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FUNDAMENTALS & PRINCIPLES OF TOURISM PRODUCT DEVELOPMENT

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Contents

• Defining Tourism Product Development

• Fundamentals and Principles

• Case Studies
Definitions, Influences and Determinants
Defining Tourism Product Development

Process:

Assets of a destination are moulded to meet the needs of customers.

‘Tourism product’ includes:

Natural or man made attractions, hotels, resorts, restaurants, theatres, activities, festivals and events.
FOCUS 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

Key success factors & capabilities

How do we get there?

Integreted Implementation Framework

Development Programmes
- Spatial tourism
- Development plan
- Projects
- Attractions
- HR/awareness
- Infrastructure
- SMME/entrepreneurship
- Safety

Marketing programmes
- Product
- Promotion
- Target Market
- Price
- Place

Institutional Management and Monitoring

Stay ahead?

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

Tourism Development International

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
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
- 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.

Source: UNWTO
Tourism Value Chain - Parties directly involved

Source: UNWTO
Tourism Value Chain - Parties indirectly involved

- Merchandising of Eastern Anatolia
- Customs Office
- Ministry of Tourism and Culture
- Port Authority
- Promotional Activities
- Ministry of Transportation
- Communication, Press & Media
- Immigration Agency
- Travel Organization and Booking
- Transportation
- Accommodation
- Food & Beverage
- Handicrafts
- Tourism Assets in Destinations
- Leisure, Excursions and Tours
- Support Services

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

- Artists (painting, musicians, etc.)
- Site Signals
- Books, CD’s and DVD
- Restoration
- Management
- Maintenance
- Brochures
- Oil Station
- Trade Companies
- Wholesalers and Single Suppliers
- Technology Shops/Imports
- Industrial Factories

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
Role of Government in TPD

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

- Create Appropriate Institutions, System of Inter-agency Coordination, and Planning & Management Processes,

- 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.
Importance of Macro Level Strategy & Planning

- Destination Planning for the Tourism Sector is Vital,

- Tourism Planning Requires a Different Approach from Other Sectors,

- Planning Needs to be Fully Comprehensive & Coordinated,

- Tourism Planning is a Long Term Process – Revolving & Iterative.
Principles & Procedures for TPD

- 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
3 Fundamental Issues needed before effective TPD can take place

- Tourism Organisation and Institutional Structures
  - Case Study – Turismo de Portugal

- Inter-Agency Co-ordination
  - Case Study – Terra Botanica, Anjou, France
  - Case Study – Guggenheim, Museum, Bilbao, Spain

- Comprehensive, Integrated and Inclusive Planning
  - Case Study - Guizhou Province, China
  - Case Study – Wild Atlantic Way, Ireland
Case Study 1
Tourism Organisation and Institutional Structures

Turismo de Portugal is a good example of streamlined organizational structures at national level

- Established following merger of four separate agencies with responsibility for
  - Tourism Legislation/Classification
  - Tourism Training
  - Marketing
  - Inspections

- Each function now housed ‘under one roof’
Case Study 1
Tourism Organisation and Institutional Structures

Ministry of Economy and Innovation

Secretary of State for Tourism

Turismo de Portugal, I.P.

Regional Directorates for Tourism

Regional Tourism Bodies

Regional Agencies for Tourism

Tourism Promotion Teams
Case Study 2
Inter-Agency Co-ordination

Terra Botanica, Anjou, France
Terra Botanica is a good example of original thinking and multi-stakeholder partnership

- **€94 million** project conceived by General Council of Maine-et-Loire
- Objective: reinforce region’s identity as a centre of horticulture excellence
- Project funding:
  - European Regional Development Fund
  - Government of France
  - Pays de la Loire Region
  - Maine-et-Loire Council
- SEM/PPP Management Company comprising 15 shareholders
- Over 100 companies involved in construction
Impacts

- Park attracts 400,000 visitors per annum
- 30 full-time and 50 seasonal employees
- Annual economic impact estimated at €8 million
- Local linkages have been optimised (i.e. locally sourced produce)
Case Study 3
Inter-Agency Co-ordination

Guggenheim Museum, Bilbao, Spain
Bilbao Metropolitan Revitalisation Plan – Strategy to develop industrial city in decline

Concept for locating Guggenheim Museum first originated in 1991

Constructed in 1994 at a cost of €100 million

Key Actors

- Basque Government
- Provincial Council of Biscay
- Guggenheim Foundation
- Frank Gehry, Architect
Impact – a flagship development that has contributed the redevelopment of Bilbao

- **1 million visitors** per annum, (Majority ex-Basque region)
- **€204 million** – direct expenditure generated by Museum in Basque Region in 2009
- **€28 million** – expenditure in Museum premises
- **3,695 jobs** supported by Museum activities
- **€25 million** in revenue generated for the Basque Treasury
Case Study 4
Comprehensive, Integrated and Inclusive Planning

Guizhou Province, China
Basic Objectives

- Provide a strategic framework for the ordered planning and development of tourism over the short, medium and long terms

- Devise spatial, product and marketing development strategies to match market needs – domestic and international

- Increase average length of stay and tourism spending by creating complementary tourism products of optimum quality
Spatial and Product Development Strategies – Marketable Attractions and Basic Development Concept

- A province endowed with
  - Natural attractions (spectacular waterfalls like Huangguoshu and Shizhangdong)
  - Nature reserves of great diversity
  - Landscape dominated by extraordinary karst formations

- Ethnic minority villages continue the age-old traditions of the Miao/Buyi
  - A cultural jewel collection

- Historical features of special interest to domestic visitors is the meeting house in Zunyi, site of the historic 1935 conference of the Central Committee of the Communist Party
<table>
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<th>Impact</th>
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<td>- Forward leap of tourism development in Guizhou benefitting local people struggling from poverty in most remote areas</td>
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<td>- <strong>100 specific tourism plans</strong> have been produced based on Master Plan guidance</td>
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<td>- Guizhou’s practices receiving more attention from other provinces following China Central Government policy on poverty alleviation in rural areas</td>
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<td>- <strong>Multiplier effect</strong> spreading wealth to grassroots communities</td>
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<td>- 2006, UNWTO International Forum Tourism Province in Guiyang shared Guizhou experiences with other countries</td>
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<td>- Tourism income has grown from <strong>10.64 billion Yuan TMB</strong> (EUR 1.12 billion) in 2002 to <strong>80.52 billion Yuan RMB</strong> (EUR 8.6 billion) in 2009</td>
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Wild Atlantic Way

Wild Atlantic Way, Ireland
Aim of the project:

- To develop a long-distance touring route that will achieve greater visibility for the west coast of Ireland in overseas tourist markets.
Case Study 5
Comprehensive, Integrated and Inclusive Planning

Wild Atlantic Way, Ireland

Project Goals:

The Wild Atlantic Way is one of the Irish Tourist Board’s signature projects to rejuvenate Irish tourism. Once fully-realised, the project will:

- assist in increasing visitor numbers, dwell time, spend and satisfaction along all parts of the route
- re-package the Atlantic seaboard as a destination to overseas and domestic visitors
- improve linkages between, and add value to, a range of attractions and activities
- improve on-road and on-trail interpretation, infrastructure and signage along and around the route
Project Goals Contd.:

- direct visitors to less-visited areas
- build on the work completed in these areas already and assist businesses, agencies, local groups and other stakeholders to work together
- reinforce the particular strengths and characteristics of all of the areas located along the west coast, while offering the visitor one compelling reason to visit
Case Study 5
Comprehensive, Integrated and Inclusive Planning

Project Stages

**STAGE 1**

- Proposition and Brand Development
  - Assessment of Potential Target Market
  - Benchmarking against other key Destination Routes
  - Review of existing product offering and experiences
  - Provide visitors with clear expectations of the experience of the WAW (the proposition)
  - Brand Testing (domestically and overseas)
  - Brand Guidelines and Brand Management

**STAGE 2**

- Identification of Route
  - Establish four Regional Steering Groups
  - Review existing driving routes
  - Evaluate route options
  - Identify route sections
  - Stakeholder and community consultation
  - Devise funding model
  - Publish Route Master Plan

Wild Atlantic Way, Ireland
Case Study 5
Comprehensive, Integrated and Inclusive Planning

Wild Atlantic Way, Ireland

Project Stages Contd.

**Stage 3:** Way-finding Strategy
- Establish Signage Implementation Group
- Pilot project to devise sign design and signage strategy
- Prepare signage plan for entire route (with Local Authorities)
- Procure manufacture of signs (with Local Authorities)
- Install signs along entire route (with Local Authorities)
- Implement other way-finding methods

**Stage 4:** Delivery of Discovery Points
- Undertake audit of all Discovery Points
- Identify minimum work possible to Discovery Points by March 2014
- Prepare infrastructure and Interpretative plans for Discovery Points (short term and long term plans)
- Stakeholder and community consultation

**Stage 5:** Selling Wild Atlantic Way Experiences
- Fáilte Ireland to host series of workshops with businesses on the delivery and packaging of Wild Atlantic Way experiences
- Through the Sales Connect programme, Fáilte Ireland to work with those businesses that are positioned to sell the Wild Atlantic Way directly into overseas markets
- Undertake development of infrastructural work to selection of Discovery Points by March 2014

**Stage 6:** Marketing and Communications
- Preparation of Marketing and Communications Plan
- Prepare digital content
- Development of relevant marketing collateral
Thank you for your attention!

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Bern, Switzerland, 13 November 2014
Case Study 5
Comprehensive, Integrated and Inclusive Planning

Wild Atlantic Way, Ireland