

Handbook on Tourism Product Development

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Executive Summary

Key Principles in Tourism Product Development (TPD)

1. TPD is an integral part of overall tourism development strategic planning and should not be done in isolation.
2. TPD should follow the key principles of sustainable tourism development by:
 - being authentic and indigenous reflecting the unique attributes of the destination;
 - having the support of the host community;
 - respecting the natural and socio-cultural environments by not damaging these in any way;
 - being differentiated from competitors, avoiding ‘me too/copy cat’ developments;
 - being of a sufficient scale to make a significant economic contribution, but not so large as to create high economic leakage.
3. The generation of TPD should be firmly based on market trends and tastes, necessitating sound analysis of the findings of tailored market research, using a ‘market: product matching’ process to target specific products at clearly identified segments.
4. Government’s role in TPD is the identification and dissemination of information about opportunities, planning using designated tourism development areas, and facilitating and supporting their realisation by the private sector or communities. Government’s role is also likely to include the provision of direct investment/financial support in the form of grant aid or incentives, particularly in undeveloped regions.
5. Local level administrations play a vital role in bringing TPDs to fruition and require a strong, current knowledge of the changing demands of tourists.
6. Destination tourism authorities should have a dedicated TPD function which liaises closely with the tourism marketing agency/department.
7. Consultation, coordination and collaboration are bywords in TPD. Consultation with all stakeholders – public, private and community; coordination between central, regional and local government, with private sector interests, and with community representatives; and collaboration with neighbouring tourism administrations to achieve mutual benefit.
8. Implementation of TPD plans requires long term vision, mid-term strategy and planning, and short term action plans, with lead and support responsibility for each task identified. Plans should be monitored and adjusted as necessary on an annual basis.
9. Dividing a destination into separate Tourism Product Development zones can be an effective way both of:
 - expressing the strengths of each region through TPD, thereby creating a set of identities within the country; and
 - spreading the socio-economic benefits of tourism around the whole country.

Lessons to be learned in TPD

1. Tourists do not recognise administrative boundaries, so working closely with ones neighbours creates experiences for tourists that will be mutually beneficial.
2. TPD should be seen as providing 'sets of experiences' for tourists and be developed on the basis of creating logical and accessible combinations, based either on themes or geographic areas.
3. Tourists are becoming increasingly demanding about the range and quality of tourism products provided when choosing their destination.
4. No destination can grow its tourism sector without a stream of new TPD, and ensuring the highest quality standards of delivery are maintained.
5. Tourism product development can be an effective way of creating opportunities for SME development and local community participation, thereby contributing to poverty alleviation.
6. Achieving a 'mix' of tourism products that meets the triple bottom line requirements (e.g. economic contribution, environmental preservation and the maintenance of social cohesion) as well as maximising visitor spending and satisfaction is the optimal approach to Tourism Product Development.
7. The goal should be to achieve a blend of:
 - major developments – flagships – to act as attractors to a destination and form the 'hub' for tourist movement and activity, combined with
 - clusters and circuits of attractions and activities – the spokes – that can be based around a particular theme or a geographic area.

Introduction

The estimated 200 country destinations – and the much greater number of destination regions within those countries – that participate at major travel fairs such as the International Tourism Bourse in Berlin and the World Travel Market in London, are fully oriented towards marketing and promotion. Their goal is to attract more visitors through contracts with tour operators or enticing individual travellers. Alluring images are presented of the places to visit, experiences to enjoy, and cultures to absorb, along with the facilities provided to ensure the visitor is comfortable, satisfied and made to feel welcome. Hundreds of millions of United States dollars are expended in devising and preparing destination marketing and promotional strategies and campaigns.

While all destinations engage in marketing and promotion, a much lower proportion focus their attention on the development and delivery of the various attractions and activities that make up the tourism product. The fact is, though, that unless the tourism product meets the needs and expectations of tourists, the destination cannot realise its full potential. Tourism products are the basis for a destination's tourism sector operation. Critically, the marketing of a tourism destination starts with product research. Unless the product offer is indigenous and appropriate for the region or country, while also meeting ever changing customer needs, marketing alone will not achieve the destination's potential.

Many books, academic articles, reports and studies have been produced based on the research and analysis of tourism markets and segments, and how best to brand a destination, develop creative strategies, positioning and targeting to realise the opportunities identified from the markets and segments. By contrast, only a fraction of such efforts have been put into Tourism Product Development, even though the two elements are inter-dependent. A destination cannot undertake marketing without featuring its products, and a destination's products cannot become popular components of its tourism offering without being actively and creatively marketed. The market: product 'matching' principle is an obvious approach to tourism development, but all too often the two aspects are handled separately within a tourism administration, with far greater emphasis given to market development and marketing than to product development.

This handbook seeks to redress the balance. It identifies the institutional structures and inter-relationships (e.g. between the different levels of government, and with the private sector) necessary to plan Tourism Product Development in order to maximise the destination's potential. It outlines the essential elements in the process of Tourism Product Development planning and implementation e.g. coordination, consultation, collaboration – co-operation. It illustrates these principles through a range of successful approaches and case studies from around the world, and sets out best practice examples and benchmarks by which destinations can assess their own product development system and methods.

Using the findings of a survey of 52 national tourism authorities/organisations, a programme of personal interviews both with destinations and the private sector, and the examination of over 100 case studies, reports and academic writings on the subject, Tourism Development International has produced a handbook with relevance to every tourism administration. Every destination is unique so there cannot be a single approach to Tourism Product Development fully suitable for all destinations. There will, however, be elements within the standard model destination covered in chapter 4 that represent valuable guidelines to assist all destinations in the growth stage of tourism development; while specific attention is given in chapter 5 to destinations that have their own special circumstances that influence how best they should go about the process, with some key principles to be followed.