

How Ecotourism can go Wrong: The Cases of SeaCanoe and Siam Safari, Thailand

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In 1989, two ecotourism operators started business in South Thailand – SeaCanoe, running kayaking trips in Phang Nga Bay, and Siam Safari, running nature tours in Phuket and South Thailand. Both companies have received international awards and recognition for their work in promoting environmentally sensitive tours yet their efforts seem to have been thwarted by the growth in mass tourism within South Thailand. Throughout the 1990s, Phuket received a three-fold increase in arrivals, and with it the establishment of many imitators of the original pioneers. This paper looks at the relationship between mass tourism and ecotourism and questions whether the two are compatible or mutually exclusive.

Background

In 1989, two ecotourism operators started business in South Thailand. SeaCanoe, running kayaking trips in Phang Nga Bay, and Siam Safari, running nature tours in Phuket and South Thailand. Both companies have received international awards and recognition for their work in promoting environmentally sensitive tours yet their efforts seem to have been thwarted by the growth in mass tourism within South Thailand. This chapter looks at the relationship between mass tourism and ecotourism and questions whether the two are compatible or mutually exclusive.

Phuket – a Growing Tourism Destination

Phuket, Thailand's largest island, is promoted by the tourist industry as the 'Pearl of the South'. Throughout the 1980s and 1990s, Phuket has developed into Asia's top tourist resort. Phuket lies 7 degrees north of the equator and has a varied terrain with sandy beaches and limestone cliffs. Inland are found forested hills and rubber plantations plus a huge variety of tropical vegetation. The island is one of South East Asia's main yachting destinations with full marina facilities and a deep sea port that is used by cruise ships.

Phuket was a destination for Thai tourists and backpackers until the start of mainstream tourism in the mid-1980s with the development of major hotels including Holiday Inn, Le Meridien and Club Med. Phuket International Airport receives hourly flights from the capital Bangkok, and daily scheduled international flights from around the region. With the advent of charter flights in the mid-1990s, the airport now handles 20,000 arrivals and departures a year. The island is connected to the mainland by two bridges, with bus services from Bangkok and Southern Thailand. There are 20,600 licensed hotel rooms on the island ranging from five star international resorts to small bungalows plus a large number of unlicensed guesthouses. Tourism has achieved a meteoric growth in the 1990s. Official arrival figures have doubled over a 10 year period to

2.6 million in 1998 (Tourism Authority of Thailand, undated). More recently, Thailand's tourism arrival figures have been boosted by three factors – the Tourism Authority of Thailand's (TAT) *Amazing Thailand 1998–1999* campaign, the Asian financial crisis and political instability in Indonesia (Bangkok Post, 1998; Bailey, 1998).

The area surrounding Phuket is a nature lover's paradise. The dramatic Phang Nga Bay, a proposed UNESCO World Heritage site, is situated to the north east of the island and contains over 150 limestone islands, with stunning cliffs, pock-marked with caves that are home to swiftlets, bats and other tropical wildlife. Mazes of mangrove forest line the estuarine bay. Once in the bay, whilst only an hour or so from the mainland, the experience is like being in the wilderness. Caves link the outside of limestone sea stacks to internal rooms, open to the sky known in Thai as 'hongs'.

Within the caves and caverns, swiftlets make nests that are harvested by the Birds Nests Monopoly. The nests are sold for prices up to \$US1000 a kilogram and used in such delicacies as bird's nest soup. Traditional methods are used whereby bamboo scaffolding is erected in the caves and workers scale the poles precariously to hand pick the nests from the walls of the caverns. The rights to harvest the birds' nests lie with the Birds Nests Monopoly. Until commercial tour operators started operating in Phang Nga Bay, the monopoly had no interest in the caves other than harvesting nests.

Kayaking – the Perfect Ecotourism Product?

John Gray founded SeaCanoe, initially as an extension of his kayaking operation based in Hawaii. Gray had specialised in multi day kayaking tours in the South Pacific Islands with a customer base almost exclusively of US tourists. Gray had planned to expand his operating territory to the South East Asian region and in 1988 ran his first survey trip to South Thailand.

In exploring Phang Nga Bay, Gray found that it was possible to take inflatable kayaks through the caves to the inner rooms or 'hongs' within the islands. Whilst these caves were known by local fishermen, their exploitation for commercial tourism had never been considered.

The tourist market at that time whilst growing, was at a transition stage. Wealthy tourists, staying at luxury resorts, were beginning to force out the backpacker market that had moved on to other destinations such as Ko Samui in the Gulf of Thailand. Phuket was growing as an up-market destination, with some rooms in luxury resorts rented out for several hundred dollars a night. There was certainly no real charter or package tourism market at that time, most of the tourists in hotels being FIT travellers, purchasing mix and match packages from specialist Asian destination travel brochures.

Gray found several local partners and the fledgling company started day trips to visit Phang Nga Bay. Gray's plan was to establish Thailand as a destination for multi day trips sold abroad, but cashflow was essential and he decided to run day trips into the bay to build up the business.

Initially, SeaCanoe sold tours from the Diethelm Travel hotel tour desk at Le Meridien Hotel, near the resort town of Patong Beach. The tour was in stark contrast to others offered to tourists in Phuket. Phang Nga Bay's 'James Bond

Island' made famous by the film 'The Man with the Golden Gun' was visited by many other tour operators. These tours sold for less than 1000 Thai baht (then \$US40) and included a boat trip to the island, with a stop for lunch at the stilted Muslim village of Ko Panyii in the north of the bay. The trip Gray offered was initially viewed by many as bizarre and expensive. Starting with a local 'long tail' boat, the vessel traditionally used by local fishermen, Gray and his colleagues took four people at a time into the bay. The boat was loaded with inflatable kayaks and a cook who would prepare lunch for the guests. In the bay, the guests would board the kayaks, and be taken, when the tide was just right, through the caves, to the hongos in the middle of the islands where wildlife could be stared in the eye. The hongos were like stepping back in time and remain to this day a marvel to tourists. The tour was very popular with guests, and sold for double that of any other tour offered around Phuket.

Quality, safety and environmental issues

One of the key points to SeaCanoe's day trip tours was that the caves and hongos could only take a limited number of kayaks at any one time. Furthermore, the time factor was crucial, because the caves could only be entered at certain tide levels. Too many kayaks would mean congestion with subsequent burdens being put on the environment itself (something that SeaCanoe felt very strongly about). Safety was also a major issue – too many kayaks with untrained guides could (and would) result in dangerous situations. For these reasons, SeaCanoe decided to limit the number of tourists that it would handle in one day – enforcing a no drinking, smoking, eating, talking or taking of souvenirs policy for its customers. Guide staff amazed customers by paddling off to collect floating garbage and taking it back to the escort boat for proper disposal. The company had developed a statement of purpose, which claims that:

SeaCanoe develops sustainable business opportunities with local people that promote environmental conservation by providing high quality recreational adventures specialising in natural history and cross-cultural education. (SeaCanoe, 1997/98, 1998)

SeaCanoe's business ethics, training and approach to the environment are not in question; on the contrary, there are very few businesses within the tourism industry in Thailand that are as passionate about environmental protection and rural development as SeaCanoe. Moreover the company had involved locals in its share structure, thus embodying the principles that were widely becoming accepted by the fledgling ecotourism movement.

In 1992, SeaCanoe experienced its first taste of competition, started by an ex partner. The tours offered the same destinations as SeaCanoe and used a network of the now extensive tour counters on the resort beaches of Phuket to sell their trips. At the time, it was widely recognised by the travel business that SeaCanoe was by far the better operator in terms of trip quality, staff training, equipment used and responsibility to the environment. However, bigger commissions to tour counters and a cheaper selling price helped to promote the growth of the fledgling competitor.

In many ways, SeaCanoe has been more successful in its overseas marketing than locally. By 1998, the company had received five tourism accolades, the first,

in 1995 was a regional winner in the British Airways Tourism for Tomorrow Awards. This was followed by a commendation by Green Globe (1996); a Gold Award for ecotourism by the Pacific Asia Travel Association (1996); an environmental/ecotourism award from the American Society of Travel Agents/Smithsonian Magazine (1997) and Best Inbound Tour by the Tourism Authority of Thailand (1998). The SeaCanoe management was experienced in marketing and promotion of its activities and over the years has been written about in dozens of newspapers and travel magazines as well as receiving extensive television coverage.

Competitive threats

By 1996, the term *SeaCanoe* had more or less come to mean 'sea kayaking tours in Phang Nga Bay'. The number of competitors had grown, and tour counters, respectable travel agents, tour operators and representatives were selling any of the now three other companies' products as 'SeaCanoe'. In many cases, a SeaCanoe logo and sales brochure was shown on display, but the actual product sold was a cheaper imitator. Over the years, SeaCanoe hosted overseas tourism students for internships. The students were routinely sent to Patong Beach, the main resort town in Phuket to pose as potential customers. In nearly every case, when contacting tour desks to buy an original SeaCanoe trip, they were presented with other operators as better options, or indeed as 'the original' company. Names like 'Sea Cave Canoe' and 'Sea Safari' confused tourists, many of whom thought they were taking a trip with the company that they had seen on television (Faculty of Hotel and Tourism Management, 1998).

Nick Kontogeorgeopolous' unpublished PhD thesis (Kontogeorgeopolous, 1998) is probably the most thorough documented study of SeaCanoe's business activities. In 1996, Nick made a survey of other kayaking operators and his field notes were published on the SeaCanoe web site to the annoyance of the other companies. In this report, Nick referred to other companies' *unappealing* and sometimes *disgusting food, decrepit escort boats*, and noted that some companies *ignored safety and natural history information*. He also reported that some companies had *minimal English language skills* (Kontogeorgeopolous, 1996).

Perhaps the most poignant statement made in Nick's unedited field notes is:

It basically seems to me that the passengers are all the exact same thing on all 4 companies. They all think the Thai guides are wonderful, friendly, etc., they all believe the food is good (whether it actually is or not), they all say how wonderful and fun and adventurous the trip is, etc. etc. The only difference where the tourists are concerned is that some are FITs and some are not. The actual differences come 100% from the actual companies (supply side). (Kontogeorgeopolous, 1996)

This final comment, in referring to the type of customer was key to the major problems that SeaCanoe were to experience in the late 1990s.

Commercial Pressure on Locally Owned Operations

There are several sales channels that can be, and were exploited that led to the increase in SeaCanoe's problems in the latter part of the 1990s. Within the tour-

ism industry, at a resort level, the overseas holiday company representative is a key figure. Many of the larger operators employ their own staff, smaller operators often use the services of ground handlers. The travelling customer's point of contact with the overseas operator is the representative who can be a mine of information for their clients as well as a sales point for tours. In most cases, the operator such as SeaCanoe will make a contract with the holiday operator or their wholesaler and will pay a commission for all sales made. In many cases, the representative will be salaried, and their company will pay a commission to them for all sales that they make. However, quite often, the representative will contract directly with a tour supplier, who will pay a full commission directly to him 'under the table'. That representative is then free to sell whatever he pleases to his customers, much like a tour counter, with his own captive market.

As the number of charter and package tours increased in the late 1990s, so did the number of sea kayaking companies. Holiday companies, under continual pressure to increase bottom line profits, found themselves in a position where they could contract with other companies for higher rates of commission. The charter companies' customers were generally less selective about the quality of the tour chosen – price became the deciding factor, rather than quality of experience.

Travel industry margins threaten quality operations

At about the same time, the Asian market started to take an interest in sea kayaking. In 1997, the contract price to agents for a SeaCanoe day tour was 2,000 baht plus sales tax. Some contractors demanded a net rate of 1,000 baht (or less) per customer which was something that SeaCanoe could not, and did not want to offer despite the promised number of tourists. The Asian travel business, with tourists especially from Korea and Taiwan, moves people around in caravans of 54 seat coaches, from tours, to restaurants, to commission paying souvenir shops. The smaller kayaking companies, with their lower standards, were happy to take up the offer of large numbers of low paying customers. Shuttle services into the caves became the norm, with escort boats that were licensed for 20 people (including crew) being loaded with sometimes double that number of people on board. In 1997, the first death at sea occurred, when a boat captain of a 'Sea Safari' vessel outside a cave reversed over one of their own guides who was sitting in a kayak and he was mashed by the boat's propellers.

During the high seasons (December–March) of 1997/8/9 the situation in the bay, in and around the caves and hongs became nothing short of a disgrace. Quite literally, dozens of kayaks form traffic jams and queues which give the impression of Bangkok's 'floating market' rather than a back to nature experience. Many of the kayak operators with no conservation policy and guests and guides were often seen getting out of their kayaks in the hongs, climbing mangrove trees, collecting coral, playing water fights and scaring off the wildlife such as monkeys which are rarely seen in the hongs nowadays. Despite much lobbying to the TAT and the Forestry Department, nothing was done by the authorities to improve the situation in the bay. What was once an exclusive nature experience had become a nightmare. The onus of responsibility was thrown back to the kayaking companies themselves by the authorities to sort out their own problems.

Pressures from outside the tourism industry

By 1998, there were some 11 sea kayaking companies operating in Phang Nga Bay, who formed a cartel known as the 'The Paddle Club for the Protection of the Environment'. Within Thailand, trade associations are quite powerful and are looked to by the authorities to provide the lead in many aspects of business. Several years earlier, at the suggestion of SeaCanoe and the TAT, an attempt was made to form a club to try and regulate the number of kayaks in the bay, but this was unsuccessful. SeaCanoe had advocated a system whereby time slots would be allocated to operators to reduce the number of kayaks in the caves at any one time. The agreement fell apart, and the fledgling association never got off the ground. The role of the new Paddle Club however was far more sinister. A partnership was made with the Birds Nest Monopoly who, under an old Thai law, had the right to harvest the swiflets' nests found in the caves. The agreement was simple – kayak operators had to pay the club 100 baht per guest for the right to enter the caves, this money would be passed to the Monopoly who would restrict the overall numbers of kayaks in the caves. This position was, and is still in question legally and the right of the Monopoly to impose a charge has gone as high as the Prime Minister's office. SeaCanoe refused to pay the charge, arguing that the bay was a National Park and that the Monopoly only had the right to collect nests, not to derive income from tourism. In not paying, they were denied access to the caves by the Monopoly. SeaCanoe attempted to enter the caves, to the displeasure of the Monopoly's armed guards and the dispute allegedly led to one of SeaCanoe's managers being shot and injured outside the company's office in Phuket Town in October 1998 (Rome, 1999).

As a result of SeaCanoe not being able to enter the caves, bookings dropped off dramatically and the company suffered considerably by a lack of sales in the 1998/99 high season.

Financial implications

It has been argued by some operators that *farang* (western) managed companies are not beneficial to Thailand. These arguments are usually based on xenophobia rather than economics. Much of the actual revenues, especially where Asian tourists are involved, end up overseas, not in Thailand. SeaCanoe retains 90% of revenues within Thailand (Lindberg, 1998), but a survey comparison of trip revenues by cheaper operators shows a far different picture. In 1998, SeaCanoe charged 2970 baht for a one day tour. Almost all of their sales were made to local agents, which meant that effectively, all of the revenue remained in the country. One of their competitors, however, sold its trip for 500 baht net rate. This trip was then resold to a Taiwanese operator for 1000 baht which was then offered as an optional tour for 4000 baht equivalent – only 25% of the actual trip selling price found its way into Thailand (Shepherd, 1998).

Elephants, Jeeps and Ecotourism

Robert Greifenberg moved to Thailand in 1989 after an agricultural background in Britain and Saudi Arabia. Greifenberg's approach to starting the business was different to Gray's. Whilst Gray had experience of the travel market from his time in Honolulu, Greifenberg had none. Starting with a small plot of

land, together with his wife Srivilai, he ran a small bungalow complex catering to backpackers and FIT clients. Greifenberg offered his *Siam Safari* nature tours to his guests in the form of trekking and jeep safaris around Phuket as well as off the island to places such as Khao Sok National Park. Greifenberg also took interest in showing tourists southern Thai lifestyle, by visiting rubber and other plantations and showing tourists a slice of village life. At that time, Phuket's infrastructure was not as developed as it is today and Greifenberg used his four-wheel drive jeep to take tourists to hidden parts of the island. It was not, however, until 1992 that tour agents began to take interest in his products and Siam Safari took off (Siam Safari, 1999a, b).

Local infrastructure and development

It is often suggested that tourism is responsible for over-development, and in many cases this is true. However in Thailand, whilst tourism development is now a major contributor to the country's GDP, much of Thailand's post-war growth has mainly been fuelled by agricultural exports. As a result of Thailand's increased wealth as a developing nation an infrastructure has been put into place that accommodates tourism well (Phongpaichit & Baker, 1996). One of the benefits to farming and rural development, in Phuket especially, has been the road infrastructure on the island. Previous dirt tracks and paths have given way to paved roads as part of Thailand's accelerated rural development project, which meant that safari tours became less exciting as the island became scarred with asphalt trails.

In 1989, commercial logging was banned in Thailand. Elephants, previously used for logging purposes had in effect destroyed their own natural habitats as Thailand's forests had reduced from 95% of the land area 150 years ago to about 15–20% today. Their mahouts, now out of work, took the elephants into cities such as Bangkok where they were used for begging. Baby elephants were also found in major hotels where they were shown off as tourist attractions (Greifenberg *et al.*, 1998).

At the end of 1994, Siam Safari was the first company to introduce elephants in Phuket providing trekking tours for tourists. Elephants are expensive to keep, eating 250 kg of food and drinking 200 litres of water a day. As with the case of SeaCanoe, imitators sprung up all over the island. Many elephant camps were set up along the picturesque mountain roads in Phuket, which relied on passing trade as well as paying commissions to tour guides. At times of drought, it was been reported that many of the elephants were not given enough water to drink or bathe and many incidents of abuse have been reported. In 1998, Siam Safari, together with the Dusit Laguna Resort Hotel, founded Elephant Help – the Thai Elephant Welfare and Conservation Project. Despite the efforts of Greifenberg and Elephant Help to support elephant welfare in Phuket, the introduction of treks brought many problems.

Siam Safari set up a camp on Phuket from which they run elephant treks and multi experience one day and half day trips. Trip options are numerous with opportunities to also see working monkeys picking coconuts, visit rubber plantations, see traditional Thai food being prepared in the jungle, short kayak trips in mangrove estuaries and trekking in the jungle.

More imitation and unfair competition

As with SeaCanoe, imitators, using similar logos, itineraries and generally passing off as Siam Safari have set up in business. Mass tourism has driven prices down and Siam Safari have experienced similar problems to SeaCanoe with unscrupulous tour operators and competitors. By 1999, there were 17 elephant trekking companies in Phuket with a total of 170 elephants of which Siam Safari had 23.

A different problem in the field of Jeep Safaris took place in Phuket with the advent of illegal operators. One company – and there are no doubt more – operates exclusively during the high season using all foreign guides (which is forbidden under Thai law) using rented Suzuki Jeeps. Package tour representatives sell the tours directly to German tourists. Such activity, apart from being completely clandestine and illegal, does incredible damage to potential tourism income. All of the revenues are taken without paying any tax, no locals are employed and much of the money leaves the country.

Siam Safari was honoured by the TAT as the Best Tour Programme in 1996; in 1997, the company received the British Airways Regional Tourism for Tomorrow Award and in 1999, PATA awarded Siam Safari a Grand Award for Ecotourism and Thai Elephant Conservation.

Greifenberg tries not to use the word 'ecotourism' in his marketing, not because he does not apply those principles to his business, but because he feels that the word is far too abused. Recently, he has been at pains to ensure that his jeep safaris, treks and other activities have no impact whatsoever on the environment by completely avoiding sensitive areas.

Mass tourism versus ecotourism

The problems that Siam Safari has experienced in Phuket are less complicated than those experienced by SeaCanoe, but nevertheless the problems are real. With a fleet of 25 Land Rovers, over 20 elephants and the capacity to handle 150 people on a one-day trip, Greifenberg is not happy with the way his company has grown. He feels that he has been forced into catering to mass tourism as the only means to survive. He claims that competition has forced the product into the mass market from its humble beginnings, which was never his intention. He sells at prices that are similar to those charged 10 years ago, despite considerable inflation, especially as a result of the Asian currency collapse in 1997.

Conclusion

What then is the future for ecotourism operators faced with a market of mass tourism? It is clear that the principles of ecotourism embodied in the two companies discussed are diametrically opposed to large numbers of tourists, bottom line profits of international tour operators and unscrupulous business practices. But what are the options? In both cases, the authorities are rather powerless to help. The Thai government has a somewhat *laissez-faire* attitude to business and the government's agencies and departments are also powerless to help. The Tourism Authority of Thailand has a role of promoting tourism in the Kingdom, regulation is more a matter of registration of a business as a tour operator and there are no real laws to control what could be seen as esoteric principles of tour-

ism activity. Whilst the overall control of the National Parks falls under the Forestry Department, the rules and regulations do not relate to overcrowding. As long as trees are not being felled, and wildlife is not being damaged, there is little that the authorities can do.

It is easy in the West to talk about rules and regulations within the tourism industry. Despite central government rhetoric, in developing nations, understanding and principles of environmentally sensitive tourism at a local level is very hard to get across, especially in the light of potential business opportunities. Industrial development, particularly in the Gulf of Thailand and dam construction for the country's electricity demand, imposes far more environmental damage than dozens of kayaks, jeep safaris or elephants in a discrete area. The new Thai constitution of 1997 includes such provisions, as 'a person's ultimate right to work to provide support for the family'. Ultimately, Thailand is a sovereign nation, and the authorities have the right to govern the Kingdom in whatever way they think is right, as long as international laws and human rights are not abused. Taking this into consideration, whilst ecotourism professionals and environmentalists may lament at such a tragic situation, maybe our efforts should be directed more to the mainstream tourism industry itself. The West is beginning to take the problems of child prostitution in Asia on board in an interesting way – offending nationals involved in sex with minors overseas can now be prosecuted back home in some countries. European Union laws make tourism operators responsible for the welfare of their customers whilst overseas. Maybe the West should be doing more to influence its own tour operators to be more responsible with what they offer to tourists.

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