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FUNDAMENTALS & PRINCIPLES OF TOURISM PRODUCT DEVELOPMENT

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ETC-UNWTO Handbook on Tourism Product Development
Contents

• Defining Tourism Product Development
• Fundamentals and Principles
• Steps in the Tourism Product Development Process
• Case Studies
Definitions, Influences and Determinants
FOCUS OF HANDBOOK ON PORTFOLIO OF THINGS FOR VISITORS TO SEE AND DO.

- Active pursuits such as sports, water-based activities, hiking/walking/cycling etc.,
- Pastimes related to natural and cultural heritage, organised entertainments, health and wellness; and
- Recurring festivals and events.
Destination Tourism Development Framework

Where are we and how well do we compare?
- Destination competitiveness
  - Demand/customer patterns and segments
  - Resources
  - Supportive industries
  - Industry structure & rivalry
- Competitor performance

Where would we like to be?
- Vision, goals, objectives and core strategies
- Target market strategy
- Positioning and branding strategy

How do we get there?
- Key success factors & capabilities

Stay ahead?
- Integrated Implementation Framework
  - Development Programmes
    - Spatial tourism
    - Development plan
    - Projects
    - Attractions
    - HR/awareness
    - Infrastructure
    - SMME /entrepreneurship
    - Safety
- Marketing programmes
  - Product
  - Promotion
  - Target Market
  - Price
  - Place

Macro environment:
- Technological
- Economic
- Political
- Socio-cultural
- Natural

Institutional Management and Monitoring
Requirements of a Tourism Destination

Providing Infrastructure for Tourism

A successful Tourist Destination requires infrastructure

Accessibility
- Transport System: Route, Terminals, Vehicles

Attractions
- Natural, man-made, artificial, purpose built, heritage

Activities
- Things to do: outdoors/indoors, land/water/air-based

Amenities
- Accommodation and catering facilities, retail and other tourist services

Ancillary Services
- Banks, Telecommunications, Post, etc.
The Tourism Destination and its Characteristics

- Comprises many products within the overall destination,
- Involves many stakeholders with differing objectives and requirements,
- Is both a physical entity and a socio-cultural one,
- Is a mental concept for potential tourists,
- Is subject to the influence of current events, natural disasters, terrorism, health scares etc.,
- Is subject to historical, real and fictitious events,
The Tourism Destination and its Characteristics cont.

- Is evaluated subjectively in terms of what represents value-for-money,
  - Reality compared with expectations,

- Differs in size, physical attractions, infrastructure, benefits offered to visitors, and

- Degree of dependence on tourism,

- No two destinations can be treated the same, each offering its own unique and authentic attributes.
Tourism Value Chain

- Illustrates a number of unusual characteristics compared with other industries,

- Tourism is a complex industry to plan and manage.
Tourism Value Chain

Source: UNWTO
Tourism Value Chain - Parties directly involved

Source: UNWTO
Tourism Value Chain - Parties indirectly involved

Support Institutions: Ministry of Tourism and Culture, Chamber of Commerce, Ministry of Interior, Banks, etc.

- Merchandising of Eastern Anatolia
- Customs Office
- Ministry of Tourism and Culture
- Port Authority
- Promotional Activities
- Ministry of Transportation
- Immigration Agency
- Communication, Press & Media
- Travel Organisation and Booking
- Transportation
- Accommodation
- Food & Beverage
- Handicrafts
- Tourism Assets in Destinations
- Support Services
- Leisure, Excursions and Tours
- Brochures
- Oil Station
- Technology Shops/Imports
- Industrial Factories
- Wholesalers and Single Suppliers
- Trade Companies
- Artists (painting, musicians, etc.)
- Site Signals
- Books, CD's and DVD
- Restoration
- Management
- Maintenance
- Handicraft Suppliers
- Food Suppliers
- Food Factories & Rural Areas
- Maintenance
- Shops (in accommodation)
- Storage & Distribution
- Manufacturers
- Furniture and Equipments
- Constructors and Real Estate
- Agricultural and Aquaculture Suppliers: Textile, Wood, Food

Source: UNWTO
Variables influencing Tourism Product Development

- Economic
- Technological
- Political
- Demographic
- Globalisation vs. Localisation
- Socio-Environmental Awareness
- Living and Working Environments
- Search for Authentic Experiences
- Marketing
- Safety of Travel
Fundamentals and Principles of Tourism Product Development Planning
3 Fundamental Issues needed before effective TPD can take place

- Tourism Organisation and Institutional Structures
- Inter-Agency Co-ordination
- Comprehensive, Integrated and Inclusive Planning
Key Principles in Tourism Product Development

- Tourism Product Development should:
  - Be authentic and indigenous reflect the unique attributes of the destination.
  - Have the support of the host community.
  - Respect the natural and socio-cultural environments by not damaging these in any way.
  - Be differentiated from competitors, avoid “me too/copy cat” developments.
  - Be of sufficient scale to make a significant economic contribution, but not so large as to create high economic leakage.
Role of Government in TPD

- Establish Conditions for Economic Growth, by Supporting Sectors with Competitive Advantage,

- Create Appropriate Institutions, System of Inter-agency Coordination,

- Intervention Range:
  - Enabling Transport,
  - Training,
  - Provide Incentives,
  - Create Positive Image.

- Wide Variation Depending on Priority Attached to Tourism,

- Destination Marketing Primary Activity, TPD Minimal Activity.
Steps in the Tourism Product Development Process
Steps in the Planning Process

The Approach to identifying TPD Opportunities, & Creating Successful and Sustainable Developments in line with Market requirements, involves:

1. Establishing the present situation,

2. Identifying the opportunities, and

3. Prioritising destination’s tourism sector’s objectives.
Tourism Area Life Cycle (TALC)

Number of Tourist

CRITICAL RANGE OF ELEMENTS OF CAPACITY

Consolidation

Development

Involvement

Exploration

Rejuvenation

Stagnation

Deadline

Time
Procedures in Tourism Product Development

- Market Research
- Market: Product Matching
- Stakeholder Consultation & Collaboration
- Tourism/Product Development Areas
- Flagships/Hubs
- Clusters/Circuits/Events
- Product Portfolio & Investment Plan
- Human Resource Development
- Marketing & Promotion
Case Studies
Case Studies – Tourism Organisation

The Australia Model

- Department of Resources, Energy + Tourism (DRET)
- Tourism Ministers Council (TMC)
- Standing Committee on Tourism

Tourism Working Groups
- Destination Management Planning
- Digital Distribution
- Indigenous Tourism
- Industry Resilience
- Investment and Regulatory Reform
- Labour and Skills
- Research and Development Advisory Board
- Tourism Access
- Tourism Quality Council Australia
Case Studies – Innovative Planning Approaches

Nordic Innovation Centre, Oslo/ Norway
Case Studies – Innovative Planning Approaches

Bank of Tourism Potentials, Slovenia

Bank of Tourism Potentials in Slovenia
Slovenian Tourist Board
Case Study – Application of Market Research

Malaysia Rural Tourism Master Plan
Case Study – Product – Market Matching

Circuit Development Transylvania, Romania

Fortified Church of Biertan

Sibiu

Black Church Brasov
Case Study – Community Consultations

Greenville Product Development
Concept Plan, USA
Case Study – Stakeholder Collaboration

The Anjou Region, France
Case Study –
Tourism Product Development Areas

The South Carolina Tourism Action Plan, USA
Case Study – Flagship Attraction

The Archabbey of Pannonhalma, Hungary
Case Study – Urban Regeneration

The Guggenheim Museum, Bilbao, Spain
Case Studies – Routes and Trails

The Route of Santiago De Compostela, Spain
Case Studies – Routes and Trails

Palace on Wheels project, India
Case Studies – Routes and Trails

Mekong Discovery Trail, Cambodia
The St Patrick’s Festival in Ireland
Case Study – Guizhou Province, China

Guizhou Province

Guizhou Province

Tourism Development Master Plan
Case Study – Guizhou Province, China

Mount Fanjing – Environmental and Eco-tourism Development Strategy
Case Study – Guizhou Province, China

Huangguoshu Falls – Upgrading Development Plan

Diagram: Upgrading Development Strategy Huangguoshu Falls
Case Study – Guizhou Province, China

Village Cluster And Bala River Rural Tourism – Development Plan for ethnic minority villages
Case Study – Guizhou Province, China

Zunyi Conference Local Area – Improvement Plan
Case Study – Guizhou Province, China

Project Impacts And Outcome

• Forward leap of tourism development in Guizhou since Master Plan benefitting local people struggling from poverty in most remote areas,

• 100 specific tourism plans have been produced based on Master Plan guidance,

• Guizhou’s efforts receiving attention from other provinces following China Central Government Policy on poverty alleviation in rural areas,

• Multiplier effect spreading wealth to grassroots communities,

• Tourism Income has grown from 10.64 billion Yuan RMB (EUR 1.12 billion) in 2002 to 80.52 billion Yuan RMB (EUR 8.6 billion in 2009),
3 Fundamental Issues needed before effective TPD can take place

- Tourism Organisation and Institutional Structures
- Inter-Agency Co-ordination
- Comprehensive, Integrated and Inclusive Planning
Thank you for your attention!

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