

Exploring the Consumer Surplus and Demand for a Novel Visitor Experience at Kanneliya Forest Reserve in Sri Lanka

N. W. V. A. Shiromi¹ & R. M. W. Rathnayake²

Department of Tourism Management, Faculty of Management Studies
Sabaragamuwa University of Sri Lanka.
warath1@gmail.com²

Kanneliya Nakiyadeniya and Dadiyagala are famous lowland rain forests in Sri Lanka and it is called the KDN complex. Along with the new conservation initiative, Kanneliya Forest Reserve (KFR) seems to have got a reasonable regeneration and a rich bio diversity. 2014, KFR received 27295 visitors. The purpose of this study is to investigate the methods for assessing the value, people and the place on preserving our natural environments and resources. Zonal Travel Cost Method and Contingent Valuation Method were applied in estimating the consumer surplus of the existing recreational activities, and the willingness to pay for a novel visitor experience respectively. A questionnaire survey was conducted to collect the required data for the study. The sample size was 319 and systematic random sampling method was applied in interviewing the visitors. The total recreational value of the local visitors in 2014 was Rs. 13.95 million, and the estimated optimum entrance fee was Rs. 610.50 per person. The total revenue at this entrance fee will be Rs. 8.67 million and it will be a 1034.13% increase of revenue. Further, the medium (Rs.50000.00 – Rs.100000.00) and higher (above Rs.100000.00) household income of visitors, higher educational level (up to diploma, up to post graduate professional) of visitors and long distance (51 km – 150 km) of visitors were highly significant factors for accepting the higher entrance fees to the KFR. The main conclusion of this study is that at present the natural resources has been undervalued and the findings emphasize on taking a policy decision for the increase of the entrance fee of KFR. There is a demand for new visitor services to be established at KFR, and therefore if the proposed visitor services are established, easily the entrance fee to KFR can be increased.

Keywords: Kanneliya Forest Reserve; Contingent Valuation Method; Travel Cost Method; Willingness to Pay; Conservation.