



**Australian Government**

# **SITTPPD601 Develop tourism products**

**Release 1**

## SITTPPD601 Develop tourism products

### Modification History

The version details of this endorsed unit of competency set are in the table below. The latest information is at the top.

Version	Comments
1.0	E Replaces and is equivalent to SITTPPD001B Research, assess and develop tourism products. Added innovation. Title simplified.

### Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to manage the strategic product development process from initial research through to product establishment and monitoring.

### Application of the Unit

The unit applies to all industry sectors and to senior personnel working in strategic planning and product development roles. This could include product development managers, marketing managers, operations or general managers, regional tourism managers, account managers, events managers, resort or hotel managers and owner-operators.

### Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

### Pre-Requisites

Not applicable.

### Employability Skills Information

This unit contains employability skills.

## Elements and Performance Criteria Pre-Content

### Elements and Performance Criteria

Elements describe the essential outcomes of a unit of competency. Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

- |  |  |
|--|--|
| 1. Research the market.                              | 1.1 Focus <b><i>product</i></b> research according to organisational objectives.<br>1.2 Evaluate <b><i>information sources</i></b> for tourism, tourism market trends, and distribution and marketing networks.<br>1.3 Consult with internal and external stakeholders.<br>1.4 Analyse current market trends, needs, and <b><i>product and service gaps</i></b> .<br>1.5 Identify product development opportunities and target markets, including opportunities for new and innovative approaches.<br>1.6 Evaluate distribution and marketing networks that support proposed tourism product, including the use of new technologies. |
| 2. Analyse issues relevant to product establishment. | 2.1 Identify and analyse product preferences and quality expectations of different consumer markets, including those with special needs.<br>2.2 Identify and assess external issues that impact on establishing a product.<br>2.3 Assess suitability of destinations for accessibility and availability of services for target markets.<br>2.4 Assess <b><i>organisation's capacity to provide proposed product</i></b> and identify additional resources required.<br>2.5 Consider issues relating to product life cycle.   |
| 3. Determine profitable selling price.               | 3.1 Determine nett delivery cost by identifying <b><i>expenditure items</i></b> .<br>3.2 Identify organisations involved in the product distribution network and the commission or mark up structures that would apply.<br>3.3 Incorporate distributor commissions or mark ups, and determine required profit margin and mark up for profit.<br>3.4 Make reasonable cost adjustments to ensure price competitive product.<br>3.5 Estimate expected income and assess profitability and yield.<br>3.6 Clearly and accurately document pricing structures.   |
| 4. Establish the                                     | 4.1 Create and implement product development plan that incorporates strategies and actions for marketing,  |

- product.
- communications and implementation.
- 4.2 Communicate plan to relevant internal and external stakeholders.
- 4.3 Where appropriate, test new products and services in marketplace prior to full implementation.
- 5. Monitor and evaluate the success of the product.
  - 5.1 Monitor product development initiatives based on feedback and other business factors.
  - 5.2 Identify and action changes required in a timely manner and according to any contractual obligations.
  - 5.3 Communicate changes to relevant colleagues, customers and distributors.

## Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

### Required skills

- communication skills to manage consultation processes with internal and external stakeholders
- critical thinking skills to evaluate and develop strategic responses to complex marketing and business information
- initiative and enterprise skills to recognise or proactively seek new and innovative product opportunities
- literacy skills to:
  - interpret complex tourism research documents that relate to tourism trends, market statistics, information on market preferences and requirements
- numeracy skills to:
  - complete complex budgetary costings
  - calculate a range of different commission and mark-up structures
  - assess the profitability of various product options
- planning and organising skills to coordinate implementation aspects of product development
- problem-solving skills to make strategic responses to product development challenges
- technology skills to work with current tourism management and marketing systems.

### Required knowledge

- features and inclusions of a product development plan
- tourism industry structures, interrelationships, networks and information sources
- distribution and marketing networks that support tourism products in the relevant context
- key stakeholders in local, regional, state and national tourism organisations and the structures of these organisations at each level
- current market trends, products and service styles that meet certain market requirements, including quality expectations
- current tourism product base for the proposed destination and market to be serviced
- competitors' current and proposed products and services
- features of the destination at which the product will be delivered
- aspects of laws that impact on tourism operations and actions required of tourism operators, including:
  - consumer protection:
    - providing services as advertised
    - terms and conditions
    - refund requirements
    - cancellation fees
  - child sex tourism
  - legal liability insurance requirements and duty of care to customers

- environmental protection:
  - licences
  - permits
  - accreditation
  - minimal impact practice
- local community protection:
  - land ownership, management and access requirements
- financial operating costs in tourism organisations, desired profit margins and achievement of high yield in order to determine an appropriate selling price
- industry commission and mark-up procedures and rates appropriate in the relevant industry context.

## Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

### Overview of assessment

#### **Critical aspects for assessment and evidence required to demonstrate competency in this unit**

Evidence of the ability to:

- research, assess and develop tourism products for a tourism operation, including:
  - analysis of current industry, market and organisational information
  - setting of a profitable selling price
  - creation of a product development plan
- demonstrate knowledge of the tourism industry, including structure and interrelationships, tourism industry networks, information sources and distribution and marketing networks.

#### **Context of and specific resources for assessment**

Assessment must ensure use of:

- a real or simulated business operation for which tourism products can be developed
- current information and communications technology
- current tourism industry data and information sources about tourism market trends.

#### **Method of assessment**

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- evaluation of products, services or experiences developed by the individual to meet differing needs
- evaluation of completed product costing and pricing structures for specific products
- case studies to assess the individual's ability to assess markets with differing product preferences and requirements
- use of case studies to assess ability to evaluate tourism products and markets with different distribution and marketing networks
- written or oral questioning to assess knowledge such as structure of the tourism industry, tourism industry interrelationships, distribution networks, mark-up and commission structures and legal requirements
- review of portfolios of evidence and third-party workplace reports of on-the-job performance by the

individual.

**Guidance information for assessment**

The assessor should design integrated assessment activities to holistically assess this unit with other units relevant to the industry sector, workplace and job role, for example:

- SITTPPD503 Research and analyse tourism data
- SITTPPD602 Develop environmentally sustainable tourism operations
- SITTPPD603 Develop culturally appropriate tourism operations
- SITXMPR502 Develop and implement marketing strategies.



## Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

***Product*** may have single or multiple components, and may include:

- accommodation
- activities of any type
- attractions, both natural and built
- catering
- cruises
- events:
  - business and corporate
  - entertainment and leisure
  - exhibitions, expositions and fairs
  - festivals
  - fundraising
  - government and civic
  - marketing
  - meetings and conventions
  - social
  - sports
- tours:
  - brochured
  - day
  - extended
  - group
  - incentives
  - individual
  - optional
  - series
- transport:
  - air
  - rail
  - bus or coach
  - shipping
- transfers.
- government bodies:
  - funding agencies
  - land management agencies

***Information sources*** may include:

- internet
- local people
- reports and research:
  - local, state, regional or national marketing plans
  - statistical data
- research bodies:
  - public
  - private
- tourism operators:
  - accommodation
  - destination marketing companies
  - tour operators
  - inbound tour operators
  - tour wholesalers
- tourism organisations and associations
- training agencies.

***Product and service gaps*** may include:

- gaps in existing product range
- markets for which level of demand is not being met
- markets not currently serviced by any competitor or potential competitor.

***Organisation's capacity to provide proposed product*** may involve consideration of:

- destination factors:
  - capacity to sustain tourism
- impacts of potential product diversification for the business
- profitability issues
- resource constraints
- skills requirements
- sustainability:
  - economic
  - environmental:
    - current credentials
    - legislative, accreditation, permit requirements
    - minimal impact issues
  - social and cultural
- risk assessment and control requirements.

***Expenditure items*** may include:

- capital costs and proportion attributed to the product
- fixed costs

- human resource costs
- insurances
- licensing and permit fees
- marketing costs
- operating costs attributed to operating the product
- supply of component products and services
- variable costs.

## **Unit Sector(s)**

Tourism

## **Competency Field**

Planning and Product Development