prior to departure such as increasing airport and visa charges, and that the current economic climate magnifies a client concern with making further financial outlays. Operators are wary of antagonising clients by making too many requests, with many operators noting that requests are already made for contributions to flight carbon off-setting programmes.

Only very few examples were found of international operators who include a small donation to conservation based projects in Madagascar. These can either be voluntary or fixed as part of the tour price (see Section 5.1.1) and in some instances, operators offer to match the donations made by clients. Madagascar is little featured among the charitable/conservation projects which operators corporately support on a consistent basis, due to the comparatively limited volume of clientele in this destination. Some operators highlight charitable/conservation projects to clients in pre-departure information packs, which in some instances are shown to be associated with the interests of their ground operators. This demonstrates that international operators are keen for ground partners to identify and support projects, and that it can act as a useful tool in promotional material.

Both international and ground operators stress the importance of guaranteeing the credibility and reliability of how funds are used (Box 5). Some express the need to establish separate charitable foundations in order to manage taxation processes, which for most small operators across all markets is not a feasible option due to the resources that this requires. Some international operators express a preference for ground operators to take responsibility for the collection and distribution of funds when clients are in destination. However, ground operators also consider that collecting money is "*highly risky and to be avoided*". Overall, there are several challenges to overcome if financial donations are to be encouraged at the time of booking by international operators. In the medium-term, widespread engagement depends upon mechanisms being put in place to develop initiatives which encourage and facilitate donations during and post trip.

### ***4.3 Perceived client interest in making financial/non-financial donations during and/or post trip***

Much more support is shown for encouraging and facilitating donations during and post-trip. It is felt that that client interest is greater when "*they can put a face to a project*" and "*when they have been moved by the experience*". Moreover, it is noted that higher donations can be encouraged once clients have experienced the country and have "*seen the difference their money can make*". For example, some clients demonstrate extreme generosity in donations to specific projects, such as retired school teachers sending money to schools they visited while on tour. International operators inform clients about the ways in which they can contribute in pre-trip information (particularly in terms of advising clients of the type of things they may wish to take out such as medical or school supplies, or clothing), at the time of visiting particular projects, at the end of the trip, and/or in post-trip information. Overall, there is little agreement on the most effective method and it is often apparent that adopted approaches are linked to the outlook of the company's management, the type and cost of tours offered, and the associated characteristics of the core client base.

International and ground operators note that donations can be limited at the time of visit since they are likely to be made in available cash rather than electronic transfer. To maximise the potential for post-trip donations it is necessary to establish communication on opportunities and methods to donate. Feedback mechanisms such as newsletters on how donations are used are also important in order to maintain a relationship with donors. For example, one international operator contacts clients at times such as

Christmas offering the opportunity to make a timely donation. Another offers charitable contributions to a tree sapling project as a wedding gift idea. From the interview findings it is suggested that charitable and industry bodies could perhaps investigate the potential to coordinate the communication of information about the opportunities for international and ground operators to engage in charitable projects, including biodiversity conservation projects. This should include the establishment of common payment processes in order to meet the needs of both international and ground operators who have too limited resources to act alone.

Similarly, some international operators express a need for information on the availability of charitable/conservation projects which could be incorporated into tour itineraries. Most rely on ground operators to identify such projects, but a greater availability of such information can help to ensure that projects receive maximum market exposure. An international operator suggests non-governmental organisations such as WWF, Conservation International and GTZ could investigate how their projects could be turned into accessible and well-managed tour visits. Visits to charitable projects are seen to add real value to some tour itineraries, and therefore offer much potential for development. However, they are not suitable to all types of business, with one African safari specialist commenting that such trips are only included as an optional 'extra' - *"It's not worked into the itinerary in any way since clients would take offence to this, like we are shoving it down their throat. It needs to be an option that can be done, and where they are not obliged to donate"*.

In much the same way as requesting donations at the time of booking, some operators are wary of alienating clients through too many demands - *"I don't think encouraging donations during trips is very good, because if someone contributes, other clients may feel pressurized, and this can be awkward."* Another comments *"We want them to see it as added value, rather than soliciting from our customers"*. The intricate balance between companies' operational and charitable concerns is apparent from an operator's account of how clients are informed of goods they may wish to take with them on holiday to Madagascar in pre-departure information. This typically includes pens, pencils, clothing and medicine. One operator comments that tourists may not pay much attention to this pre-departure, but when in Madagascar often express regret at not having brought such items: this again highlights the sensitivity which operators must take in making such appeals to clients. For some operators, it is not perceived as a role for their business, and reference was made to other methods to collect funds such as airport taxation, or collecting spare currency at airports. The preferred approach of visiting projects and encouraging donations is therefore very much specific to the characteristics of differing companies, product offerings and client interests. The key message is to maximise contributions through ensuring the availability of a variety of channels by which financial and non-financial donations can be made.

#### ***4.4 Perceived client interest in differing types of charitable/conservation projects***

Operators were asked for their opinions on the types of projects with greatest client appeal. The greatest support is shown for projects related to improved living conditions for local people. Support for infrastructure development is noted as necessary, but controversial in terms of whether tourists' should pay for this. Some reservation is also expressed regarding support for National Parks, and how this would be managed

alongside the current payment of entrance fees. The overarching concern for any project is that clients' should be able to understand the specific benefits of their contribution, and that funds are reliably and transparently used. Examples of the types of projects which international and ground operators are currently engaged in are provided in Table 5 (section 5).

Interests may differ according to the type of company and products offered: wildlife operators' clients may show greater propensity to support projects involving wildlife, while a hiking operators' clients may prefer to support reforestation projects on the basis that the effects of deforestation are very visible to them - *"In Madagascar, you can see the problems of deforestation. It is visible for the clients so it affects them. I think they are interested in contributing to what they actually see"*. However, most international and ground operators note a potential client interest in a number of projects - *"The focus would not matter. If that is what we support, then our clients will support it. It doesn't matter if it is doing good for the environment or for the people - you can't choose"*. The most important point seems to be whether a project is tangible in terms of client understanding of the positive difference their contribution makes. 'Hands-on' projects such as planting trees, or visiting schools or hospitals to make donations are therefore popular.

Conversely, projects such as National Park management are felt to be more difficult to communicate and promote to clients since it is widely felt that investments in projects such as interpretive centres, guide training and signage, are the responsibility of the government and bodies such as ANGAP. Similarly, participants consider that responsibility for infrastructure development (such as roads, facilities and supporting services for business) lies with the government and in some cases also with private businesses. Projects relating to environmental education for local people and for schools are often felt to be more effectively addressed through programmes run by non-governmental bodies.

A lack of prioritisation of support for projects on flora and fauna conservation is perhaps surprising when considering that Madagascar's iconic and endemic species are a key reason for tourist visits. The barriers to support are associated with a more limited client understanding of threats to flora and fauna. In some instances, it is considered that contributions are already made through the *"high entrance fees for National Parks"* (although opinions differed on whether fees are too high, or if they should be raised). It is felt that support for projects related to natural history concerns are therefore reliant on the expertise of guides to communicate the issues and engender client understanding/interest and willingness to donate. In contrast, projects relating to living conditions are felt to *"pull on the heartstrings of people"* and to engender support because people can better understand the value of their contribution in alleviating poverty.

Conservation and living conditions are intrinsically linked, and the greatest potential lies in projects which address both aims - *"It's all about positive human interventions in conservation sensitive areas, and how the management of forests is profitable to local communities"*. Ultimately, the support of local communities is fundamental to the success of initiatives both in terms of conservation and tourism, and as one international operator commented, it is for this reason that *"Everyone needs to be involved in the protection and conservation of nature. Local populations must be actors, not just spectators"*. The imperative must therefore be to develop projects which actively engage

community support in conservation measures, and in turn bring demonstrable benefits to local people.

## 5. Tour operator actions to assist conservation management

This part of the interview focused on participants general attitudes towards the role operators can play in conservation management. It was found that operators who primarily feature resorts/accommodations or combination tours depend upon the hotels/lodges to follow responsible tourism policies and to set up projects which benefit local communities. Destination-led initiatives are therefore particularly important for international operators who do not directly engage with conservation management issues. Very few examples were found of international operators directly interacting with local bodies responsible for conservation management, with many participants citing that they do not have sufficient time, and that this is a role for ground operators. The ground operators note that such interactions are most effectively approached through associations such as the ONTM or TOP. Some international and ground operators report that they partner in the activities of their local accommodation providers who are actively involved in local development projects. For example, the Anjavy Hotel supports works local communities including educational projects and the provision of technical support and loans for projects such as fishing, bee keeping or handicrafts.

Overall, international and ground operators' potential engagement ranges from relatively 'hands-off' approaches through to direct interactions with charitable/conservation projects, destination bodies and local communities. The most notable way in which international and ground operators approach conservation management is through the promotion and/or active support of charitable projects. Box 6 provides some comments operators made on this topic. At the most basic level, this might simply involve operators' highlighting projects to clients in pre-departure information, sometimes with the aim of encouraging direct donations (as discussed in Section 4.2). Depending on perceived client interest and the type of products offered, visits to projects may be included in tour itineraries either as a fixed or optional element. In both these cases, operators may also encourage client donations at the time of visit or post-departure. The following table provides some examples of projects mentioned by participants. The examples focus on the three most popular types of support: community and conservation, deforestation and wildlife. They range from a basic level of involvement through featuring project details in country dossier information, through to fixed features in tour itineraries, and in some cases are also the recipients of corporate financial support.

### **Box 6.**

#### **Examples of tour operators' comments on incorporating donations into tour pricing**

##### **Operators that incorporate donations into tour pricing**

We build in a donation to the [project name] to the cost of tours – USD 200/USD 250 per person. It really adds value to the trip. We have a behind the scenes tour, so it gives us something other tours don't have, and adds to the quality of experience.

Yes, our [project names] are built into the trip price - about USD 50. For us it's better to build it in to the trip, that's who we are as a company, we make a choice to support specific projects, and that helps to sell trips.

We incorporate 1% into our trips, which goes to the [project name]. It's budgeted in, so it's a very little additional cost per trip.

All of our trips include a donation at the time of booking to a conservation research project/NGO. The price can vary from USD 20- USD 500 per person. We include this contribution in the cost of the trip. In this instance, it goes to the Durrell Conservation Trust.

We include a compulsory donation to the [project name] in our trips.

For all domestic travel, across all of our company tours, we factor in a token amount which we donate to the [project name].

### **Operators that do not incorporate donations into tour pricing**

Absolutely not, we don't like that. We don't want to force it on them.

We don't agree with this method.

However, we can make the process easier if they are willing to contribute or increase the clients' awareness.

Only possible if the whole sector played the same game, not only one operator.

If you increase the price, the tour operator loses out to competition because clients book there where it is cheaper.

It means raising the price and this is not possible because tours are already expensive.

Yes but it depends on the impact of increasing the cost. The price is already high.

Raising the price would result in a loss in market share.

Table 5: Examples of projects supported by international and ground operators

<b>COMMUNITY AND CONSERVATION</b>
<p><b>Akany Akovo</b> A refuge for destitute children which offers shelter, care, education and the opportunity to develop new skills and knowledge. It promotes environmentally sound ways of improving life and ways to beat poverty. It offers guided tours to visitors which include dance displays and opportunities to buy local crafts.</p>
<p><b>Azafady</b> Azafady is a UK registered charity and Malagasy NGO working in partnership with disadvantaged communities. It aims to empower communities through providing alternatives to deforestation with an emphasis on training, capacity building and education geared towards helping local people to help themselves (for examples installing wells and pharmacies, training community health workers and equipping schools).</p>
<p><b>Fanamby</b> Protects habitats which currently have no legal protection status through conservation activities which demonstrate tangible benefits to local communities and thereby promote equitable benefits from their long term protection. This includes the provision of visitor programmes which promote understanding of natural area protection and sustainable agricultural practices and lifestyles.</p>
<p><b>Ny Tanintsika</b> Supports traditional silk weaving techniques through village weaving associations and reforestation. This provides an income for many members of the community and protects tapia forests. Visitors can receive guided tours to learn about the flora and fauna, and purchase silk textiles. Some proceeds are then used to buy supplies for the local school.</p>
<p><b>Schools of the World – Madagascar</b> A French initiative which focuses on sustainable practices in a number of villages. Initiatives address education and training, health and hygiene, water and energy, agriculture, fisheries and craft. For example, women's associations are developed to promote traditional crafts of sewing, raffia and mat production. Primary, secondary and vocational training is provided, with the availability of loans to establish businesses such as bakeries and carpenters.</p>
<p><b>SOS Children's Village</b> Provides children with a home, a family and a new mother in a purpose-built local Village, where they can stay until they are ready for independent life. This involves building and running nurseries and schools, vocational training, medical centres and emergency assistance. Visits may be included on tour itineraries whereby clients are encouraged to donate items such as clothing and stationary, and choose to sponsor a child.</p>
<b>REFORESTATION</b>
<p><b>Tree Nursery Project</b> This is an initiative established by a UK Madagascar specialist in partnership with the Anjajavy Hotel. The operator provided funds to establish the nursery, enabling the purchase of growing bags, shade netting, rooting powder, and a portion of the wages. The hotel provided the labour and machinery to clear an area for the nursery, the know-how and the rest of the wages.</p>
<p><b>German-Malagasy Society</b> Focuses on reforestation projects and the use of solar cooking stoves. Clients are invited to become members of the society and make donations to project such as tree planting (1 tree costs 5 euros).</p>
<p><b>Perinet Mantadia Corridor Project</b> One of Conservation International's two forest carbon projects in Madagascar which is designed to create a corridor between unconnected nature reserves, which is critical for the protection of flora and fauna. More than 425,000 hectares of standing rain forests are being protected, while another 3,000 hectares of previously degraded land are being reforested with native species and fruit gardens. Communities see improvements in agriculture and ecotourism, as well as more sustainable production and sale of fuel wood and non-timber forest products. Income from carbon credits is a further incentive for communities to conserve the region's forests.</p>
<p><b>Fuel efficient and solar stoves</b> An initiative of a UK volunteering operator do promote the use of energy efficient stoves which are</p>

more energy efficient and provides a safer cooking environment. This helps to reduce deforestation, wood foraging and the associated habitat degradation. It also provides employment opportunities in the construction of stoves and reduces the risk of respiratory infection.

**WILDLIFE**

**Durrell Conservation Trust Group**

Several projects which focus on the development of community capacity to manage conservation and the sustainable use of natural resources. This is achieved primarily through training and capacity-building in local communities and by providing support for community led management. For example, Project Angonoka (Baly Bay) is a turtle captive breeding and reintroduction programme, and Lac Aloatra focuses on protection of wetland lemurs and aquatic plants and fish. Visits are led by expert guides.

**Megaptera Association of Marine Mammal Protection**

A French association dedicated to the observation, knowledge and protection of marine mammals, the dudong and whale sharks. Wildlife viewing expeditions with expert commentary can be included in tours.

***5.1 Ways in which operators can make a contribution to conservation management***

The range of potential tools for operators to contribute to conservation management include: increasing the cost of tours, establishing corporate funding/sponsorship, providing non-financial support and/or implementing operational adjustments. Greatest support is found for measures which mutually meet goals related to conservation management and commercial concerns. Some international operators consider that their primary business function is to ensure positive economic impact, and the focus should therefore be on maximising visits to charitable/conservation projects and National Parks, and/or encouraging donations. Many international operators are also supportive of training initiatives since this is firmly linked to service performance, and assist their goals for improving destinations. Many examples of good practice can be identified, but they tend to be small-scale and ad-hoc. The challenge lies in building a critical mass of support in order to magnify the impact of individual operator's efforts.

Operators across all international markets and product types suggest that some type of promotional recognition programme could engender increased engagement in conservation management. Several international operators value the potential to receive recognition for contributions/participation in local projects. Research into the development of a Malagasy 'eco label' is currently underway by 'Go To Madagascar' and other partners. This would enable international tour operators to select ground operators and other service providers which have received certified status. A ground operator commented on a competition recently run by Conservation International in partnership with the ONTM, responsibletravel.com and other partners. It is felt that this provided reward for good efforts; although another participant notes that its impact is limited by its lack of international recognition. However, some international operators are of the view that promotional reward programmes are ineffective, and engagement depends upon the outlook of each individual company to conservation issues. As one of a range of tools to promote the engagement of the private sector in conservation management, development of reward/recognition programmes is to be encouraged.

### 5.1.1 Slightly increasing the cost of tours to allow for payments to trusted conservation projects

Generally only international operators at the higher end of the market indicate their potential support for slightly increasing the tour price to allow for payments to conservation projects. A number of nature/culture/adventure international operators already incorporate a donation to charitable/conservation projects into the cost of trips. This is linked to the value of interactions with the natural environment and local people to the products operators provide. In some instances, it is also related to the characteristics of companies, in terms of their outlooks towards conservation and how it links to business responsibilities – *“This is part of our ethos – to demonstrate that tour companies can and should make a contribution, and still make a profit”*. The value of donation varies, sometimes amounting to 1% of trip costs, which participants describe as a *“token amount”* or a *“drop in the ocean”* in relation to the cost of the overall trip. This includes donations to a solar stove project which was established by a volunteering based operator (see Table 5), and which one international operator now supports in place of a flight carbon offsetting programme. The stove project is felt to be more effective in engaging client interest because it is more tangible and evident how the money is used. This operator now incorporates a donation to this project in every tour across its portfolio of products, calculated on carbon emissions from domestic air travel by their tours. This is an interesting example since it is supported by a medium sized adventure operator, and therefore has comparatively wide out-reach, and also demonstrates the opportunities for operators to find alternatives to carbon off-setting schemes which many participants note are poorly supported by clients.

Some operators report that larger donations of up to 400 euros per person are incorporated into the price of trips, with the examples provided including donations to the Durrell Conservation Trust and Project Angonoka (see Table 5). These operators have a high level of commitment to conservation issues, and their products are heavily focused on interactions with the wildlife/natural environment. They demonstrate the potential to incorporate donations into tour price, and the perceived added value this brings to tours through the opportunities it presents for clients to directly engage with projects – *“For us it’s better to build it into the trip, that’s who we are as a company. We make a choice to support specific projects, and that helps to sell trips”*.

However, for the majority of international and ground operators interviewed, increasing the price of tours to allow for a donation is felt to be problematic since Madagascar is already perceived as an expensive destination, and this would risk placing the operator at a competitive disadvantage. Similar views are expressed across operators providing all product types. For example, one nature-based operator commented that due to recent increases in lodge prices, *“We are already at the upper limit of the prices we can feasibly set”*. Another participant drew a comparison to tours to view the gorillas in Uganda and Rwanda where the ground operators includes donation costs into the tour price, and considers that although such an approach might also be adopted in Madagascar - *“It depends on the amount, it’s already an expensive destination, and although it’s unique, it does have a threshold”*.

Larger operators providing resort-based products express similar concerns, and note that they are tourism and not conservation businesses – *“This is not our primary activity, and we are against setting too high prices”*. Risks associated with the loss of competitive positioning are evident: such an approach would only be possible *“If the whole sector*

*played the same game*". More substantial financial donations are therefore only likely to be incorporated into tour prices in select instances of operators at the higher end of the market, and where there is strong client interest and support for conservation issues. However, the view of most international and ground operators is that cost competition is too great to justify price increases - "*Highlighting the fact that it is for conservation will not encourage them to buy if they find it elsewhere for cheaper*". A more widespread approach to encourage operators to include marginal increases to tour prices would depend upon the establishment of systematic procedures which would not incur any administrative or financial responsibility on operators. The collective gains of small but widespread engagement could provide a 'win-win' of benefit to conservation initiatives, as well as providing a useful promotional tool for operators.

### **5.1.2 Corporate funding/sponsorship of conservation projects**

This is a comparatively common tool for international operators to use in order to 'give something back' to destinations, and to demonstrate a commitment to conservation principles. Involvement can involve a direct contribution per client, and sometimes matching client contributions. Some operators provide funding to set up specific projects in partnership with local community groups and/or businesses. Continued support is offered through tour visits and client donations. However, relatively few examples were found of 'flagship projects' based in Madagascar. This reflects the fact that Madagascar is a relatively 'niche' destination for many markets, and it does not therefore feature as a central part of many operators' product portfolios.

This presents a challenge in generating support amongst managers of tour operating companies for prioritising projects in Madagascar as recipients for corporate funding/sponsorship. For many international and ground operators, corporate donations are not a feasible financial option on the basis that "*We are a holiday company, not a conservation company or a charity*". Many regard it as the responsibility of service providers such as accommodations, to support community projects. Engagement is therefore limited to visiting conservation/charitable projects and/or National Parks and protected areas, and encouraging client donations. Most instances of corporate funding/sponsorship are therefore likely to remain highly localised and linked to projects included in tour itineraries, among operators with a commitment to the destination/conservation and/or a perceived commercial benefit in terms of client promotion, and in which Madagascar is an important part of the product portfolio.

### **5.1.3 Non-financial support**

Offering non-financial support (for example through training, donating equipment or volunteering staff time) is not considered feasible for many international and ground operators. This is related to time/financial resource considerations, or to a perception that this "*is not the job of a tour operator*". Most examples of such engagement were found amongst nature/culture/adventure focused companies. Some encourage their own guides and clients to donate equipment such as torches, binoculars and birding books to local guides, but this tends to be on a sporadic basis. Some interest is expressed among international operators in setting up a volunteer programme for staff, but no examples were found of this in practice. This is likely to be because Madagascar is a niche destination for operators with an interest, but demonstrates the potential to develop such opportunities.

Most examples identified relate to practices of international operators in providing training to local ground operators and guides. This is primarily motivated by commercial concerns related to ensuring the quality of services provided to their clients, but nevertheless plays an important role in capacity building – *“It is incumbent upon us. Only tour operators know what they need in terms of service”*. The focus of training is primarily on cross-cultural understanding and client expectations. This is often a standard procedure for all new destinations they operate in. Some operators which specialise in Madagascar also invite ground operators to spend some time at head office locations, in order to deepen understanding of day to day management and to see *“how our clients live, and why it is that we sometimes appear crazy when expecting answers within the same day”*. Such examples are clearly limited to operators in which Madagascar is a key product offering, and high levels of personalised service are required. A consistency in operator engagement in training initiatives is dependent upon a reasonable volume of sales and good relationships with local partners. This again highlights the value of workshops and other communication opportunities to be organised, focused on the development of training and service performance (as mentioned in Section 3.3).

#### **5.1.4 Operational adjustments**

When asked about ways in which tours can be managed to contribute to conservation practices, many international operators cited elements of the company sustainable/responsible tourism policies and practices. Such practices typically include limiting group size, purchasing from local service providers, and using hotels which support local communities, protect the environment/wildlife and take steps to prevent 'sex tourism'. In many instances, these sustainability practices are also linked with improved product/service quality.

Operators which provide nature/culture/adventure products express particular interest in extending itineraries to less visited sites, although this is in some cases driven more by commercial than conservation-related concerns – *“We are always trying to visit less visited places, so that we can offer something different”*. However, this depends upon the availability and accessibility of sites, and some international and ground operators note a need for greater availability of information in order for more remote sites and conservation/charitable projects to be included in tour itineraries. Several international operators comment on the potential to extend itineraries to include more a focus on cultural/heritage elements, and the opportunity for increased local sales of crafts such as jewellery and baskets – *“Other elements need to be marketed – not only focusing on biodiversity and wildlife. Madagascar is very culturally rich, that needs to be marketed, so that it balances out the high expectations regarding wildlife. We currently have cultural elements within tours, but we could potentially develop whole cultural tours around community based initiatives”*.

For example, only limited examples were found of operators offering the opportunity to stay in local villages and learn about local ways of life (one example is the Ny Tanintsika silk weaving project described in Table 5). The responses of international operators indicate that limited engagement in such offerings is associated with concerns about promoting activities which might potentially negatively impact upon locals' lives through tourist penetration or 'forced' encounters. It can be considered as positive that the identification of possibilities to offer cultural interactions is likely to increase in

momentum following on from the recent competition run by Conservation International and Go To Madagascar which encouraged the extension of such circuit offerings.

Most international operators rely on their ground operators to identify potential visits, and it is therefore important that training/guidance material is made available to local businesses on potential sites, and how they can be incorporated into itineraries. This in turn can help local ground operators to establish credentials for conservation management practices in the international marketplace. This underlines the potential value of arranging an information sharing workshop between international operators and ground operators to discuss the potential to incorporate conservation-related adjustments into itineraries.

It is evident that both international and ground operators are keen to promote a commitment to use accommodations which implement sustainable practices such as use of energy efficiency and good labour management. Some lodges at the higher end of the market engage in such approaches and are active in community support projects. Such examples need to be more widely emulated in the development of accommodation in order to maximise positive linkages between tourism and conservation, and to effectively compete in the international marketplace. In the longer-term, operators may begin to evaluate the conservation-related practices of service providers in purchasing decisions more consistently. The development of a Malagasy 'eco-label' (see Section 5.1) would provide a fundamental driver to local businesses' engagement in the effective development and communication of credentials. A collaborative approach is fundamental to building knowledge through the sharing of expertise and experience regarding adjustments and developments to tour itinerary features. This can in turn ensure the conservation of the natural environment while meeting local business and community needs.

## **6. Analysis and conclusion**

This section summarises findings from the tour operator interviews in two ways through:

- a SWOT analysis of the potential to use tourism to raise additional revenues for protected areas and biodiversity conservation in Madagascar.
- a series of propositions regarding clients and operators' willingness to contribute to protected areas and biodiversity conservation in Madagascar. The first set of propositions relates to operators' perceptions of the factors which influence clients to contribute to conservation initiatives, and the second section focuses on operator attitudes towards how they can potentially make contributions.

Points in each section of the SWOT analysis and of the propositions are not put forward in any particular order of importance: all considered to be of relevance by the operators interviewed in this research.

## **6.1 SWOT analysis of the potential to use tourism to raise additional revenues for protected areas and biodiversity conservation in Madagascar**

### **Strengths**

*Unique appeal* – the richness and diversity of endemic flora and fauna, and in particular lemurs

*National Parks* – the diversity of Parks, alongside aspects such interpretation and trails

*Guides* – valued for high levels of expertise in endemic flora and fauna

*Diversified products* – including natural history, cultural heritage, hiking, diving and romantic getaways

*French market connections* – the common language and heritage appeals to this important source market and other French speaking visitors, good flight connections

*Hospitable people and diverse culture* – client interest in the diversity and richness of culture and traditions when in destination

### **Weaknesses**

*Excessive volume and density of tourists in protected areas* – this is leading to client and operator dissatisfaction regarding the quality of the experience.

*Poor/inconsistent professionalism in service delivery*– shortcomings are apparent across the sector from accommodations to guides

*Problems in meeting client and operator needs at the luxury end of the market* - availability of suitable exclusive/luxury/eco-friendly accommodation both at beach resorts and near protected areas

*Low quality of much accommodation at all levels in the market* – particularly away from central towns and coastal resorts accommodation quality often fails to suit client/operator needs from the mid-range to luxury end of the market

*High cost and poor service of domestic flights* – problems with ticketing, scheduling, delays, cancellation lead to dissatisfaction, compounded by the high cost of flights

*High costs and length of international flights* – the costs of flights to Madagascar considerably push tour prices up, with problems compounded by the additional time required to fly via Paris (which particularly negatively impacts on potential demand from US markets)

*Poor quality and availability of road infrastructure* – poor road conditions and limited access to more remote areas limits tour itineraries, and safety/comfort concerns limit the appeal to some clients/operators

*Poor value for money/perceived as an expensive destination* – associated with high transport costs and the limitations in accommodation, infrastructure and service delivery

*Political instability* – weakens investor confidence, bureaucratic delays and possibly negative impacts upon client/operator perceptions of safety

## **Opportunities**

*Improve tourist accessibility to more protected areas* – to disperse tourists more widely, and to satisfy the needs of top-end tourists seeking more exclusivity in wildlife interactions

*Guide training* – including service delivery, language ability and conservation-related specialist subjects

*Development of guiding standards in National Parks* – to ensure codes of behaviour for tourists are more strictly enforced

*Increased incorporation of charitable/conservation projects into tour itineraries* – to encourage client donations and corporate support. This depends upon increased accessibility of project sites, development to assure customer appeal, and effective communication of the project activities to clients and operators

*Establishment of centralised financial procedures linked to small charitable/conservation projects* - in order to facilitate client and operator donations pre, during and post trip. Encouraging the donation of small, token amounts can offer significant value if organised on a collective basis

*Establishment of an airport and/or bed tax* – to collect monies for conservation initiatives

*Product diversification through cultural heritage* – to contribute to client appeal and satisfaction, disperse visitors more widely and provide increased opportunities for local community engagement in the tourist sector

*Development of a Malagasy award/label* - to recognise, reward and encourage good conservation practices in the private sector and increase client awareness of the issues

*Workshops for ground operators and international operators* – to encourage knowledge sharing of operational requirements and possibilities. Could be organised at destination level or during international trade shows.

*Development of marketing/promotion material* – by public and charitable bodies and private sector associations. To include photographs, accommodation features, conservation/biodiversity information, information on culture/heritage and translation of materials into more languages

*Improvement in accommodation stock* – focusing on areas with undeveloped tourism potential because the nearby accommodation is unsuitable. This should include eco-friendly lodges near protected areas, and creating a more authentic 'Malagasy ambience' throughout the accommodation sector

*Improvement in professionalism of servicing standards in the accommodation sector* – addressing problems in consistency in pricing and reliability in securing room reservations and in the prompt communication of such information in response to enquiries. This might be addressed through the development of a centralised database of accommodation stock which all operators can access.

*Better development of domestic air infrastructure* – including the provision of 'ready-made' circuits of flights to scheduling difficulties, and the permitting of limited construction of air strips to enable access to more remote areas for wildlife viewing, hiking etc. Such developments may also attract more private sector investment in accommodations

*'Open skies' policy to increase competition on international air access* – potential improvement in international services combined with more competitive fares

*Improvement of road infrastructure* – to meet comfort and safety requirements, and to increase the accessibility of more remote areas

## **Threats**

*Competing wildlife destinations* – primarily in Africa, but also wider afield to destinations such as the Galapagos Islands

*Competing luxury beach resort destinations* – primarily in other Indian Ocean destinations which can provide the standards of accommodation and service which clients and operators seek, and are currently considered to offer high value for money

*Cheaper 'substitute' destinations* – the time and costs associated with flying to Madagascar from many key source markets may negatively impact upon demand for comparatively more substitutable products such as beach holidays and hiking/trekking

*Global recession* – increased price sensitivity among clients may both weaken demand and limit operator and client propensity to donate to/support charitable/conservation initiatives

## **6.2 Propositions regarding client/operator willingness to pay for conservation initiatives**

### **6.2.1 Clients**

#### **Clients' awareness of donation opportunities is stimulated if:**

- Mechanisms are provided to encourage clients to make additional payments at the time of booking (such as details on operators' charitable foundations, or how funds are channelled to projects)
- Tour itineraries include visits to projects and mechanisms are established for clients to donate cash or electronic payments
- Clients are informed on how to make donations to projects through electronic transfer payments post departure

#### **Clients' willingness to donate is greatly stimulated if:**

- The value of donation is clearly communicated (in printed materials pre and post departure and/or verbally during the trip), and the benefits from supporting biodiversity projects are well explained
- Clients are confident that donations will be used effectively, and can see evidence of this
- Concern for biodiversity, conservation and the environment is evident in all aspects of trips (e.g. in hotels, transport, etc.)

#### **Clients are willing to donate comparatively higher amounts if:**

- The trip provides high value opportunities to interact with natural environments, wildlife and/or local communities
- They are highly satisfied with all aspects of the trip
- The experiences on the trip have touched clients in a personal way

#### **Clients' willingness to donate is low if:**

- The cost of trips is considered to be very high
- The quality of accommodation and tourism services is below expectation
- The guiding and facilities provided in National Parks are below expectation

#### **Clients' interest in donating to particular project types is high if:**

- The project incorporates 'hands-on'/tangible activities such as planting trees, close observation of endangered wildlife, or visiting schools or hospitals
- High educational/interpretive opportunity is provided through field experts or written communication material
- The benefits to local communities are evident

**Clients' interest in donating to particular project types is low if:**

- They consider that other funding/investment is a governmental or private sector responsibility (such as the development of transport infrastructure and supporting services for tourist facilities)
- They consider they have already sufficiently contributed through the payment of entrance fees (to National Parks and protected areas for example)
- They lack understanding of the value of donations. Benefits to the local people as a result of donations are often more readily apparent than those benefits from supporting biodiversity projects

## **6.2.2 Tour operators**

**Operators' awareness of opportunities to contribute to conservation initiatives is stimulated if:**

- Business partners (service providers and/or ground operators) identify and communicate opportunities
- Charitable/public organisations (such as ANGAP, WWF, Conservation International and GTZ) communicate and coordinate opportunities
- Public and private sector tourist associations (such as ONTM, TOP and Go To Madagascar) communicate and coordinate opportunities

**Operators' willingness to contribute to conservation initiatives is stimulated if:**

- It attracts business value (through promotional opportunities, client appeal, improved local relationships etc.)
- It brings personal satisfaction (primarily in smaller businesses) and/or wider staff satisfaction (primarily in larger businesses), through 'giving something back'.
- Opportunities and mechanisms for contributions are clearly communicated

**Operators' willingness to contribute to conservation initiatives is comparatively more if:**

- They operate at the luxury end of the market in which conservation interests are a central component of tour products and services
- They are motivated to receive special promotional advantage (through receiving awards for example)
- They have operated in Madagascar for some time, and at a relatively consistent volume of business

**Operators' willingness to contribute to conservation initiatives is comparatively low if:**

- They consider that tours already make a significant financial contribution
- Madagascar is not considered to be an important part of the company's product portfolio
- They do not consider that this is a responsibility for tour operators (and conservation initiatives should be led by governmental bodies, NGOs and/or private sector associations)

**Operators' willingness to contribute to particular types of conservation initiative is high if:**

- Projects are identified which can be incorporated into tour itineraries and contribute to conservation interests alongside furthering business goals (such as product differentiation, client satisfaction, promotional benefit etc.)
- The benefits of investment in terms of time and/or financial resources are readily apparent and highly visible to clients (such as training local partners in service delivery and/or sustainable tourism principles)
- Transparent, credible and efficient collection mechanisms are established for the collection and distribution of clients and operators' donations. This should ideally include some type of ongoing communication through project updates, newsletters etc.

**Operators' willingness to contribute to particular project types is low if:**

- Collection mechanisms are cumbersome and involve administrative costs
- It is considered that revenues raised will be diverted to non-conservation related purposes
- The government does not support measures by implementing effective policy and regulatory actions

### **6.3 Conclusion**

This report has addressed three key themes: how operational challenges and opportunities are linked to development of tourism and conservation initiatives in Madagascar, the nature of client awareness/interest in conservation and their willingness to contribute to initiatives, and attitudes towards the ways in which operators can make a contribution. Engendering increased international and ground operator support for action depends upon supportive policies and actions being implemented at government level. It is evident that the development of tourism and conservation projects is dependent upon improvements to accommodation, transport and service delivery. This is essential if Madagascar is to increase and maintain its appeal to top-end, luxury markets which can potentially provide a comparatively significant contribution to conservation programmes through following a low volume, high value strategy.

Operators demonstrate a high level of interest and awareness in conservation management, and report that their clients are willing to pay extra for a high quality experience in terms of service levels and interactions with the natural environment. Furthermore, encouraging quality is closely linked with conservation since both seek natural and appropriately managed interactions with local people and environments.

In order to maximise the potential linkages between tourism and conservation, destination-level collaboration is necessary to establish common and trusted procedures for collecting and distributing funds. This must include the development of financial, management and communication programmes to engender client and operator support for conservation initiatives at all stages of the trip; pre, during and post-departure. Many examples of good practices by international and ground operators related to conservation have been uncovered in this research, and the challenge now is to extend this into a wider critical mass of tools and engagement.

It is evident that the potential for financial donations is greatest when clients are in destination, and post-departure. To capitalise upon this potential, coordination is needed to promote awareness of projects to operators in order that sites are included itineraries. This requires projects to develop client appeal through the activities and information offered. Since operators are wary of the administrative and legal responsibilities of collecting and transferring collected funds, it is also important that projects offered a transparent and reliable financial management processes. A commonly managed approach might be effectively developed in order to coordinate communication and the collection of funds among smaller projects with limited resources. Enhanced efficiency and professionalism of projects can in turn also instigate operators to feature projects as a recipient of corporate support. Clients, international operators and ground operators are prepared to make limited individual contributions to conservation. In some instances, the contributions are highly significant, but overall, the greatest potential lies in the cumulative impact of coordinated actions to identify opportunities to link product offerings to conservation interests and to efficiently collect and channel donated funds.