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# Contemporary Tourism Product Markets

## Chapter objectives

After reading this chapter you will:

- Understand the various approaches to tourism products.
- Appreciate the concept of experiences as tourism products.
- Recognise the various approaches to tourism markets.
- Be aware of the changing nature of tourism markets and the 'post tourist'.
- Understand the significance of tourism market segmentation.
- Recognise the importance of the tourism product market.
- Recognise the importance of market stories in market shaping.
- Understand the nature of exchanges and interactions in tourism product markets.

## Introduction

This chapter introduces the pivotal concept of tourism product markets as a key to understanding contemporary tourism marketing. The chapter begins with a discussion of tourism products, stressing that a contemporary approach to tourism products recognises that the tourism consumer is a co-creator of products, delivering a marketing approach that allows interaction with the tourist in a continuous process. A contemporary approach is to engineer experiences as tourism products, appealing to the 'post tourist' market and delivering memorable, engaging tourism experiences that 'transform' the visitor. We then consider tourism markets and how consumer behaviour is changing. It is clear that to reach

and understand these new markets demands deep and meaningful research and contemporary approaches to market segmentation. We introduce the concept of tourism product markets to provide a framework for the interaction of buyers and sellers in tourism. The main message of the chapter is that tourism products and markets are inextricably linked; it will be seen that tourism product markets allow the clear definition of tourism products and the boundaries between them. Finally we examine the nature of the continuous exchanges and interactions in tourism product markets and the response of marketers to the challenges that these present.

## ■ **Tourism products**

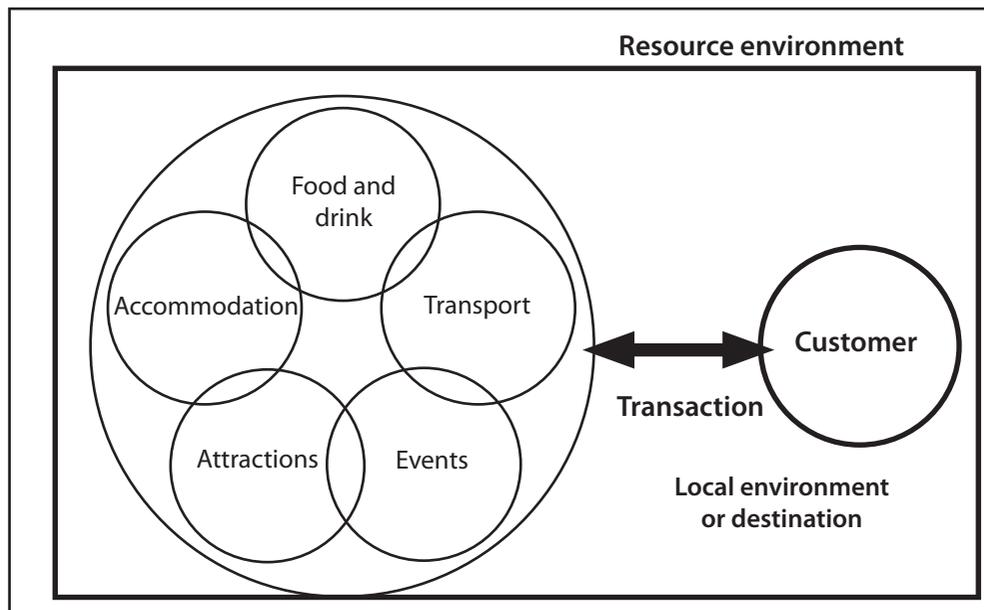
As we noted in Chapter 1, tourism products are complex and multifaceted. As a result they have generated a considerable debate as to their nature and definition, including whether they are sufficiently different to merit a separate approach to marketing. The traditional view of a tourism product has been inherited from economics and is based upon the framework of exchange. Tourism products package together utilities and benefits for the consumer and, in tourism, exchange takes place at a destination and within a particular socio-political, environmental, technological and economic setting. There are two elements to this approach:

- 1 The nature of the social exchange when a purchase takes place; and
- 2 The functional nature of the tourism product included in the transaction.

More recently, new perspectives have been introduced including those based upon relationships, the co-creation of value and the recognition of intangible products where the consumer is involved with the supplier in the creation and delivery of the product (Campos et al., 2018). These new perspectives are based upon the concept of services marketing rather than physical goods; they allow consideration of all market actors and recognise that these actors will have a continuous relationship with each other. This provides a more realistic approach to the tourism product as it integrates both goods and services and recognises that tourists will purchase both as they construct a trip. This approach recognises the tourism consumer as a co-creator of goods and delivers a marketing approach that allows interaction with the customer in a continuous process, facilitated by the use of technology. This can then be taken a step further by viewing the tourism product as a bundle of tangible and intangible product attributes, with products lying on a continuum between these types of attributes. The tourism product can also be viewed along a second continuum: from a single component; through a composite of components that are packaged or bundled together; to the total destination product itself. Gilbert (1990) extends these ideas arguing that the tourism product is in fact the total experience. He defines the tourism product as:

*An amalgam of different goods and services offered as an activity experience to the tourist (Gilbert 1990: 20).*

Clearly then, there are a number of approaches to the tourism product. For example, building on Gilbert's notion of the tourism product as the total experience, the tourism product can be disaggregated into stages of the vacation from anticipation and planning, to booking, travel and evaluation. The merit of this approach is that it takes into account the important pre- and post-product purchase stages that influence future buying behaviour, as noted in Chapter 1. A second approach is to view the product as synonymous with the destination, such that the tourism product is a 'composite' or an 'amalgam' of destination elements including attractions; supporting services such as accommodation, food and beverage; and transportation (Figure 2.1). In other words the product can be seen as more than just a geographical unit. There are significant implications of this 'amalgam' for tourism marketing, particularly the challenge of managing quality across the various elements, each of which is often supplied by a different organisation.



**Figure 2.1:** The tourism product market. Source: Cooper, Scott and Kester (2005)

This approach is perhaps mirrored in the more traditional approach to understanding tourism products that is drawn from the physical goods marketing literature (Kotler et al. 2014). This approach argues that products have three key dimensions:

- 1 The core product delivers the product's benefits and features and provides a reason for purchase. An example would be the offer of a vacation in Dubai.
- 2 The facilitating product must be present for the tourists to use the services. For a vacation these include transportation and accommodation. It is interesting that it is this part of the product that is cut to a bare minimum in the business