PRODUCT DEVELOPMENT **Tourism Products and Structure**



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.

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

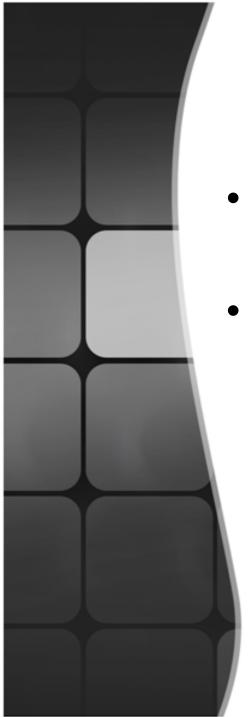
- Individual service providers
 - provide the individual parts of the tourism
 product e..g hotels, restaurants, tour guides
 - coordinate their offer
 - generate profit

- 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

- 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

- 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 some countries.

- 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 some countries.



Package

- 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

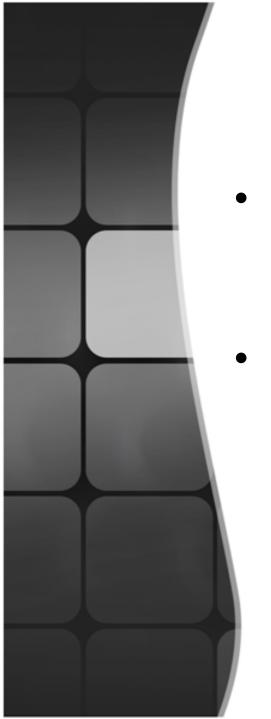
- detailed summary of everything that the region can offer
- existing item and realizable activities, potential or wished ones!
 - natural and cultural heritage
- each of its elements shall be an independent service with a clear provider, prize and conditions





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

- 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

Now It's You Turn

- From your anlysis on Tourist Characteristics, develop a package!
- Besides the sights, think of transport, lodging, food, culture and recreation! Consider focus, quality and length!
- Try to present and promote your package!
- Have fun!