



Policy Issues for Sustainable Tourism Product Development

**Presented by:
Mareba M. Scott
Sustainable Tourism Product Specialist, CTO**



Presentation Outline

- Traditional approach to Caribbean tourism marketing
- The marketing mix revisited
- Assessing the Caribbean's product levels
- Product Competitiveness
- Opportunities, trends and policy implications

Traditional Approach to Marketing Tourism in the Caribbean

Traditionally destinations have had an emphasis firstly on promotion- advertising, PR/publicity and secondly, on distribution



CARIBBEAN

Tourism Marketing

When CTO's states that it is principally a marketing organization, reference is made to all 4Ps in descending order of importance

- Product
- Price
- Place (Distribution)
- Promotion



CARIBBEAN

Tourism Marketing

A superlative product and service cannot be copied easily.

No product or service can be developed independent of other elements of the Marketing mix. To focus on one element is a recipe for failure and a diminishing level of sustainability



CARIBBEAN

The Marketing Mix Revisited

Product	Price	Place	Promotion	People	Physical Evidence	Process
Range Quality Level Brand name Service line Warranty After-sales service	Level Discounts: Allowances Commissions Payment terms Customer's perceived value Quality/price Differentiation	Location Accessibility Distribution channels Distribution coverage	Advertising Personal selling Sales promotion Publicity Public relations	Personnel: Training Discretion Commitment Incentives Inter-personal behaviour Attitudes Other customers: Behaviour degree of involvement Customer/customer contact	Environment : Furnishings Colour Layout Noise level Facilitating goods Tangible cues	Policies Procedures Mechanization Employee discretion Customer involvement Customer discretion Flow of activities

Source: Booms and Bitner (1981)



Product Level Issues

- ◆ What are tourists to the Caribbean buying? What is the core benefit to consumer?

Traditionally we have focused on selling features (which can be easily replicated and become unsustainable); we need to promote the core product.

- ◆ What services or goods must be present for tourists to enjoy the benefit they derive from visiting the Caribbean?
- ◆ What products add value to the Caribbean experience and differentiate us from our competitors?
- ◆ How do the other 3Ps of the marketing mix- people, physical evidence and the process, augment the core product or the vacation experience in Caribbean destinations?



CARIBBEAN



What is Product Development?

Creating new products in existing markets.

The goal is to create memorable customer experiences that produce a competitive and superior customer value.

CARIBBEAN

Product Competitiveness

A tourism destination's competitiveness is the destination's capacity to create and incorporate value-added products in a sustainable manner that maintains market positioning relative to competitors



Assessing Tourism's Competitiveness

In 2001 WTTC and the Christen DeHaan Tourism and Travel Research Institute developed a traffic light system using eight indices to show the relative competitiveness of different countries. This Competitiveness Monitor is based on a set of economic and social data that are available across countries.



Competitiveness Indices

- The **Tourism Price Index (TPI)** indicates the tourism price index across countries and is computed using the Hotel Price Index and the Purchasing Power Parity Index.
- The International **Human Tourism Index** assesses the achievement of human development in relation to tourism activity. It includes an economic impact on travel and tourism demand including consumption, imports, exports, personal and business travel, and the number of arrivals and departures



Competitiveness Indices

- The **Infrastructure Index** is a measure of the level of infrastructure development and combines the following indices: road, sanitation and water access.
- **Environmental Index** shows governments' consciousness towards environmental aspects of development utilising population density, carbon dioxide emissions and the ratification of environmental treaties as indicators



Competitiveness Indices

- Advances in modern technological systems and infrastructure are the bases on which the **Technology Index** is determined using the number of telephone mainlines, mobile phones, high technology exports and Internet host as prime indicators.
- The **Human Resources Development Index** uses the following indicators to assess a country's competitiveness: expectancy, illiteracy rates, education, employment, population, training, skills and gender





Competitiveness Indices

- ◆ **Openness Index** indicates the extent to which a country is open to the activity of tourism and examines the following data: visa requirements, the extent to which a country is open to international tourism, trade openness and taxes on international trade
- ◆ **Social Development Index** is the measure of the country's development in social issues using data from newspapers, personal computers, television sets and recorded crimes.

Table1 Relative Competitiveness of Selected Caribbean Countries Using the Traffic Light System (2002)

Country	Price Competitiveness Index	Human Tourism Index	Infrastructure Index
Antigua & Barbuda	0.00	*	*
Bahamas	42.16 ▽	*	67.68 √
Barbados	60.53 ▽	*	70.10√
Cayman Islands	*	*	*
Cuba	*	*	65.38√
Dominican Republic	80.99√	11.09√	47.56□
Grenada	2.67▽	21.29√	70.72√
Guyana	*	*	65.39√
Jamaica	73.63□	*	53.83□
St. Kitts & Nevis	48.85▽	*	*
St. Lucia	57.76▽	53.89√	*
St. Vincent & the Grenadines	47.28▽	21.97√	68.25√
Trinidad and Tobago	64.82□	3.17▽	60.54□

Source: WTTC, 2003

Key: ▽- Below Average Performance

□ - Average Performance

√- Above Average Performance

*- **Data Not Available**



Table1 Relative Competitiveness of Selected Caribbean Countries Using the Traffic Light System (2002)

Country	Environment Index	Technology Index	Human Resources Index	Openness Index	Social Index
Antigua & Barbuda	69.23 □	34.66 √	*	83.67√	29.79□
Bahamas	66.54 □	23.24 √	88.10 √	76.81√	46.28√
Barbados	60.94∇	32.81 √	89.29√	58.03 □	44.83√
Cayman Islands	*	47.09√	*	*	24.05□
Cuba	*	1.99∇	*	*	18.22∇
Dominican Republic	66.30□	7.17□	76.19□	37.77□	32.16□
Grenada	64.79□	14.93□	*	67.54√	34.90□
Guyana	74.79√	3.61∇	85.71□	55.41□	23.09□
Jamaica	39.96∇	8.76□	75.00□	48.56□	31.34□
St. Kitts & Nevis	73.93√	24.91√	*	72.33√	40.55√
St. Lucia	78.34√	12.26□	*	79.65√	45.76√
St. Vincent & the Grenadines	65.61□	12.21□	*	62.00□	16.66∇
Trinidad and Tobago	41.09∇	12.48□	82.14□	62.55□	39.41□

Source: WTTC, 2003

Key: ∇- Below Average Performance

□- Average Performance

√- Above Average Performance

*- Data Not Available



Opportunities

- ◆ Disasters - **policy and sustainability imperative**
- ◆ Building on quality infrastructure in specific areas to enhance an overall regional programme for the development of tourism standards- sharing of best practices among member countries- **policy and sustainability imperative**
- ◆ The Caribbean is the best known and unowned brand- the brand's future reputation is predicated on tourism products that meet international standards, create memorable experiences, a competitive advantage and a superior value- **sustainability imperative**

CARIBBEAN



Integrated Approach

The Caribbean brand must be consistently reinforced:

- **Architectural design:** local styles and motifs, regional building materials
- **Design standards:** engineering and design standards for roads, drainage, water supply, electric power, sewage disposable, solid waste disposal, telecommunications, marinas/piers, construction standards and sanitation and public health standards.
- **Development standards:** development densities, building set backs, building heights, sign control standards, public access, parking, pedestrianization, site coverage, landscaping etc.
- **Thematic**
- **Targeted**

CARIBBEAN