

# 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.

# 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 some countries.

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# 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




## 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


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- 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



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- 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

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- 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 Your Turn

- From your analysis 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!