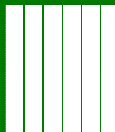




Sustainable Tourism

Training the Trainers Programme



TOPIC 10:
Tourism Product
Development



Tourism Product Development

- What is a tourist product?
 - What is the structure of a product?
 - Who should produce a regional product?
 - Packages
 - Frequent mistakes of product-making
 - The role of tourism products for sustainable tourism development
-

What is a tourism product?

- combination of
 - ⇒ services, commodities and other material and immaterial items
- including the whole travel experience: from leaving home to return
- individual experience, impressions and things learned at a destination

Specific features of tourism products

- no stocking, no storing
 - prepared for a certain customer at a certain time
 - original
 - consisting of items that the product's author has no influence on (e.g. weather, character of landscape, history)
 - site-bound
 - customer has influence on the quality of the product
-

What is the structure of the tourism product?

- defined by the product chain
 - number of basic elements: preparation, travel to destination, stay, travel back and activities after returning home
- ⇒ stay in the region = regional product
- four basic parts:
- ⇒ programme, lodging, eating, additional services
- These items are not products themselves but after combining them they can be part of a regional tourism product.
-

Who should produce a regional product?

- three basic producers:
 - ⇒ individual service providers
 - ⇒ travel agency/tour operator
 - ⇒ Destination management organisations (DMOs)

Who should produce a regional product?

Individual service providers

- provide the individual parts of the tourism product
- e..g hotels, restaurants, tour guides
- coordinate their offer
- generate profit

Who should produce a regional product?

Travel agency/tour operator

- Combine the services of others to one product (programme, lodging, catering)
- profit:
 - ⇒ percentage of the profit of other providers
 - ⇒ increasing the prize of the total product
 - ⇒ combination of these two methods

Who should produce a regional product?

Regional tourism management

- tourist association, information centre, tourism department of the local administration
- creating a product consistent of items and services of other providers, but
- no direct selling, product is provided to sellers
- profit: percentages of profit of tour operators / and or the income of primary service providers

Who should produce a regional product?

A regional product creation is often not clearly definable and the above introduced approaches are frequently combined in practice. The relations among the primary service providers, product makers and its sellers are still unclear and complicated in most of the central Europe.

Packages

- a package is a form or even a synonym of “tourism product”
- sold to a client by directly or by a tour operator
- produced in three steps:
 1. Offer inventory
 2. Combining the offers for the package and its organisation
 3. Marketing of the package

1. Offer inventory

- detailed summary of everything that the region can offer
- existing item and realizable activities, potential or wished ones!
⇒ natural and cultural heritage
- each of its elements shall be an independent service with a clear provider, prize and conditions

2. Combining offers for package & organisation

- create a balanced composition, considering:
 - ⇒ Focus
 - ⇒ Quality
 - ⇒ Length
 - ⇒ Variability
 - ⇒ Appropriateness of activities

Focus

- character of the product
- unifying element
- balanced combination of product items

Quality

- similar quality of the different product elements

Length

- appropriate and mutually balanced length of all elements
- no stress: enough time for every part of the programme, enough free time

Variability

- despite of focus
- balance of: action - relaxing, indoor - outdoor, etc.
- different restaurants, free time offers, etc.

Appropriateness of activities

- respect the visitor's wishes, habits, values and expectations

3. Marketing the package

(more about marketing see Topic: Introduction to marketing in tourism)

- prepare the package
- find the proper market
- identify:
 - ⇒ market segments
 - ⇒ communication channels
 - ⇒ sale methods

Note: order may be changed!

⇒ first identify market segments

⇒ then create packages

Frequent mistakes of product-making

- lack of guarantee of services
- tight programme
- too much organisation
- unequal offer

The role of tourism products for sustainable tourism development

- successful product development ensures sufficient and profitable use of resources
- this ensures economic sustainability (no resources are lost because the products doesn't sell well)
- other principles of sustainable tourism can be considered at each step of tourism product development
- this ensures that a sustainable tourism product is created

Thank you! 😊

Interactive Part - Suggestions for group work

1) Creating a regional tourism package for your region

Goal: focus the attention of the participants on the way tourists make use of a region's places and features and their needs and expectations

2) Identify market segments

Goal: to enable the participants to assess the tourism potentials of their region. What kind of visitors come to the region? What do they expect? What are their needs? Which of the region's places and features are interesting for which type of visitor?

Naturally, the identification of market segments needs some more effort than just "thinking about", e.g. visitor surveys, market research, etc. Participants should find out about that fact while trying to do the task and see their considerations as "first step".

YOUR TASK:

Create a regional tourism package

- work in groups of three people

STEP 1:

Select *one* of your TOP 5 lists of natural and cultural heritage and create a regional tourism package together with your partners

- Look at your TOP 5 list:

How could these be combined in a tourism package?

Besides the sights, think of transport, lodging, food, culture and recreation! Consider focus, quality and length!

Create a regional tourism package

STEP 2:

- Create (part of) a marketing strategy for your package
 - ⇒ Make a short list with the following aspects:
 - market segment
(short description of the typical tourist who would enjoy your package, e.g. backpacker, young, low budget, searching adventure - or elderly, recreation-seeking, demanding comfort)
 - potential communication channels for offering and promotion
 - name and slogan for the package
-

Create a regional tourism package

STEP 3:

- Promote your package!
 - ⇒ Present your package to the group
 - ⇒ Try and don't only repeat your TOP 5 list
 - ⇒ Explain (very briefly) the advantages and highlights of your package

HAVE FUN!