Contributing to sustainable tourism models. The feasibility study of the Craik's ecovillage in Scotland

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Abstract

In the last decades, sustainable tourism models have become a key topic in the academic debate, as well as in policy makers' strategies. Within the tourism industry, there is an emerging need to match the expectations of a new and consistent niche of tourists, who increasingly demand tourism accommodation facilities with ecological features. The arising of the eco-consumers keeps opening today economic opportunities for businesses.

The paper analyses the economic and social feasibility of Craik, an ecovillage project in a remote area of Scotland, which aims to adopt sustainability practices in every aspect of its tourism facilities (e.g. low carbon building; use of green energy; wastewater treatment).

The study is divided in three main parts: the first adopt a marketing perspective in order to investigate the demand and the supply of the international ecotourism market; the second analyses the market of high quality lodge accommodation in Scotland and the Borders; the third explores the potential outcomes of the project in terms of revenues, number of employees and partnerships with local businesses.

The paper concludes that the Craik's ecovillage project could represent a challenging opportunity to experiment with a new model of sustainable tourism accommodation in Scotland. However, final recommendations suggest the need to rethink the product in terms of ecolodge design, to provide high quality furnishing products and a detailed profile of potential customers, as well as the need to identify specific marketing strategies that could effectively match tourists' expectations.

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1 Overview of the study

1.1 The Craik's Project

The feasibility study takes place from the Craik Zero Carbon Project (CZC), an initiative ideated by the University of Strathclyde, UK, and leaded by Fiona Bradley, in partnership with public bodies and private organisations. The CZC plans to research, pilot, analyse, and compare a number of innovative, sustainable building design theories using zero carbon technologies and renewable energy systems. The project is based within a new holiday ecovillage community sited near the remote hamlet of Craik, about 12 miles North-West of Hawick in the Borders, Scotland.

CZC involves a number of cross-disciplinary parties all working together with a Property Developer with the aim of creating a low carbon, sustainable, demonstration eco-community. It brings together the University of Strathclyde's Architecture, Civil Engineering, Electronic and Electrical Engineering, Mechanical Engineering and Chemistry Departments alongside Building Research Establishment (BRE) Group, Scottish Power, Scottish Enterprise and the client (Property Developer) Ecofitter. This marketing study represents a socio-economic contribution to the project and aims to analyse the socio-economic feasibility of establishing such a eco-village, exploring both the demand side markets and supply side facilities and local characteristics. Moreover, the study aims to contribute to sustainable tourism models and practices, analysing a concrete case of an eco-village project. The starting point of this marketing report is the history of the Craik ecovillage project and a description of the proposed site facility.

Site Acquisition

In 2004 a company, MDR Board Limited, bought land and obtained planning permission for a caravan park, which consisted of accommodation for 52 caravans, 35 touring caravans, and 15 static caravans on 8 acres out of a total of 15 acres of field at Craik. The previous owner had had planning permission for a holiday development in the steading, which consisted of a restaurant and some other facilities and so MDR submitted a further planning application for 52 log houses in 2004, which was approved in 2007. The log houses, manager's house and a bunk house make up the main planning consent which this marketing study relates to but MDR also obtained planning consent within the steadings complex for nine conversions of traditional farm buildings and also two new-build houses within the steading complex.

In 2007 an additional company WAM, Wood Assessment Management, Limited, was created, and this company structured a deal in 2007 with MDR to purchase the development of the log houses. In 2009 the company WAM purchased the steadings from MDR with planning consent for a conversion and additional new-build houses essentially giving it planning permission 60 houses. WAM have since sold one plot to another company called IS Property limited and IS Property limited have built the log houses that can currently be seen at Craik. Both the companies, WAM and IS Property are managed by Mr Iver Salvesen, who is also the main companies' shareholder. Outside the log houses and the steadings development there is a small development of four houses in the village of Craik, which is owned and managed by Muirhouse Farm partnership. These four houses have been designed specifically to have four micro business units:

- a farm shop café
- a bike hire and repair centre
- a beauty treatment centre
- a pellets and timber shop for heating and wood products.

Project Strategic Directives

The above information can be summarised into at least three significant issues of the report. The first issue deals with the change of use from a caravan park to log houses, which enlarges the project development in a couple of ways. The total project impact in terms of investment, revenues, employment that can be obtained by a log house village, is significantly higher than for a caravan park. In addition, as it is an important ambition of the project to make commercial use of the eco-village property not only in summer time but also in other periods of the year, the eco-village can increase its chances of success by providing a better level of comfort in the accommodation facilities.

The second significant point consists of the addition, in the present planning consent, of a manager's house and a bunk house, which enhance the type of services that the eco-village provides to its customers. Indeed WAM has already prepared a detailed plan for modifying the use of the manager's house to a visitor centre and the bunk house to a restaurant. Having a visitor centre, a restaurant and some shop space inside the ecovillage is a strategic decision to try to achieve economic feasibility for the whole project because as mentioned above, Craik is about 12 miles from Hawick, and is a small village of a few houses which, at the moment, has no shops or tourism facilities.

The third important aspect of the project, which relates to the previous point, consists of the intention to deliver some services in the village of Craik that are not located within the ecovillage, but are linked to it. These activities will be initiated by small businesses, and can be considered part of the aggregate tourism supply at Craik. In fact, the entrepreneurial philosophy for the Craik project is that revenue from tourism services should be sequestered within the eco-village and the economic benefits distributed throughout the surrounding area. It is indisputable that the ecovillage represents the main economic investment at Craik village but, for its own viability, it needs to be linked both economically and socially to the local community of Craik village.

In summary, the Craik CZC ecovillage aims to offer 52 four star lodge-houses of two types (2 bedroom and 4 bedroom), for approximately 260-280 people, a restaurant-café for 60 staying customers, and a visitor centre located in the manager's house, open to all visitors. A map of the project area can be viewed as Figure 1. In addition, the ecovillage investment is linked to four shops located in Craik village and run by private entrepreneurs, which sells crafts to all visitors. The project's philosophy relies on the ecological and environmental and social sustainability of the buildings through low carbon design, minimising the use of energy and water and also the utilisation of renewable technologies and the recycling of waste. Essentially, the Craik ecovillage project aims to be a pioneer in a holistic and sustainable approach towards cutting edge tourism supply in Scotland and in the United Kingdom.

Figure 1: Map of Craik Project Area

1.2 Purpose of the Study

This study explores the economic and social feasibility of this proposed tourism ecovillage from a marketing perspective. To this end, it is necessary to investigate the characteristics of the demand side of the ecotourism market, and the tourism landscape in Scotland and in the Borders. In particular the viability of the project is considered from three perspectives:

- a marketing perspective that investigates the demand and supply side characteristics of the ecotourism market
- an exploration of the market for high quality lodge accommodation in Scotland and the Borders
- a socio-economic analysis which explores the potential impact of the project in terms of revenue, number of employees, small businesses and partnerships with local players.

The report also examines two salient points of observation: firstly the specific perspective of the property developer (WAM, IS and Muirhouse Farm) focussing on the economic profitably of the investment and secondly the more holistic perspective which embodies the socio-economic effects of the eco-village both in relation to the local community and the Scottish Border's tourism economy. The financial feasibility of the Craik project is not considered in this report; instead feasibility is specifically limited to marketing issues. Project viability is highlighted in relation to the potential market for "ecotourists", the expectations of potential customers and the location. Feasibility is also analysed in terms of price: is there a potential market for an ecovillage in the Scottish Borders?

One specific constraint on this study lies in the fact that the finer details of the Craik ecovillage product remain unclarified. Usually a marketing analysis would be based on a specific and detailed product but in this case, the product will be a future outcome. For this reason, some issues can only be outlined, e.g., in the case of "matching the expectations of potential customers". Although the report focuses on marketing feasibility, the Craik's property (WAM) can take inspiration from the product analysis, in order to create its own tourism product. As introduced above, the Craik project represents a unique case of sustainable accommodation facility in Scotland and in United Kingdom, because of its characteristics as a log house site in which building, energy, water and waste are combined and processed in an ecological way. Being a pioneer of tourism ecovillage provision in the Borders and in UK, the project does not have direct competitors within the market. For this reason, the analysis of competitors deals with self-catering accommodation in Scotland and the United Kingdom that present similar characteristics to the proposed offering in Craik ecovillage.

The methodology of the marketing report is mainly based on a qualitative approach considering the rationale for the project and the exploratory purpose of the study. This report is the outcome of a relatively short period of work, in which much attention has been focussed on the analysis of local/national tourism features and trends, as well as similar operations. The methods chosen are a brief literature review of ecotourism and ecolodge provision, observations and interviews with key informants and secondary data from VisitScotland.

The literature review provides a picture of the characteristics of the ecotourism market and provides guidance for reflecting upon the blurred boundaries between the classification of the ecotourists and those tourists who are not "eco". Observations in the field have been carried out to explore new market trends, e.g., for observing how log houses are replacing the campsites (examples in Perthshire) or for studying visitor centres as tourist attractions, near Glasgow. Interviews with key informants have been conducted as part of a study into the Findhorn ecovillage in Moray, and anecdotal evidence from these interviews have been described in Chapter 4. This existing ecovillage is not a direct competitor to the Craik ecovillage project because it does not sell tourist facilities. However it represents an interesting example of a village that is applying sustainability principles in buildings, energy and community life. Findhorn ecovillage has also been used as a benchmark for highlighting the socio-economic impacts of this type of development.

Secondary data is used to provide a picture of the main tourism features in Scotland and in the Scottish Borders, paying particular attention to self-catering accommodation facilities. Finally focussed, web-based, desk research has been conducted to identify the characteristics and prices for self-catering facilities in the Borders and in the UK generally, in order to estimate potential prices and income for the Craik ecovillage.

Although the research has used a qualitative approach it is suggested, for greater accuracy, that a quantitative approach should be adopted for targeted areas of the market that still remain unexplored. For instance, a survey about potential UK eco-customers examining issues such as status, profile, motivation, activities, expectations, income and so on, could bring detailed information for framing and delivering potential Craik tourism services.

2 Current market analysis in the ecotourist consumers

This Feasibility Report is specifically concerned with the ecotourism market. For conceptualizing the feasibility analysis of the Craik project, the starting point is inevitably the definition of this tourism segment and its features. The contribution of existing literature relating to ecotourism has been studied from three perspectives: firstly definitions and boundaries about the concept of ecotourism have been identified; secondly dimensions and trends at international level of the ecotourism market have been highlighted and thirdly, investigating the characteristics of ecolodge customers.

2.1 Definition of ecotourism

In the academic literature, the term ecotourism appeared in the 1980s (Ceballos-Lascuráin, 1986) and has emerged as one of the most widely discussed and debated concepts within the broader tourism sector. This is in concert with the trend toward a "greening" of the marketplace (Antil, 1984; Dychtwald and Gable, 1990; Wight, 1994; Roberts, 1996) and the transition of ecotourism from a niche to a mainstream product (Litvin, 1996).

Table 1: Categories of tourism according to The Worldwatch Institute

Category	Definition
Adventure tourism	A form of nature-based tourism that incorporates an element of risk, higher levels of physical exertion, and the need for specialized skill
Ecotourism	Responsible travel to natural areas that conserves the environment and improves the welfare of local people
Geotourism	Tourism that sustains or enhances the geographical character of a place-its environment, heritage, aesthetics, culture, and the well-being of its residents
Mass tourism	Large-scale tourism, typically associated with 'sea, sand, sun' resorts and characteristics such as transnational ownership, minimal direct economic benefit to destination communities, seasonality, and package tours
Nature-based tourism	Any form of tourism that relies primarily on the natural environment for its attractions or settings
Pro-poor tourism	Tourism that results in increased net benefit for the poor people
Responsible tourism	Tourism that maximizes the benefits to local communities, minimizes negative social or environmental impacts, and helps local people conserve fragile cultures, habitats, and species
Sustainable Tourism	Tourism that meets the needs of present tourist and host regions while protecting and enhancing opportunities for the future

Source: The Worldwatch Institute Report, 2005

There is emerging agreement that ecotourism, at its most basic, entails three fundamental criteria (Blamey, 1997; Weaver and Lawton, 2002):

1. ecotourism attractions should primarily involve the natural environment, with associated cultural attractions constituting a secondary component;
2. the interaction between the ecotourists and the environmental attraction should be based on education, learning and appreciation. This differentiates ecotourism from the other form of nature-based tourism, in which the natural environment is a convenient setting for fulfilling other kinds of motivations (e.g., thrill seeking, or hedonism such the case of 3Ss - sun, sea and sand);
3. ecotourism is expected to be environmental, sociocultural and economically sustainable.

From another perspective, which also embodies the terms of “eco”, “sustainable”, and points out the concept of “responsible” tourism as well, ecotourism is broadly defined as nature-based tourism with three special features: it minimizes the negative environmental, economic and social impacts often associated with mass tourism; it delivers a net positive contribution to environmental conservation and it improves the livelihoods of local people (Lindberg and Hawkins, 1993; Cater and Lowman, 1994; Barkin, 1996; Ceballos-Lascuráin, 1996; Honey, 1999; Wearing and Neil, 1999). In other words, it is tourism that attempts to minimize negative impacts and make instead serious positive contributions to a number of today’s environmental and social challenges (Stronza, 2008). From the perspective of The International Ecotourism Society (TIES, 1990) and The Worldwatch Institute (2005) ecotourism has a more restrictive definition: responsible travel to natural areas that conserves the environment and improves the welfare of local people.

2.2 **International trends in Tourism and Ecotourism profiling**

The International Ecotourism Society (2006) offers a useful overview of the international trends in tourism (Figure 2) that are useful as background information in understanding the ecotourism market.

Figure 2: Trends in international tourism

Tourism Overview

Size of Global Tourism:

- As the largest business sector in the world economy, the Travel & Tourism industry is responsible for over 230 million jobs and over 10% of the gross domestic product worldwide.
- In 2006, Travel & Tourism (consumption, investment, government spending and exports) is expected to grow 4.6% and total US$6.5 trillion.
- If tourism were a country, it would have the 2nd largest economy, surpassed only by U.S.
- In over 150 countries (four out of five), tourism is one of five top export earners. In 60 countries, tourism is the number one export.

Global Growth of Tourism:

- 1950: 25 million tourist arrivals.
- 1990's: Tourism grew globally at 7% per year.
- 2004: 760 million tourism arrivals corresponded to a 10% global growth.
- 2005: The number of international tourist arrivals recorded worldwide grew by 5.5% and exceeded 800 million for the first time ever.
- 2020: Global tourism is forecast to reach 1.56 billion international arrivals.

Importance to Tourism in Developing Countries:

- Tourism is a principle "export" (foreign exchange earner) for 83% of Developing Countries, and the leading export for 1/3 of poorest countries.
- For the world's 40 poorest countries, tourism is the second most important source of foreign exchange, after oil.
- Over last decade, tourism has been "the only large sector of international trade in services where poor countries have consistently posted a surplus."
- International tourism in developing countries is increasing by 9.5% a year compared to 4.6% worldwide.
- Tourism "appears to be one of the few economic sectors able to guide a number of developing countries to higher levels of prosperity and for some to leave behind their least-developed country status.

Negative Impacts of Tourism

- There are 109 countries with coral reefs. In 90 of them reefs are being damaged by cruise ship anchors and sewage, by tourists breaking off chunks of coral, and by commercial harvesting for sale to tourists.
- Cruise ships in the Caribbean are estimated to produce more than 70,000 tons of waste each year.
- An average 18-hole golf course soaks up at least 525,000 gallons of water a day - enough to supply the irrigation needs of 100 Malaysian farmers.

Source: ITSE Global Ecotourism Fact Sheet, 2006

Moreover, ITIES (2006) provides detailed information about the ecotourism market, in terms of the size of global ecotourism; the economics of ecotourism versus mass tourism; consumer demand and the profile of ecotourists in Europe. Further detail on each of these dimensions is provided below.

Size of Global Ecotourism (ITIES, 2006)

- Beginning in 1990s, ecotourism has grown by 20% - 34% per year.
- In 2004, ecotourism/nature tourism grew globally 3 times faster than the tourism industry as a whole.
- Nature tourism is growing at 10%-12% per annum in the international market.
- Sun-and-sand resort tourism has now "matured as a market" and its growth is projected to remain flat. In contrast, "experiential" tourism (which encompasses ecotourism, nature, heritage, cultural, and soft adventure tourism, as well as sub-sectors such as rural and community tourism) is among the sectors expected to grow most quickly over the next two decades.
- United Nations Environment Programme (UNEP) and Conservation International have indicated that most of tourism's expansion is occurring in and around the world's remaining natural areas.
- Sustainable tourism could grow to 25% of the world's travel market within six years, taking the value of the sector to £250 billion (US$473.6 billion) a year.
- Analysts predict a growth in eco-resorts and hotels, and a boom in nature tourism - a sector already growing at 20% a year - and suggest early converts to sustainable tourism will make market gains.

Economics of ecotourism vs. mass tourism

- In Dominica, in the Caribbean, "stay over" tourists using small, nature-based lodges spent 18 times more than cruise passengers spend while visiting the island.
- In Komodo National Park in Indonesia, independent travellers spend nearly US$100 locally per visit; package holidaymakers spend only half this. In contrast, cruise-ship arrivals who spend an average three cents in the local economy.
- 80% of money for all-inclusive package tours goes to airlines, hotels, and other international companies. Eco-lodges hire and purchase locally, and sometimes put as much as 95% of money into the local economy.
- The daily expenditure of cultural tourists (over €70/US$90) is higher than visitors on a touring holiday (€52/US$67), beach holiday (€48/US$62), city break (€42/$US$54) or rural trip.

Consumer Demand

- More than two-thirds of U.S. and Australian travellers, and 90% of British tourists, consider active protection of the environment and support of local communities to be part of a hotel's responsibility.
- In Europe:
  - 20%-30% of travellers are aware of needs & values of sustainable tourism.
  - 10%-20% of travellers look for 'green' options.
  - 5%-10% of travellers demand 'green' holidays.
- In Germany, 65% (39 million) of travellers expect environmental quality; 42% (25 million) "think that it is particularly important to find environmentally-friendly accommodation."
- Nearly half of those surveyed in Britain said they would be more likely to go with a "company that had a written code to guarantee good working conditions, protect the environment and support local charities in the tourist destination. Ethical tourism will rightly be a big issue in the new millennium" (WTO, 2001).
- A survey of U.S., British, and Australian travellers revealed that 70% would pay up to $150 more for a two-week stay in a hotel with a "responsible environmental attitude.
- In a U.K. survey, 87% of travellers said their holiday should not damage the environment; 39% said they were prepared to pay 5% extra for ethical guarantees.
- 53% of American travellers say their travel experience is enhanced when they learn as much as possible about local customs and culture.
- 95% of Swiss tourists consider respect for local culture to be highly important when choosing a holiday.
- Nearly a third (46 million) of U.S. travellers buy specifically from companies that donate part of their proceeds to charities. In Europe, where there is a strong and growing sustainable tourism movement, these figures are even higher.

Profile of Ecotourists in Europe

- Experienced travellers
- Higher education
- Higher income bracket
- Age: middle-age to elderly
- Opinion leaders
- Ask & tell their friends & colleagues about trip

- Are the most important source of trip information

2.3 Characteristics of ecolodge customers

On completing the eco-demand's analysis, the third part of this section concentrates on profiling the characteristics of ecolodge customers, to establish useful marketing recommendations for the Craik ecovillage project. Weaver and Lawton (2002) analysing ecolodges in a national park in Australia, reveal three distinct ecotourist segments on the hard–soft spectrum:

- 'Harder' ecotourists have a strong desire to learn about nature, enjoy visiting wild and remote destinations, look for physical and mental challenges and prefer backpacker accommodations, camping and recreational vehicles. Demographically, the hard-core ecotourists are much younger, more highly educated and less likely to be in a high-income bracket than the other ecotourists.
- 'Softer' ecotourists who are less committed to the environment, and enjoy beach resorts as much as nature settings, favour accommodations with a good array of services and facilities. Demographically, softer ecotourist tend to travel with their family, are highly educated and are usually from a high-income bracket.
- 'Structured' ecotourists are a blend of harder ecotourists and softer ecotourists who are committed to the environment and yet expect high level of services and facilities. Demographically, they are older travellers who are within the high-income bracket. Structured ecotourists are more likely to arrange their travel through travel agents, and prefer a hard ecotourism experience that is interpreted for them.

Moreover, Weaver (2002) exploring the perceptions and socio-demographic characteristics of hard-core ecotourists in an Australian national park, finds that hard-core ecotourists have high levels of environmental commitment and support enhanced sustainability, want physically active and challenging experiences, travel in small groups, take longer trips, demand fewer services, make their own travel arrangements and are more active in their search for information.

In exploring the ecolodge patrons in Belize, Kwan, Eagles and Gebhardt (2008) state that the customers of the Belizean ecolodges have some demographic characteristics similar to those of ecotourists found in other studies: middle-aged, highly educated, and employed with high levels of income. Budget ecolodges provide an ecotour experience for a group of younger, well-educated travellers that are either not employed, self-employed or part-time employed with low incomes.

Table 2 - Classification of ecolodge market segments

Categories	Description	Price range
Upscale	- Have highest room rates of all categories. - Provide full, high-quality amenities, including spacious rooms, bathrooms, bar and fine cuisines, gift shops and/or a conference centre. - Include education component, such as bird- watching or wildlife viewing facilities; equipment rentals; licensed guides; a library; a complete trail system; organised ecotourism tours; on-site ecotourism/adventure activities. Some lodges have their own interpretation centre, farm or garden	Greater than $100 USD per person per night
Mid-price	- Have medium prices. - Provide full service, but with fewer amenities than upscale ecolodges. Have reduced food and beverage, bar and meeting facilities. Less luxurious than upscale ecolodges. • Have an education component that usually includes a library, a trail system and organised ecotourism or nature tours and shared equipments for wildlife viewing. Some lodges may include an interpretation centre	Between $ 40 USD and $100 USD per person per night
Budget	- Are the cheapest among all categories. - Provide simple lodging with basic utilities, such as running water, showers, bathrooms and electricity. - May include education component, such as a trail system and a basic library	Less than $40 USD per person per night

Source: Kwan, Eagles and Gebhardt, 2008, p.700.

This group has some similarities to backpackers; young, preference for lower priced accommodations and an emphasis on meeting similar people (Sorensen, 2003). Kwan, Eagles and Gebhardt (2008) also note that the mid-priced group ranks several attraction and social motives higher than the other groups. The mid-priced group also rank in importance several attributes as high as the upscale group. This implies that the mid-priced group is the hardest to satisfy. They expect almost as much as the upscale group for a much lower price.

Kwan, Eagles and Gebhardt (2008) state that individuals patronising budget ecolodges are more likely to have prior experience with nature-based accommodation or ecolodges (60% were familiar). The mid-price and upscale patrons have less prior experience with ecolodges. Rao and Sieben, (1992) underline that individuals with little or no familiarity with a product or service wish to pay a lower price than those who are informed. They also state that as familiarity increases, an individual's acceptable range of price increases so that their upper and lower limits fit with the market value of the product or service. Kwan, Eagles and Gebhardt (2008) state that when an individual is unfamiliar with a product or service he/she is more likely to choose the mid-priced item. Lower price typically signals poorer quality. Higher price may mean unnecessary services. So, possibly, the people with the least experience with ecolodges therefore choose the middle price.

Table 3 - Synthesis of Kwan, Eagles and Gebhardt's study (2008)

Factor	**Budget**	**Mid-Price**	**Upscale**
Age	16-35	36-55	36-55
Residence	USA (52.8%) Canada (15.3%) Europe (18.1%)	USA (75.2%) Canada (15.5%)	USA (82.3%)
Education	Least educated 66.6% Bachelors degree or above	Middle educated 77.5% Bachelors degree or above	Most educated 83.1% Bachelors degree or above
Employment	Employed full-time 31.9%) Part-time (12.5%) Not employed (15.3%) Self-employed (20.8%) Student (12.5%)	Employed full-time (51.2%) Retired (18.6%)	Employed full-time (50.0%) Homemaker (6.9%)
Income	<10,000–50,000	30,000-100,000	100,000->140,000
Party composition	Most likely: Alone More likely: Alone or organised group•	Most likely: Spouse More likely: Spouse	Most likely: Spouse More likely: Family (adult&children) and friends
Trip length	>15 days	8-11 days	4-7 days
Other accommodations	Most likely: Guest House More Likely: Friends and relatives, campsite, private cottage, local village	Most likely: Hotel/ motel/resort •	Most likely: Hotel/motel/resort More likely: Cruise ship, sailboat, time-share, condominium
Travel motive	Meet people with similar interests Visiting friends and relatives	Barrier reefs Mayan archeological sites Warm climate Being together as a family Visiting friends and relatives Seeing as much as possible Being physically active	Being together as a family
Importance	Top : Value for money	Top: Value for money	Top: Quality of environment
Past experience	Yes (51,5%)	No (57,4%)	Yes (59,7%)
Weaver's classification	Hard	Structured	Soft

Source: Kwan, Eagles and Gebhardt, 2008, p.715

Kwan, Eagles and Gebhardt (2008), present a rich contribution about ecolodges' customers that has been synthesized in the Table 3. Although their survey was conducted in Belize, their study has gathered valuable knowledge about the ecotourism consumer, as well as ecolodge patrons. In fact, they also have made a comparison with Weaver's research (2002), which represents an important study in this topic.

On considering the case of Craik ecolodge village, it is reasonable to assume that the potential ecolodge patrons can be identified among the mid-price and upscale categories, or, adopting the Weaver's classification (2002), among the “structured” and “soft” customers. In fact, combining the characteristics taken from international ecotourism researches and the tourism Scottish features, it is indisputable that the “budget” group, composed by young people with low income, should not be the main target of self-catering facilities in the Borders, neither a potential target of Craik's ecovillage. Combining the insights that emerge through studies and analysis about the ecotourism market and ecolodge patrons, the potential customers for the Craik's ecovillage might have these main features:

Potential Ecotourists at Craik’s ecovillage

- Age: adult-middle age
- Education: middle-high education
- Employment:
  - full time employment,
  - early retired
- Income: higher income bracket (£40,000-£100,000)
- Party composition:
  - family (adult & children) and friends;
  - spouse and friends
- Travel motivations:
  - being physically active,
  - being together as a family
- Interests:
  - hiking, cycling, walking in the forest
  - learning about environment and renewable energies
  - peaceful environment
  - being curious versus ecotourism products
  - ecological life style
- Facilities:
  - interpretation centre,
  - bird watching or wildlife facilities,
  - equipment for wildlife viewing,
  - library

3 Tourism market conditions in Scotland and in the Borders

3.1 Tourism feature in Scotland: volume, value, and demand characteristics

In 2009, around 15 million overnight tourism trips were taken in Scotland, for a total of 68 million nights (VisitScotland, 2009). The annual spend (calculated by adding together board and lodging, plus transport costs for overseas visitors) was over £4 billion. Scottish tourism generates 5% of Scotland's GDP, contributing 11% of the services sector and 13% of all employment (VisitScotland, 2009). Tourism is based mainly on domestic demand (UK) which contributes more than 12 million of the tourism trips – about 83% of trips. Overseas tourism accounts for 17% of the total. However, as international tourists' per capita expenditure is higher overall, overseas tourism contributes one third of total tourism spend.

Table 4 Volume and value of tourism in Scotland, 2009

	Trips (m)	% of total	Nights (m)	% of total	Spend (£m)	% of total
Scotland	5.85	39%	16.59	24%	886	22%
England	6.01	40%	26.99	40%	1613	40%
Northen Ireland	0,42	3%	1.29	2%	176	4%
Wales	0.19	1%	1.21	2%	61	1%
Total UK tourism	**12.47**	**83%**	**46.08**	**68%**	**2736**	**67%**
Total overseas tourism	**2.56**	**17%**	**21.91**	**32%**	**1359**	**33%**
Total	**15.03**	**100%**	**67.99**	**100%**	**4095**	**100%**

Source: VisitScotland, 2009

Table 5: Average length of stay and spend, 2009

	Length of stay (nights)	Spend per trip (£)	Spend per night (£m)
Scotland	2.8	£151.45	£53.41
England	4.5	£268.39	£59.76
Rest of UK	4.1	£388.52	£94.80
All UK	**3.7**	**£219.41**	**£59.38**
All Overseas	**8.6**	**£530.86**	**£62.03**
Total	**4.5**	**£272.48**	**£60.23**

Source: VisitScotland, 2009

A breakdown of UK tourists by origin shows two main segments: Scottish tourists (5.85 million trips) and English tourists (6.01 million trips). The remaining components, respectively Welsh and Northern Irish, are relatively far behind in numbers. Although Scottish and English tourists are almost equal in number, English tourists' number of nights and average spend per night is higher, and generates 40% of total spend. With regards to the origin of overseas tourists, almost half are European, mainly from France, Germany and Ireland. The US market, which is historically important to the UK, accounts for 14% of trips and 17% of overseas tourism spend. As noted above, overseas tourism albeit lower in numbers than the domestic market, generates substantial revenues as a result both of the longer average stay of 8.6 nights (more than double the UK tourists' stay of 3.7 nights) and of their higher spend. VisitScotland statistics (2009) also provide a breakdown of trips, nights and spend by purpose, with separate figures for the UK and the overseas segment. For UK tourists, holidays are the major purpose, accounting for 69% of spend, whilst business, visits to friends and relatives and 'other' purposes are far less significant. Interestingly the business segment is still fairly significant in that it generates 22% of UK tourism spend.

Table 6 Volume and Value of Tourism from the UK, 2009

UK	Trips		Nights		Spend	
	(m)	(%)	(m)	(%)	(m)	(%)
Holidays	8.85	71%	35.50	77%	1900	69%
Business	2.05	16%	5.81	13%	601	22%
Visiting friend & relatives	1,37	11%	4.22	9%	197	7%
Other	0.20	2%	0.55	1%	38	1%
Total	**12.47**	**100%**	**46.08**	**100%**	**2736**	**100%**

Source: VisitScotland, 2009

The breakdown for overseas tourists is somewhat more balanced. Although the holiday segment again prevails: the statistics show a higher incidence of visits to friends and relatives, which come second place after holiday. In contrast to UK tourists, the business component is less significant. With regards to the timings of visits, tourism in Scotland peaks significantly in the summer months, revealing a seasonal character, which seems to be well-entrenched and 'stubborn' (Butler, 1994; Goulding, 2006; Cannas, 2010). However, compared with other destinations affected by more marked seasonality - such as the Mediterranean countries - it shows some interesting characteristics.

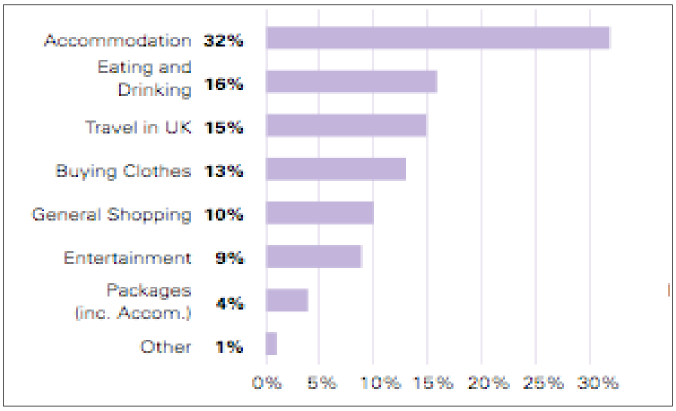
Table 7 Time of visit to Scotland, 2009

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Domestic holiday trips	14%	28%	39%	20%
Domestic business trips	26%	25%	25%	24%
Total domestic trips	**17%**	**28%**	**35%**	**20%**
Overseas holiday trip	11%	27%	47%	15%
Overseas business trips	19%	38%	25%	18%
Total overseas trips	**17%**	**27%**	**37%**	**19%**

Source: VisitScotland, 2009

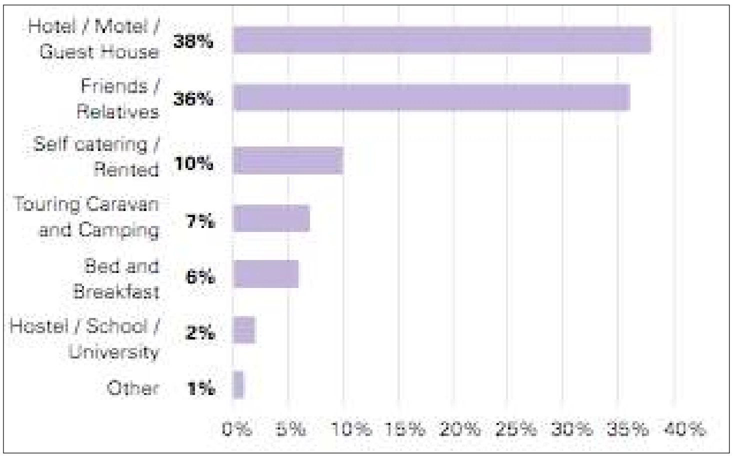
Time analysis indicates that UK trips are a bit more evenly distributed over the four quarters of the year, even though the summer period remains the most important, with peak flows in the period from July to September. Indeed, while the period July-September is the high season with more than one third of tourists, this is followed by 28% in the spring months. The remaining 37% of trips are made in the 'low-season' months, a fact which would seem to indicate that seasonality is not so marked than in the past. This datum alone indicates that the Scottish tourism industry is dynamic, probably thanks to its attractions, which are not limited to summer events (Cannas, 2010). Indeed, the main public tourist marketing organisation, VisitScotland, does promote events throughout the year and this appears to generate a more equal distribution of visitor numbers. In contrast, overseas tourism shows stronger seasonality, with 47% of trips in the summer period and 27% in the spring-early summer, which means that 77% of overseas tourism trips to Scotland are made between April and September.

Figure 3 - Categories of spend by UK Tourists, 2008



Source: VisitScotland, 2008

Figure 4 - Accommodation used by UK Tourists, 2009



Source: VisitScotland, 2009

VisitScotland's statistics also provide other interesting details relating to tourist demand, again broken down by UK and overseas components. The transport used to travel to Scotland by the great majority of UK tourists is the car, 66%, with trains and planes each accounting for only 13%. As for overseas tourists, 87% arrive by air and the remainder by sea (VisitScotland, 2009). The two groups also differ as to accommodation used. Hotels are more used by overseas visitors (46% compared with 38% of UK tourists), whereas the number of UK tourists staying at friends' or relatives' houses is higher (36% compared with 29% of overseas). B&B accommodation is chosen by 12% of overseas tourists, against 6% of UK visitors, while the situation is reversed as to self-catering/rented accommodation, chosen by 10% of UK visitors against 5% of overseas tourists. With regards to activities undertaken in Scotland, VisitScotland's figures refer both to UK and overseas visitors. Focusing on UK visitors, the main activities are general sightseeing (97%), short walks (less than 2 miles, 81%), exploring Scottish scenery (73%), relax (70%), visiting castles and historic heritage, touring in the country and shopping.

Finally, completing this overview about the main Scottish tourism features is the analysis of the demographics of UK holiday visitors which is highly relevant to the CZC project. The biggest group (24%) has an age group between 35-44 followed by the 45-54 age group (20%) and finally the 55-64 age group (17%). This means that the majority of UK visitors belong to the economically active population. Another survey conducted by VisitScotland in 2008 on a sample of 650 interviewees revealed some features about the visitor experience. It found that scenery and the number of things to see and do stood out as the top two reasons for choosing Scotland as a holiday destination for both UK and International visitors. Outdoor activities as well as value for money were also important drivers. These findings underline the appeal of Scotland as a “green” destination.

In summary:

- UK tourists represent the biggest share of Scottish tourism making 12 million trips and more than two third of overnight stays and total spend
- In the UK market, holiday is the key component, contributing around 70% of trips, overnights and spend
- In the UK market, the holiday share is more seasonal than the business one. 67% of trips are taken during the period from April to September
- Amongst accommodation used by UK tourists, self-catering facilities represent 10% against 5% from overseas tourists
- Considering the main activities undertaken by UK visitors, the Scottish Borders and the area of Craik offers both Scottish scenery and historical sites. Hawick has sightseeing, there are large natural resources (such as the Craik forest) for short walks and sporting activities and there are various historical monuments such as the Cathedral of Melrose, etc.
- The two main UK visitor age groups sit within the active target of Craik eco-village, as explained in the next section.

3.2 Tourism in the Borders

Focusing on tourism in the Scottish Borders, it is estimated that in 2009, UK tourists made around 0.37 million trips, stayed for 1.2 million nights and spent £80 million in the area (VisitScotland, 2009). Overseas visitors to the Borders made 0.04 million trips, stayed for 0.29 million nights and spent £31 million.

Table 8 UK Tourism trips and value in the Scottish Borders 2009

	Borders Trips (%)	**Scotland trips total (%)**	**Borders Spend (%)**	**Scotland total spend (%)**
Scotland	42	47%	31%	32%
England	55	48%	68%	59%
Northern Ireland	2	3%	1%	7%
Wales	1	1%	-	2%
	100%	**100%**	**100%**	**100%**
Total UK tourism (m)	**0,37**	**12,46**	**£80**	**£2,736**

Source: VisitScotland, 2009

Table 9 Purpose of Trip, 2009

	UK Tourists Trips (%)		Overseas Tourists Trips (%)	
	Borders	**Scotland**	**Borders**	**Scotland**
Holidays	78%	71%	49%	47%
Business	7%	16%	5%	17%
Visiting friend & relatives	13%	11%	46%	30%
Other	2%	2%	-	6%
Total	**100%**	**100%**	**100%**	**100%**

Source: VisitScotland, 2009

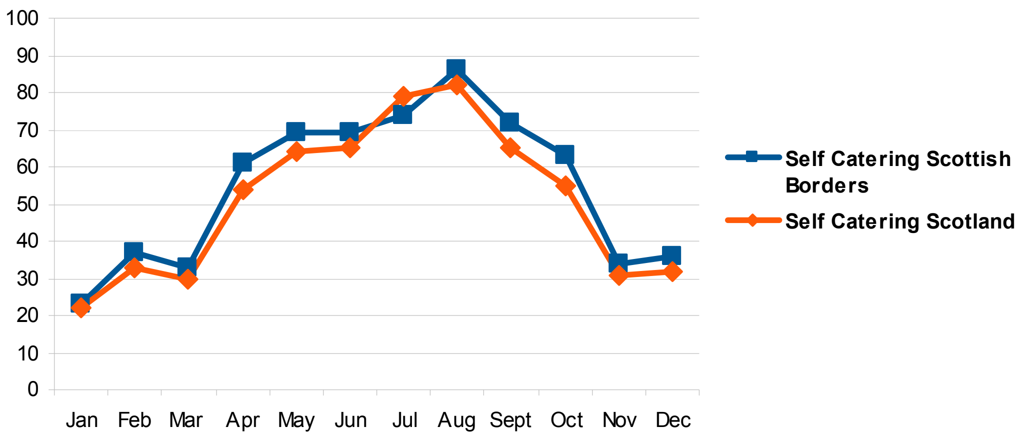
Comparing the UK tourist trips in the Borders with the average for Scotland, it emerges that there are some different characteristics. In the former, holiday share is higher by 7 points of percentage, whereas the business market is less than half. The main and interesting difference between the Borders and the Scotland overseas tourist trips, consists of the higher share of visiting friends and relatives, who count for more than 16 percentage points in comparison to the Scottish mean value.

There is a seasonal nature to Scottish tourism. In the period April-September, 66% of UK tourists spend their holidays in the Borders compared to 63% in Scotland. With regards to overseas market, there are significant observations. In the Borders, the overseas tourists tend to be more concentrated in the summer time, 45% in July-September, against 37% in Scotland. Quite interesting is also the fact that the percentage of overseas tourists who travel in the Borders during the last quarter of the year (36%) is almost to double for that time compared to the average time in Scotland. Possibly this is related to the high share of visiting friends and relatives that characterises the overseas market in the Borders.

With reference to the duration of trip, the UK tourist trip average in the Borders (3.2) is quite similar to the Scottish one (3.7), whereas for the Borders' overseas trip, the average is different 7.2 against 8.6. Accommodation used by UK tourists in the Borders has comparable features to Scotland but again the overseas value diverges especially in the case of self catering facilities: in the Borders the share is 7%, whilst in Scotland it is around double (13%).

Considering that the type of accommodation at Craik ecovillage will be classified as a self-catering, it is useful to focus on the characteristics of this accommodation segment. The self-catering units used by tourists in the Scottish Borders highlight a similar trend to the Scottish average, but observing the occupancy rates reveals some distinctive features. The average annual occupancy rate of self catering units for the Borders region (55%) is the highest for the accommodation types in the region and higher than the annual average occupancy rate of self-catering for all Scotland (52%). At national level, the hotel room occupancy, 64%, is the biggest value amongst occupancy averages, whilst the hotel room occupancy in the Borders is 52%.

Figure 5 - Self catering occupancy in the Scottish Borders and in Scotland, %, 2009



Source: elaboration from VisitScotland statistics, 2009

Table 10 - Average Accommodation Occupancy in the Scottish Borders, 2009 by month

	Hotel Room Occupancy (%)	Guesthouse/ B&B Room Occupancy (%)	Self-Catering Unit Occupancy (%)	Hostel Bed Occupancy (%) (Scotland)	Caravan Camping Pitch Occupancy (%) South Scotland
Jan	40%	23%	23%	2100%	-
Feb	48%	23%	37%	29%	-
Mar	50%	23%	33%	31%	-
Apr	49%	34%	61%	52%	43%
May	46%	38%	69%	63%	55%
Jun	54%	47%	69%	57%	54%
Jul	61%	48%	74%	65%	65%
Aug	72%	54%	86%	73%	66%
Sep	62%	40%	72%	54%	44%
Oct	60%	34%	63%	43%	29%
Nov	46%	24%	34%	23%	-
Dec	36%	12%	36%	24%	-
Annual average for region	52%	33%	55%	-	51%
Annual average for all Scotland	64%	48%	52%	45%	45%

Source: VisitScotland, 2009

Thus, self-catering appears to be a relatively more important accommodation sector for visitors to the Borders, than for other areas of Scotland. In addition, some differences can also be seen in the seasonal occupancy figures for self-catering accommodation. Compared to the annual average for all Scotland, the self-catering units in the Borders show a slightly different trend especially during the spring and end of summer.

Table 11 - Main Visitor Attractions in the Scottish Borders

Scotland	
Glentress Forest, near Peebles	263,999
Heart of Hawick, Hawick	176,747
Teviot Watergardens, Kelso	172,686
Melrose Abbey, Melrose	42,665
Harestanes Countryside Visitor Centre, Jedburgh	30,300

Source: VisitScotland, 2009

Summarizing the above section, tourism in the Borders is characterized by domestic demand, especially the English component, and it appears more seasonal than in Scotland as a whole. Self-catering facilities play a significant role in the local and national tourism market, but the challenge for the Craik ecovillage, is to attract clients not only in spring and summer, but also in other periods of the year in order to maximise revenue.

4 Supply analysis: case study and focus on cottage features and pricing

The analysis conducted in the previous section reveals that there is a potential market for the Craik ecovillage as a “green” offer. In this section, two issues are explored: the contribution that can be taken from neighbouring case studies in ecotourism facilities, albeit there do not appear to be similar competitors and the specific question of the Craik ecolodge prices. This will play a significant role in analysing the impact and feasibility of the project.

This review has found no example of eco-lodges in the UK that can be directly compared to the concept of the Craik eco-village. There are many cases of partial “eco-accommodation” in which the suffix “eco” is pasted in front of the name of the cottage, to attract “green” customers. At the same time, in the market there are single accommodation facilities that offer eco-cottages characterised by eco-building, solar energy and sporting activities (e.g., cycling, hiking). Essentially, there are some examples of self-catering facilities in Scotland and in the rest of UK that are “green” and these facilities are important for improving the environmental performances of tourism accommodation and for reaching the national policy goal (TFFC, 2006) to make Scotland as a sustainable destination. These isolated cases cannot be directly compared to the Craik project, however an interesting case is represented by the Findhorn eco-village, located at Moray in the North of Scotland. This community lives by a holistic model of sustainable living but in addition offers training courses and temporary accommodation.

With regards to pricing, this report analyses the characteristics and the prices of similar competitors from two perspectives: the features and prices of Borders' cottage offers which are Craik's neighbouring competitors and the characteristics of similar competitors offering high quality facilities that "look like", in terms of aesthetics, the Craik's ecolodges. In the pricing analysis is also quite useful to consider the contribution of authors, mentioned before, that have investigated the price range for ecolodge market segments.

4.1 Case study: the Findhorn ecovillage

The Findhorn ecovillage was establish in the 1960s near Moray, in Northern Scotland, by a pioneer group who lived in a caravan park, developing the gardens. Over several years, the community gradually developed and in the 1970s educational processes were established to give a unique feature to the village. By the 1980s, the community had grown to approximately 300 members and since then, the Findhorn community have followed sustainable principles in creating an ecovillage. The philosophy of Findhorn community consists of practising a holistic approach to any aspect of living, such as eco-housing, eating in a healthy and organic way and overall living as a spiritual community.

Since the 1970s, the Findhorn ecovillage has been a charity foundation. The Findhorn Foundation is a founder member of the Global Ecovillage Network, a partner in CIFAL Findhorn (an international UNITAR Associated Training Centre) and is an NGO associated with the UN Department of Public Information. The role of the foundation is to practice, teach, and demonstrate the links between the environmental, economic, social and spiritual aspects of life through:

- offering educational programmes and courses
- supporting emerging initiatives within the community
- developing an ecological village.

During the 1980s, the land on which the caravan park stood ("The Park") was purchased as well as Clunny Hill Hotel in Forres. This former Victorian spa hotel became the Foundation's Clunny Hill College. The ecovillage project was established with the aim of applying the principle of full sustainability integrated into the natural environment. Today, the ecovillage project still evolves and although the Findhorn community, which has a population around 700 people, is actively more and more eco-friendly, there is still a lot of work to do. For instance, not all of the houses are sustainable in terms of their construction or energy use.

An important step was taken in 2009 when the Findhorn community replaced fossil fuel heating with a biomass boiler and heating system, which covers a significant area within The Park and the common services (Common hall and the Community centre). The ecological footprint of the ecovillage today is remarkably small at 2.71 gha per person, compared to the UK average value of 5.4 gha per person (SDRC, 2006). The ecological footprint being a measure that converts the resources used and the waste that is produced per person, in terms of land area, gha, global hectares.

The core business of the Findhorn Foundation relies on the educational programmes and courses that are offered during the entire year. In fact, the educational area activities generate 1.36 million, 60% of the Foundation's income for the year (Findhorn Foundation, Annual Report, 2009-10). The educational programmes are residential and participants are accommodated either in the 100-room Cluny Hill College, or at The Park in one of the original bungalows, or in an eco-chalet (Findhorn Foundation Brochure, Workshops, Trainings and Events, 2011). The eco-village is also open to all visitors that want to take part in the community living experience or simply stay there for short or long periods. Visitors have access to a variety of accommodation including bed & breakfast, chalet, camper van or The Park.

Although the Findhorn Foundation interviewees do not recognise tourism as a direct activity of the eco-village, it has emerged that it is quite important. Bed & breakfast and self-catering (renting chalets) has a high occupancy. The estimated year average is around 80-90% because the eco-village is considered as a small “tourist destination”. It is well known around the world amongst people that are interested in sharing spirituality, sustainable thinking, and different ways of living.

Various businesses, organisations, networks, etc., have evolved locally through the Findhorn Foundation, or have been attracted by its presence. A study by Burns Associates, conducted in 2002, stated that the economic impact of the Findhorn Foundation and associated organisation and businesses supported approximately 300 jobs in the Findhorn-Forres areas, providing about £3.1 million in household income. Moreover, including the multiplier effects, the total aggregate impact of the Foundation and associated organisations and businesses consisted of 400 jobs and £ 5 million to the economy of the North of Scotland (Burns Associated, 2002). The model of Findhorn eco-village is supported by high skill levels in terms of human resources for offering training programmes, accommodation and catering facilities and a spiritual community life. The main lesson that can be learned is that Findhorn is an original place, in which a number of aspects are harmonically related to others, contributing to the creation of a "unique" experience for visitors. Could a similar brand ethos be created for Craik eco-village? If it could, this would represent an enormous advantage. However the difference in scale of the two projects is potentially a barrier.

4.2 Cottages in the Borders and some examples in the rest of UK

The main constraint of this feasibility study relates to the fact that the Craik eco-village is a proposed product instead of a real one. At the present time, in the huge CZC area, there is a single empty cottage. For this reason is quite difficult to do a competitor analysis when the final design criteria and furnishing is not yet created or defined. However, an advantage of this is that the project is in its initial phases and the client therefore still has the opportunity to define a high quality eco-village brief and structure tourism services.

One limit of the VisitScotland statistics consists of the lack of information about the supply side analysis in Scotland. The national tourism board provides detailed features about the demand side of the Scottish tourism, but there are no figures relating to the number of accommodation outlets or information about their distribution in specific areas. The overall accommodation portfolio is unknown because VisitScotland only gives information about those businesses that are subscribed to their membership. The main aim of doing the supply analysis is to examine some examples of self-catering facilities, which have 8 – 10 bedspaces in order to establish their characteristics and price at the local level.

The analysis has been summarized in three tables. The first one deals with three cottages that offer a high quality of services and consequently charge high prices. Although two of them have more than 8 bedspaces, these cottages have been included in the analysis because they reveal some interesting luxurious features, and because of one of them is located in Selkirk, not so far from the village of Craik. The cottages have been designed to provide external views and modern architectural designs. Furthermore, they offer very specific services, such as private bathrooms with bath, sauna, shower or steam shower – the case of The Mill at Lewinshope, in Selkirkshire. All these cottages provide high standards in furniture, and free wireless broadband. What seems very remarkable is the attention that the management gives to the catering services ("we can arrange for a cook to come and cater for you"), and to any additional service (e.g., massage and beauty treatment). The price range for these cottages is around £700 - £1,300, except for the Heiton Mill House, which represents an exceptional case for being not only a very luxurious accommodation, but also located on the River Teviot. The presence of high cost self-catering facilities in the Borders means that there is a market for this type of quality tourist accommodation.

In the analysis of local self-catering facilities, emerges a second group of cottages in the Borders that are clustered within a medium level of price and facilities. This price range is between £500 and £1,000. The third group presents a low level of price and services. The tables show that there are different levels of price as well as services provided to customers, though all the cottages sleep 8-10. For this reason these comparisons can be considered as additional information informing the feasibility of the project.

The Craik marketing product will need to be detailed in many aspects. For instance, if a bedroom has a private bathroom or not, makes a lot of difference in the final price. The quality and the aesthetics of the furniture, as well as the architectural design, are also important factors for positioning the product and for determining the final price. For this reasons it is difficult at the moment to attribute an exact price range to a product that is not yet precisely defined. It is, however, possible to make some hypothesis. For instance, if the eco-lodges at Craik are made by ecological materials, have elegant furniture and provide very accurate services, they can be grouped in the highest price range of the current self-catering sector.

In the following tables, there is information relating to two self-catering facilities in Perthshire and Yorkshire. Castle Garden in Perthshire represents a big challenge: new stylish and luxury lodges are replacing the existing campsite. The second case of the Natural Retreat in Yorkshire is another example that in the UK there is a market for “green” accommodation that offers high standards of services combined with environmental build technologies.

Table - 12 Competitor analysis. Cottages in the Borders: high price range group

Cottage	Bedrooms	Description and Services	Price range per week (£)
Heiton Mill House Kelso, Roxburghshire	Sleeps 10 luxurious accommodation	Sleeping ten people, in five **spacious rooms** all with super king size or twin beds made with crisp white linen sheets and **en-suite bathrooms**. The cottage has **wonderful views** from the balcony and rooms down the River Teviot. The balcony has dining area and it is a perfect spot for a relaxing supper while watching the river life. A **wonderful feature** of this property is that, should you wish, **we can arrange for a cook to come and cater for you or we can provide home cooked meals for you to reheat when you like**, making your holiday all the more relaxing.	£1,762-£2,937
The Mill at Lewinshope Yarrow, Selkirk	Sleeps up to 10 luxurious accommodation	There is a large, open-plan sitting room with open fire, TV and stereo; this leads on to an adjoining state of the art kitchen. The mezzanine floor is above the kitchen and overlooks the main living area. It features a TV with optional headphones and a large sofa bed for use as an open bedroom for an additional couple. The entrance floor also has a double bedroom with **private sauna** and wet-room which is **wheelchair accessible**. A boot room and WC complete the accommodation. Downstairs there are three further bedrooms, all with superking beds which can configure as singles, and all with their **private bathrooms with either baths, sauna, showers or steam shower**. There is also a utility room with all the laundry facilities. Facilities: bedlinen, towels, **eco friendly woodchip and underfloor heating, electricity and wifi are all included**. Dogs are welcome by arrangement but must be kept under control (livestock in adjoining fields). **Catering services can be provided, and on request, a freezer full of homemade food can be waiting for you on arrival.** **The local Tesco will deliver groceries ordered online.** Cots and highchairs can be provided. The farm has its own all weather tennis court and a barn with table tennis and table football. **Tennis coaching, art lessons, cookery demonstrations, massage and beauty treatment and adventure sports can all be arranged right here** at The Mill. Fishing, shooting, etc. can be organised locally	£695-£1,250
Babington's Coldstream	Sleeps up to 8 Tourist Board 4 star	4 Bedrooms: 3 Twin, 1 Double, 3 bathrooms with showers. Hall with Sofa Bed 2 Sitting Rooms with open fires, one leading on to **a patio and spacious garden**. Dining Room seating 10. Kitchen fully equipped with Washing Machine, Dishwasher, Fridge, Freezer, Microwave. All rooms have oil-fired Central Heating; **wired and wireless Broadband available.** Well behaved Pets are welcome by prior arrangement. Prices Include: Electricity/Oil, All Linen, Logs, Wired and Wireless Broad Band, Weekly House keeping Services. **A**dditional Domestic and Office Services available	£670-£1,175 short break available by arrangement

Table - 13 Competitor analysis. Cottages in the Borders: medium price range group

Cottage	Bedrooms	Description and Services	Price range per week (£)
The Paddock Berwick upon Tweed	Sleeps up to 8 4 Bedrooms 2 double, 2 twins, 3 of which are en-suite plus 1 family bathroom. Visit Scotland 4 star	Large kitchen-diner with dishwasher. Utility room and washing machine. Large lounge with log burning stove, LCD TV and DVD, leading out onto large south facing patio with furniture and BBQ. There is also a games room with a pool table, table tennis, fusbal and darts.	£500-£1,000 Short breaks available, prices by arrangement
Westwood House Kelso, Roxburghshire	Sleeps 8+1 Scottish Natural Heritage Thistle award, and Gold Environmental Award	2 double bedrooms (one with ensuite shower), 1 twin bedroom, 1 family bedroom with double and single bed. 1 bathroom and 1 downstairs cloakroom. 2 sitting rooms (both with tv). Dining room with table to seat 10. Kitchen with dishwasher, fridge freezer and washer/drier. An all inclusive holiday with linen and towels, electricity, central heating and trout fishing included. Dogs welcome free of charge. Cot and high chair also available	£385-£995 20% discount for 2 persons, Oct - Mar
New Mills Berwick upon Tweed	Sleeps up to 8 4 Bedrooms	The first floor has a double and a twin bedroom and the top floor has a further two bedrooms, both double. Ideally set-up for self-catering, the ground floor has everything you need to relax and prepare meals. There are entrance halls at the front and rear of the house, a lounge, dining room and a lovely breakfast room adjacent to the kitchen. While the main bathroom with its roll top bath and shower can be found on the mezzanine level, there is another W/C with shower on the ground floor	£550-£850 Short breaks £150-£200 per day

Table - 14 Competitor analysis. Cottages in the Borders: low price range group

Cottage	Bedrooms	Description and Services	Price range per week (£)
Plenploth House Stow, Galashiels	Sleeps 9 +1 3 kingsize bedrooms, 1 family room with 2 single beds and narrow bed (for child). Family bathroom, ensuite shower room, downstairs toilet.	Farmhouse kitchen with rayburn, seating for 10. Spacious lounge with wood burning stove, piano, TV with freeview, DVD player, CD player with iPod dock. Additional TV lounge/playroom with sofabed (sleeps 1), TV/DVD player, games, toys and DVDs. Large enclosed garden with woodland area, play equipment, BBQ and outdoor seating. Private drive for several cars. Facilities: Dishwasher, Washing machine, Microvave, Fridge/freezer Central heating (all heating and wood included) Towel and linen included, Free wi-fi access Trampoline, treehouse, swing, climbing frame, sandpit, basket ball hoop, bike	£500-£800 Short break: £100-£150 in the week; £150-£200 in the w.e.
Loch-Ma-Ben Holiday Lodge Innerleithen, Peebleshire	Sleeps 8 Star not specified but high level of furniture in the living room and bedrooms	Four bedrooms (sleeps eight), one ensuite, a spacious oak floored open plan lounge/dining room, utility/drying room and a double garage/bike workshop offering panoramic views over the world famous Innerleithen downhill course Kitchen: new well equipped, fitted kitchen offers all the mod cons and home comforts, gas hob, electric oven, dishwasher, microwave, four slice toaster, kettle and ample storage space. Living room: At the heart of Loch Ma Ben is the beautifully spacious oak floored living room. Sit down kick of your shoes and unwind, enjoying panoramic views over the village of the spectacular borders countryside towards the forested slopes of Caddon bank. A spacious conservatory, which can be used for drying out wet gear, storing bikes golf clubs and other outdoor clobber and offers access to the front and rear of the property	£250-£690
Tower Cottage Jedburgh, Roxburghshire	Sleeps 6+2	The cottage offers an open-plan kitchen, sitting room and dining area to allow plenty of space to do your own thing. One of the lounge sofas contains a pull out bed to accommodate an extra two guests. To the front is a decked balcony ideal for alfresco refreshments, and is gated for child and pet safety. Inside the turret, the spiral staircase leads to a double bedroom, twin bedroom and a bunk bedroom. All bedrooms have a FreeView TV with built in DVD. For your convenience the cottage has a main bathroom with WC, basin and an electric shower over the bath plus a cloakroom with WC and basin. Full gas central heating with double-glazing. The large spacious living area with fully equipped kitchen has a ceramic hob, electric fan oven, microwave and dishwasher, the lounge has a FreeView HD ready TV with built in DVD, DAB/FM/CD/MP3 Hi-Fi with iPod dock and a PlayStation 3 games console. Power, light, heat, landline UK telephone calls and internet access via the PS3 plus bed linen and towels are included in the rental price.	£395-£675

Table - 15 Competitors analysis: the case of Castle Gardens in Perthshire

N. Bedrooms	Description and Services	Price range per week (£)
Bruadair House 4 en suite bedrooms accommodating 8 guests + cot. Newly completed in Autumn 2008, furnished to the highest standard and designed for those accustomed to luxury living. Commanding views and south facing garden.	Ground Floor Enclosed garden with hot tub, BBQ and garden furniture Utility room with washer/drier Cloakroom with WC **Lounge with sumptuous furnishings and oak floor** 40` Flat screen digital TV with multi-channel TV system **Fully fitted designer kitchen with granite worktops and dining area** Bedroom 1 with king size bed and en suite shower **Patio with hot tub**, garden furniture and barbeque **South facing views from all rooms** Under floor heating throughout First Floor Bedroom 2 with king size bed and **en suite** shower room, south facing balcony Bedroom 3 with twin beds and en suite bathroom with over head shower Bedroom 4 with twin beds and en suite bathroom with over head shower Full gas under floor heating throughout. Gas and electricity charges included All linen supplied and included. Stair gate, cot and high chairs available on request Private enclosed garden with patio and hot tub, garden furniture and barbecue **Multi-channel TV system in all rooms (except bathrooms!)** **Complimentary Highland Aromatic products**. 1 dog allowed per house at a daily charge of £5 per dog by prior arrangement only, house rules apply. Wi-Fi enabled Play-station and **games** available, subject to availability	£1,500-£2,750

Table - 16 Competitor analysis: the case of Natural Retreat in Yorkshire Dales

<table>
<tr><th>N. Bedrooms</th><th>Description and Services</th><th>Price range per week (£)</th></tr>
<tr><td>Bedrooms: 3
Sleeps: Max of 6
Bath/shower : 1 en-suite shower room, 1 family bathroom

Green Tourism Award
Enjoy.England.com Gold award

Natural Retreats are committed to providing a high quality service in a manner that minimises our potential impact on the environment. For that reason, starting in the Yorkshire Dales and being rolled out around the company, we are already delivering many initiatives, examples of which include, green build technology, energy bought from 100% renewable sources, welcome hampers sourced from local suppliers, promoting car free itineraries, a wildlife management plan</td><td>This residence is one of nine, sustainably designed eco retreats. These residences include a spacious open plan living area and a contemporary stylish kitchen, which includes fully integrated appliances. The living area offers a cosy and homely feel. Stylish furnishings offer enviable levels of luxury and comfort and each residence boats solid wood flooring throughout and a wood burning fireplace.

Each of the award winning residences has an extensive glass wall frontage, designed to bring the natural light, surrounding woodland and meadows directly into the home, blending the landscape with the interior.

Features:
Decked area with outdoor furniture at front of property
Free standing wood burning stove
Woodland and meadow views
Entry to these residences is through French windows on the front of the property into the living area

Facilities include flat screen television, DVD player & CD player. As well as a gas hob & electric oven, microwave, dishwasher & washer/dryer, iron, ironing board and hairdryers.
Cot, highchair & sterilisers available on request;
Equipped kitchen
Washer/dryer, iron and ironing board and hairdryers
32" flat screen TV, DVD, radio/CD player
Linen and bath towels provided
Temple Spa toiletries
Centrally heated throughout
Decked area with outdoor furniture
Wildlife ponds (children must be supervised)
Woodland trail
Private and shared parking facilities.

Dogs allowed: Available on request

Wheelchair access: Available in residence number 6</td><td>£740-£1,400</td></tr>
</table>

5 Conclusions and recommendations

The Craik CZC project is a challenging opportunity to experiment with a new model of sustainable tourism accommodation in the Borders and in Scotland. The study highlights the features of the ecotourism market, which is a growing tourism segment all around the world. Eco-tourism customers generally come from Western Countries and are adults in the age range 35-55. They have a medium-high level of education and generally pertain to a high income bracket. This demograph likes quality facilities, as well as learning activities related to the natural environment and a sustainable style of life. Amongst the ecotourists there are also young customers, but they are not a significant market for the Borders businesses, as reported in the analysis. The demand analysis has shown features and profiling of the ecotourists and the market potential for Scotland and the Borders. In the supply lodges analysis, interesting factors have emerged that underline the opportunity Scotland has to become a green destination - this has been reported in the national tourism policy (TFFC, 2006). Generally speaking, the background analysis and research carried out for this study presents favourable conditions for the successful development of a Craik eco-village.

However, there are still unexplored conditions that will have a significant impact on the whole feasibility of the project. For instance, an interpretation centre can make a difference in matching expectations of eco-tourists customers. Although planning consent has included this, the interpretation centre should be defined in every aspect: from the tangible elements, to the intangible ones such as the skills required for leading the centre. The same observation pertains to the eco-lodge facilities. There are many ways to create and deliver four-star services. In fact, the eco-lodge analysis demonstrated that different styles in building design, organisation of spaces, the quality of furniture and attention to details relating to comfort have major impacts on quality ratings and therefore price. Some businesses have invested in modern architectural deign giving attention to open plan views between inside and outside and orientation of the building to capture the maximum benefits of day-light. The highest quality standards of the cottages offer bedrooms with en-suite bathrooms, and very stylish furniture. The current architectural designs do appear to be fairly traditional and therefore to be able to sell the lodges at a higher price it might be worth reconsidering the designs in order to provide a more innovative architecture design both externally and internally.

At the present time, the only way for estimating the revenue for the Craik's eco-village, is to make some assumptions. For instance, if the eco-cottages are top quality lodges as described in the analysis, the medium price could be among a range of £700-£1,300 per eco-lodge. NB Although in the planning consent there are two types of eco-lodge - 2 or 8 bedspaces - for simplicity it has been assumed that all 52 eco-cottages have the capacity for 8 bedspaces. Considering a medium price of £1,000 per week and the annual occupancy of self-catering facilities in the Borders at 55%, an estimate of the annual revenue is around £1.5 million. Educational and training courses about eco-buildings and natural wildlife can bring additional revenues, as well as income from commercial shops and services.

The impact of employment is estimated at over 40 people: a manager; an office administrator; a gardener; 34 cleaners for the 52 eco-lodges; an expert at the interpretation centre; four people at the restaurant café (two waiters, a chief cook and a cook assistant) and four people, at least, at the shops in the village of Craik. Moreover, the project can bring indirect employment relating to handy craft, food, drink and rental businesses, as well as training courses in eco-building and sustainable tourism management.

The economic and social impact of the Craik eco-village project clearly depends on the way in which tourism products and services are delivered to customers, as well as on the way in which WAM decide to develop tourism services. WAM can make a choice between two antithetical management models: the model of the "open village", or the model of the "closed village". In the former, management makes agreements with local businesses for providing services such as extra food for guests or extending the spectrum of activities to link the eco-village with the adjacent communities of Hawick and Selkirk. For instance, CZC can co-operate with the Hub of Hawick, for exchanging cultural events or arranging scholar programmes at Craik. Hub of Hawick is currently visited by more than 170,000 people. In the model of "closed village", WAM could decide to create a barrier between its customers and the rest of the territory so that all the food and facilities are provided by the site. It is evident that in this case the socio and economic impacts are concentrated in the hands of the property, and there are therefore minimal benefits to the local communities.

The feasibility of the Craik's project can therefore be judged from a number of points of view:

- Tourist product: creation and delivery of four star eco-lodges; restaurant café; recreational spaces in the eco-village; areas for reading such as a small café on the pond; creation and delivery of fringe activities such as rental bike, craft food shops etc
- Educational product: educational tours; interpretation centre; open air park relating to renewable energies; bird watching activities; orienteering in the forest etc.
- Commercial relationships with small and medium enterprises for providing specific services such as yoga courses, writing retreats, meditation retreat, holistic medicine etc.
- Partnership with Local Councils, cultural associations (e.g., link with the Hub of Hawick) Universities, non-profit partners in eco-buildings etc.
- Human resources: specific skills and knowledge for managing and marketing activities for the interpretation centre and potential training activities

Summarising, the Craik eco-village project represents an interesting opportunity for a successful and significant investment in the field of sustainable tourism in Scotland. There are some recommendations that perhaps could help WAM for reach its company goals:

- Rethink the eco-lodge design - modern architecture is much appreciated amongst eco-tourists
- Detail the tourism product in every aspect: provide high quality style in furnishing, en-suite bathrooms, free options such as internet, educational and training activities etc
- Position the product: profile potential customers and match their expectations
- Support the product through the identification of specific marketing strategies, such as web marketing, instead of standard strategies. (Currently newspaper advertisement is reported within the marketing plan of WAM.)
- Utilise a professional team to improve the existing web pages of WAM and Ecofitter, which are the "shop window" for the Craik investment. Recruit an expert in natural science to lead the interpretation centre who is a very good communicator.
- Maintain and improve relationships for networking activities with educational bodies, such as Universities, Public Developmental Agencies etc.

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