



TOURISM FOR A BETTER WORLD

## Negotiation Strategies for Rural Community Tourism Organizations

For Community Based Tourism Organizations (CBTOs), negotiation is a vital skill. It's how you secure fair prices, protect your cultural integrity, and ensure that external partnerships—with tour operators, donors, or tech providers like **Equera**—truly benefit the community. This lesson from the **Kitara Foundation**, breaks down essential negotiation strategies into simple steps for CBTOs to use in any situation.

### 1. 🎯 Preparation: Knowing Your Value and Limits

The most crucial step in any negotiation happens before you even sit at the table. Preparation gives you power.

#### A. Define Your Best Alternative (BATNA)

Your **Best Alternative to a Negotiated Agreement (BATNA)** is what you will do if the negotiation fails. Knowing your BATNA prevents you from accepting a bad deal out of desperation.

- **Action:** Before meeting a tour operator, decide: "If this operator won't agree to our price, our BATNA is to focus on **direct bookings** through our online platform (Equera) and promote to the local university."
- **Result:** This gives you confidence to walk away if the offer undervalues your community's assets.

#### B. Establish Non-Negotiable Limits

Define your **Reservation Price (or Limit)**—the lowest financial or social limit you can accept.

- **Financial Limit:** Set a minimum price per person that covers all costs, pays a fair wage, and contributes the required percentage to the **Community Development Fund (CDF)**.

- **Cultural/Social Limit:** Define things you absolutely will not compromise on (e.g., "No tours on our main festival day," or "Photography is prohibited in the sacred forest").

### C. Know Your Partner

Research the company you are negotiating with. Do they have a **Corporate Social Responsibility (CSR)** policy? Highlighting their own ethical commitments can be a strong leverage point.

## 2. 🧠 Negotiation Tactics: The Power of Information and Framing

How you present your offer is as important as the offer itself. Use transparency as your greatest asset.

### A. Negotiate on Value, Not Just Price

Do not let the partner focus only on lowering your price. Shift the conversation to the **unique value and impact** you provide.

- **Instead of:** "Our price is \$100 per person."
- **Use Value Framing:** "Our price is \$100. This fee includes an authentic meal, direct payment to the homestay host, and a **20% CDF contribution** which funds clean water access for the entire village. You are buying the **highest ethical standard** and verifiable impact."
- **Action:** Provide transparent cost breakdown (simple enough to show) to justify the price.

### B. Anchor High and Justify

The first number mentioned often influences the entire negotiation (the "anchor"). Start with a reasonable but high offer.

- **Action:** State your full price and immediately justify it by referencing the quality (trained guides, safe food standards) and the social returns (the CDF). If the partner negotiates down, you have room to move while staying above your Reservation Price.

### C. Use the Principle of Reciprocity

Always offer a concession in exchange for one from the other side. Do not give anything away for free.

- **Example:** "We can offer a 10% discount for bookings made 6 months in advance (**our concession**), but in return, we need a guaranteed minimum number of bookings per year (**their concession**)."

### 3. Protecting CBTO Interests: Dealing with Difficult Situations

Negotiation isn't always smooth. Be prepared for common challenges.

#### A. Dealing with "We Can Get It Cheaper Elsewhere"

- **Response:** "That may be true, but no other option offers the same level of **verifiable local impact** and **authentic cultural access** that we guarantee. Our price reflects the premium for ethical, community-owned tourism. We invite you to compare the *value*, not just the cost."
- **Action:** If applicable, refer them to your transparent digital records (accessible via Equera/digital tools) showing the CDF's track record.

#### B. Non-Monetary Negotiation

Remember that a successful negotiation involves more than just money.

Non-Monetary Item	Why It Matters to the CBTO	Strategy
Payment Terms	Cash flow is vital for rural organizations.	Negotiate for <b>payment 30 days in advance</b> or a non-refundable deposit to secure bookings.
Booking Volume	Guarantees income stability.	Trade a small price discount for a <b>guaranteed minimum annual booking volume</b> .
Training & Support	Builds long-term capacity (Kitara Foundation focus).	Ask the tour operator to provide <b>free digital marketing training</b> for your staff in exchange for exclusivity in a certain market.
Liability	Protects the CBTO from unfair risk.	Ensure the contract clearly states the tour operator's responsibility for guest insurance and behavior.

#### C. Using Technology as Leverage (Equera)

Digital capacity is a bargaining chip.

- **Action:** Emphasize that your partnership with Equera means you offer **real-time booking confirmation, secure payment processing, and verifiable impact reporting**. This reduces administrative work and risk for the partner, justifying your price.

#### 4. **Finalizing and Documenting the Agreement**

A verbal agreement is not enough. Everything must be put in writing.

- **Documentation:** Ensure all terms—price, payment schedule, booking volume, and non-monetary agreements (like cultural protocols)—are clearly written down in a simple **Memorandum of Understanding (MOU)** or contract.
- **Sign-Off:** Have the agreement reviewed by the CBTO Board and signed by the designated leader, ensuring the entire community is protected by the negotiated terms.
- **Post-Agreement Follow-Up:** Use the digital system to track compliance with the negotiated volume and payment terms, ensuring the agreement is honored.