

European Travel Commission (ETC) and World Tourism Organization (UNWTO) Handbook on Tourism Product Development

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 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.