



Australian Government

Department of Education, Employment and Workplace Relations

SITTPPD001B Research, assess and develop tourism products

Revision Number: 1

SITTPPD001B Research, assess and develop tourism products

Modification History

Not applicable.

Unit Descriptor

Unit descriptor

This unit describes the performance outcomes, skills and knowledge required to manage product development strategically within tourism and hospitality organisations. It covers the strategic development of the organisation's product range and requires the ability to research the market, analyse issues relevant to establishing the product, determine a profitable selling price, establish the product, and monitor and evaluate its success.

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

This unit has a focus on product planning processes. It underpins other specialised Planning and Product Development units that look at the specific and additional skills required to meet particular environmental or cultural requirements:

- SITTPPD006B Plan and develop ecologically sustainable tourism operations
- SITTPPD007A Plan and develop culturally appropriate tourism operations.

Negotiating with suppliers for any product component is covered in SITXMGT006A Establish and conduct business relationships.

SITTPPD003B Source and package tourism products, takes a less strategic and more operational focus to product development.

Application of the Unit

Application of the unit

This unit describes a key product planning function for a diverse range of tourism and hospitality products and services and applies to the full range of industry sectors.

The unit applies to the development of new or enhanced tourism products. Increasingly, tourism operators are choosing to provide specialised tourism products. This unit describes the generic tourism product planning process that applies to the development of any style or category of product for the domestic or international customer, covering any international or Australian destination.

Product planning involves a strategic focus on the overall and long-term operation of the tourism product.

This unit applies to senior tourism and hospitality industry personnel who operate autonomously and have strategic tourism planning and product development roles. These roles would include product development manager, marketing manager, operations or general manager, regional tourism manager, account manager, events manager, resort or hotel manager and owner-operator of any type of tourism business.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units

Nil

Employability Skills Information

Employability skills

The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit is packaged will assist in identifying employability skills requirements.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT

PERFORMANCE CRITERIA

- | | | | |
|---|----------------------|-----|---|
| 1 | Research the market. | 1.1 | Focus the research of potential <i>tourism products</i> within the context of the overall business plan and marketing focus of the organisation. |
| | | 1.2 | Identify and access general <i>information sources</i> for tourism, tourism market trends, and distribution and marketing networks. |
| | | 1.3 | Consult with and incorporate input from internal colleagues and <i>external stakeholders</i> in the research phase. |
| | | 1.4 | Conduct research to identify current market trends, needs, and <i>product and service gaps</i> and analyse the potential for future product development. |
| | | 1.5 | Identify a range of product development opportunities based on review of the market place and market needs. |
| | | 1.6 | Identify distribution and marketing networks that would support the proposed tourism product and analyse the |

ELEMENT**PERFORMANCE CRITERIA**

ability to successfully market.

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| 2 | Analyse issues relevant to establishing the product. | 2.1 Identify and analyse product preferences and requirements of different consumer markets, including those with special needs.
2.2 Consult external stakeholders on customer and tourism industry service and quality expectations for tourism products and services.
2.3 Identify and assess <i>external issues that impact on establishing a product.</i>
2.4 Assess suitability of destinations at which product will be delivered for accessibility and availability of services that will meet preferences and requirements of target market.
2.5 Conduct <i>a self-assessment of organisation's capability to provide proposed product</i> and identify additional resources required to establish and deliver the product.
2.6 Consider issues relating to product life cycle. |
| 3 | Determine a profitable selling price. | 3.1 Identify all <i>expenditure items</i> involved in delivering the tourism product to determine the nett delivery cost.
3.2 Identify organisations that will be involved in the product distribution network and the commission or mark-up structures that would apply.
3.3 Incorporate required distributor commissions or mark-ups, and determine required profit margin and mark-up for profit.
3.4 Make reasonable cost adjustments to ensure market take-up of price-competitive product.
3.5 Assess cost-effectiveness and profitability of a range of proposed products and choose products that will provide the highest yield.
3.6 Clearly and accurately document the full range of pricing structures. |

ELEMENT	PERFORMANCE CRITERIA
4 Establish the product.	4.1 Communicate a clear, scheduled implementation plan for all personnel involved in establishing the operational details of the product. 4.2 Establish all required marketing activities to promote the product. 4.3 Where appropriate, test new products and services in the marketplace prior to full implementation.
5 Monitor and evaluate the success of the product.	5.1 Monitor product development initiatives in terms of response in the marketplace; feedback from the distribution network, staff and customers; and changes in the internal or external environment that may impact on plans, cost-effectiveness and profitability. 5.2 Identify and action changes required in a timely manner and according to any contractual obligations. 5.3 Communicate changes to all relevant colleagues, customers and distributors.

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the essential skills and knowledge and their level, required for this unit.

The following skills must be assessed as part of this unit:

- market research skills
- critical thinking skills to facilitate rational and logical analysis of all input from colleagues and external stakeholders and to research information collected
- high-level communication skills to conduct consultation with internal and external stakeholders
- high-level literacy skills to read complex tourism research documents that relate to tourism trends, market statistics, information on market preferences and requirements
- numeracy skills to enable complex budgetary costings, calculate a range of different commission and mark-up structures and assess the profitability of various product options.

The following knowledge must be assessed as part of this unit:

- detailed knowledge of the tourism industry, including structure and interrelationships, tourism industry networks and information sources
- in-depth knowledge of distribution and marketing networks, especially those that would support the proposed tourism product
- in-depth knowledge of main 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 would meet certain market requirements and customer and tourism industry service and quality expectations for tourism products
- in-depth knowledge of the current tourism product base for the proposed destination and market to be serviced
- competitors' current and proposed products and services
- in-depth knowledge of the destination at which the product will be delivered
- the primary components of laws that impact on tourism operations and actions that must be adhered to by tourism operators when delivering services, in particular laws that cover:
 - child sex tourism
 - legal liability insurance requirements and duty of care of customers
 - environmental protection (This would include required environmental licences, permits, accreditation and minimal impact practices.)
 - local community protection (This would include land ownership, management and access requirements.)
 - consumer protection (This would include refund requirements that must be met by tourism businesses, terms and conditions of quotations and cancellation fees.)

REQUIRED SKILLS AND KNOWLEDGE

- responsible service of alcohol
- food safety
- understanding of the financial operating costs of the organisation, 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 to the varying organisations within the distribution network
- planning and project management.

Evidence Guide

EVIDENCE GUIDE

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

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

Evidence of the following is essential:

- ability to research, assess and develop tourism products for a specific tourism operation and to monitor the product's success
- ability to fully research, comprehend and analyse information on the full range of issues that relate to the development of the tourism product
- detailed knowledge of the tourism industry, including structure and interrelationships, tourism industry networks, information sources and distribution and marketing networks
- ability to consult and communicate with colleagues and external stakeholders
- project or work activities conducted over a commercially realistic period of time so that the research, analysis and monitoring aspects of this unit can be assessed.

EVIDENCE GUIDE

Context of and specific resources for assessment

Assessment must ensure:

- access to a fully equipped office environment using appropriate computers, communication technology, information programs and publications to facilitate the processes involved in developing tourism products
- access to an operation for which tourism products would be developed or to comprehensive and sufficient information about that tourism operation to allow the candidate to fully research, assess and develop tourism products
- access to current tourism industry data and information sources about tourism market trends and appropriate product match
- involvement of key stakeholders, both internal and external, so that consultation can be achieved
- use of legislation or plain English documents produced by regulators.

EVIDENCE GUIDE

Methods of assessment

A range of assessment methods should be used to assess the practical skills and knowledge required to research, assess and develop tourism products. The following examples are appropriate for this unit:

- project activities to research, assess and develop tourism products in conjunction with an industry operator
- project activities to research, assess and develop a tourism product for the training college or local community
- review of completed product costing and pricing structures for specific products
- case studies to assess the candidate's ability to assess markets with differing product preferences and requirements
- case studies to assess the candidate's ability to evaluate tourism products and markets with different distribution and marketing networks
- written and oral questioning or interview to test 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 candidate.

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- SITXMGT003A Manage projects
- SITTPPD002A Research tourism data
- SITTPPD003B Source and package tourism products
- SITTPPD006B Plan and develop ecologically sustainable tourism operations
- SITTPPD007A Plan and develop culturally appropriate tourism operations.

EVIDENCE GUIDE

Assessing employability skills

Employability skills are integral to effective performance in the workplace and are broadly consistent across industry sectors. How these skills are applied varies between occupations and qualifications due to the different work functions and contexts.

Employability skills embedded in this unit should be assessed holistically with other relevant units that make up the skill set or qualification and in the context of the job role.

Range Statement

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 in the performance criteria is detailed below.

RANGE STATEMENT

Tourism products offered within the tourism industry are diverse and may include:

- products designed for:
 - domestic tourists travelling within Australia
 - international tourists travelling within Australia (inbound)
 - Australians travelling internationally (outbound)
- group tours
- touring products for individuals
- a single product or service
- multiple products and services making up a complete tour package
- brochured tours
- day tours
- extended touring programs
- specially tailored itineraries
- inclusive products or optional touring products
- series tours
- incentive tours
- meetings and conferences
- special events
- cultural events
- sporting events
- transportation
- transfers
- accommodation
- food, beverage and catering
- entertainment
- cruises
- attractions or sites
- exhibits
- guest activities and shows
- tour guiding services
- adventure activities
- functions
- venue facilities
- convention facilities.

RANGE STATEMENT

Information sources may include:

- local, regional, state or territory, and federal tourism organisations
- local, regional, state or territory, and federal tourism and tourism marketing plans
- other government agencies
- government funding bodies
- government and private tourism research bodies
- tourism industry associations
- destination marketing companies
- others in the distribution network, which will vary but can include:
 - tour operators
 - tour wholesalers
 - inbound tour operators
 - retail travel agencies
 - event management companies
 - professional conference organisers
- business management and marketing consultancies
- reports on tourism
- privately owned tourism businesses
- national parks and land management agencies
- other local communities
- local people
- internet.

RANGE STATEMENT

External stakeholders may include:

- local, regional, state or territory, and federal tourism organisations
- other government agencies
- privately owned tourism businesses
- tourism industry associations
- tourism marketing organisations
- destination marketing companies
- business management and marketing consultancies
- others in the distribution network, which will vary but can include:
 - tour operators
 - tour wholesalers
 - inbound tour operators
 - retail travel agencies
 - event management companies
 - professional conference organisers
- local communities and cultural groups within the destination of the product
- local businesses within the destination of the product
- state, territory or local councils which manage the implementation of laws to protect the environment and local community
- land management and protection authorities
- special interest groups
- licensing or regulatory authorities.

Product and service gaps may include:

- gaps within the existing product range
- gaps in product not currently delivered by any competitor or potential competitor
- gaps in products delivered at current or prospective destinations
- specific consumer markets not currently serviced by any competitor or potential competitor
- markets for which level of demand is not being met.

RANGE STATEMENT

Assessment of external issues that impact on establishing a product may involve:

- required legal compliance especially consumer protection
- requirements for public liability and duty of care
- reliability of other tourism operators, who supply a component of any packaged tourism product, in complying with laws especially those that relate to responsible service of alcohol, food safety , environmental and local community protection
- reliability of other tourism operators in providing promised products and services
- technological developments
- general industry trends
- environmental and local community protection credentials of tourism operators whose product will be a component of any packaged tourism product.

Self-assessment of organisation's capability to provide proposed product may involve consideration of:

- the range of products currently offered and resources required to diversify
- the product preferences and requirements of target market
- resources required to establish a new product
- the budgetary constraints involved in providing the product and applying a profitable selling price
- current environmental credentials and the need to extend these to deliver tourism products in environmentally sensitive areas
- any legislative, permit, licence or accreditation requirements especially those that relate to environmental and local community protection
- ability of environmentally or culturally sensitive destinations to sustain a tourism operation
- the organisation's ability to operate tours and to sustain the natural and cultural environment by use of minimal impact practices
- a documented risk assessment of all aspects of providing required products including control measures.

RANGE STATEMENT

Expenditure items may include:

- supply of all component products and services that make up the product
- capital costs of the product developer and proportion attributed to the product
- fixed costs that relate to delivery of the product
- variable costs
- marketing costs
- human resource costs for all personnel involved in planning and delivering the product
- business insurances
- licensing and permit fees
- proportion of product developer's operating costs attributed to operating the product.

Unit Sector(s)

Sector Tourism

Competency field

Competency field Planning and Product Development