

UNIT 5.3

RURAL TOURISM MARKETING

PRODUCT DEVELOPMENT

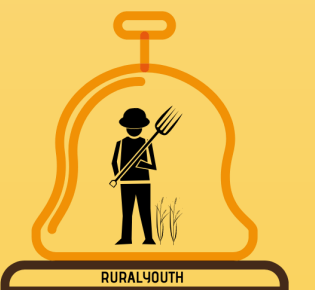
MODULE 5: Rural tourism marketing

OBJECTIVES

In Unit 5.3 you will learn about marketing products and marketing channels and their relation to rural tourism.

Keywords:

- products
- marketing
- channel
- rural tourism



AT THE END OF THIS UNIT, YOU WILL BE ABLE TO...



Understand what is the relation between products and marketing channels in rural tourism



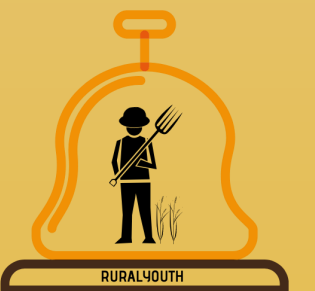
Explain the role of marketing channel for rural tourism development

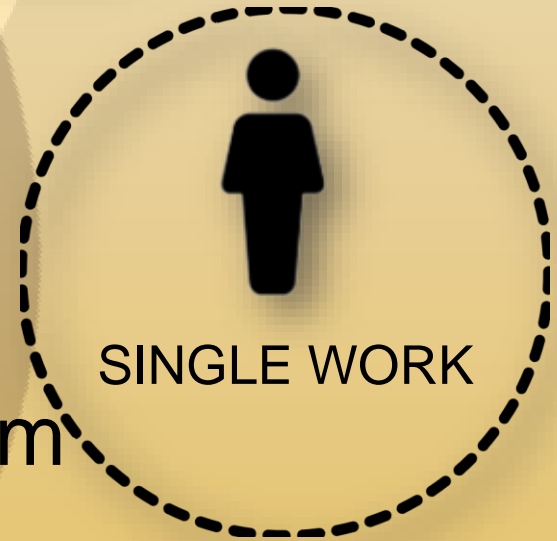


Understand how marketing products affect rural tourism development



Understand the importance of marketing channels for tourism experiences development





TOPICS

1. New product development overview
2. The meaning of product development in rural tourism
3. The importance of rural tourism marketing channels
4. Role of promotional marketing for rural tourism

Development of New Products



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from Noun Project

What are the Stages in the New Product Development Process?

Every New Product Development journey starts with an idea, which forms the foundation for further development. New product development is the process of converting an idea into a workable software product. The seven stages of the New Product Development process include — idea generation, idea screening, concept development, and testing, building a market strategy, product development, market testing, and market commercialization.



Stage 1: Idea Generation

Stage 2: Idea Screening

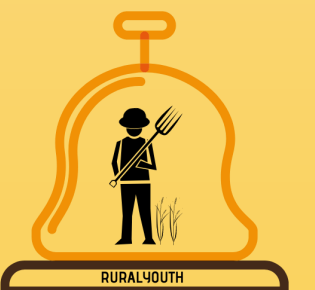
Stage 3: Concept Development & Testing

Stage 4: Market Strategy/Business Analysis

Stage 5: Product Development

Stage 6: Market Testing

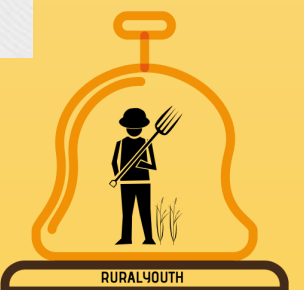
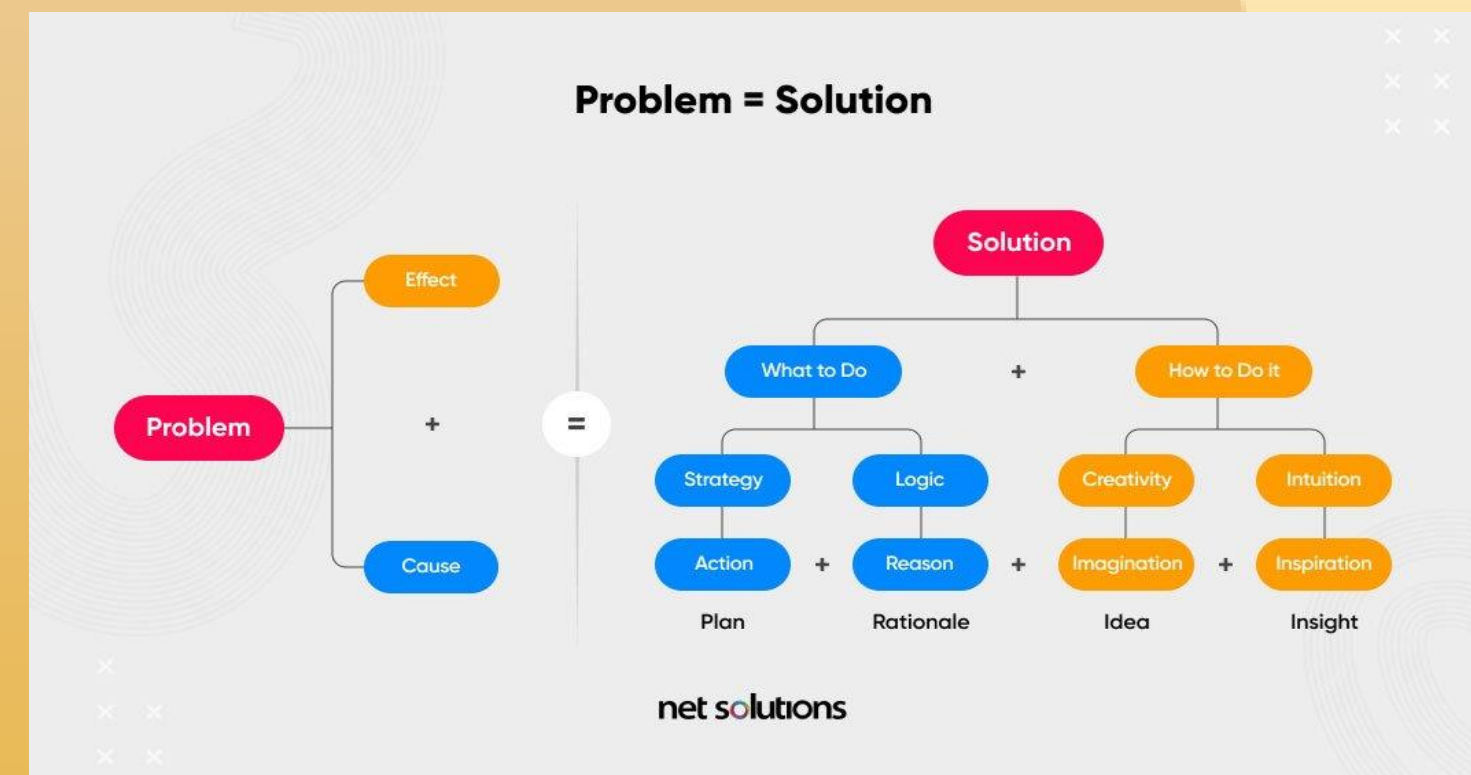
Stage 7: Market Entry/Commercialization



Stages in the New Product Development Process

Stage 1: Idea Generation

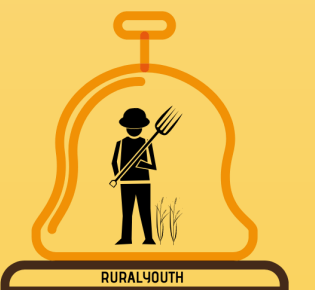
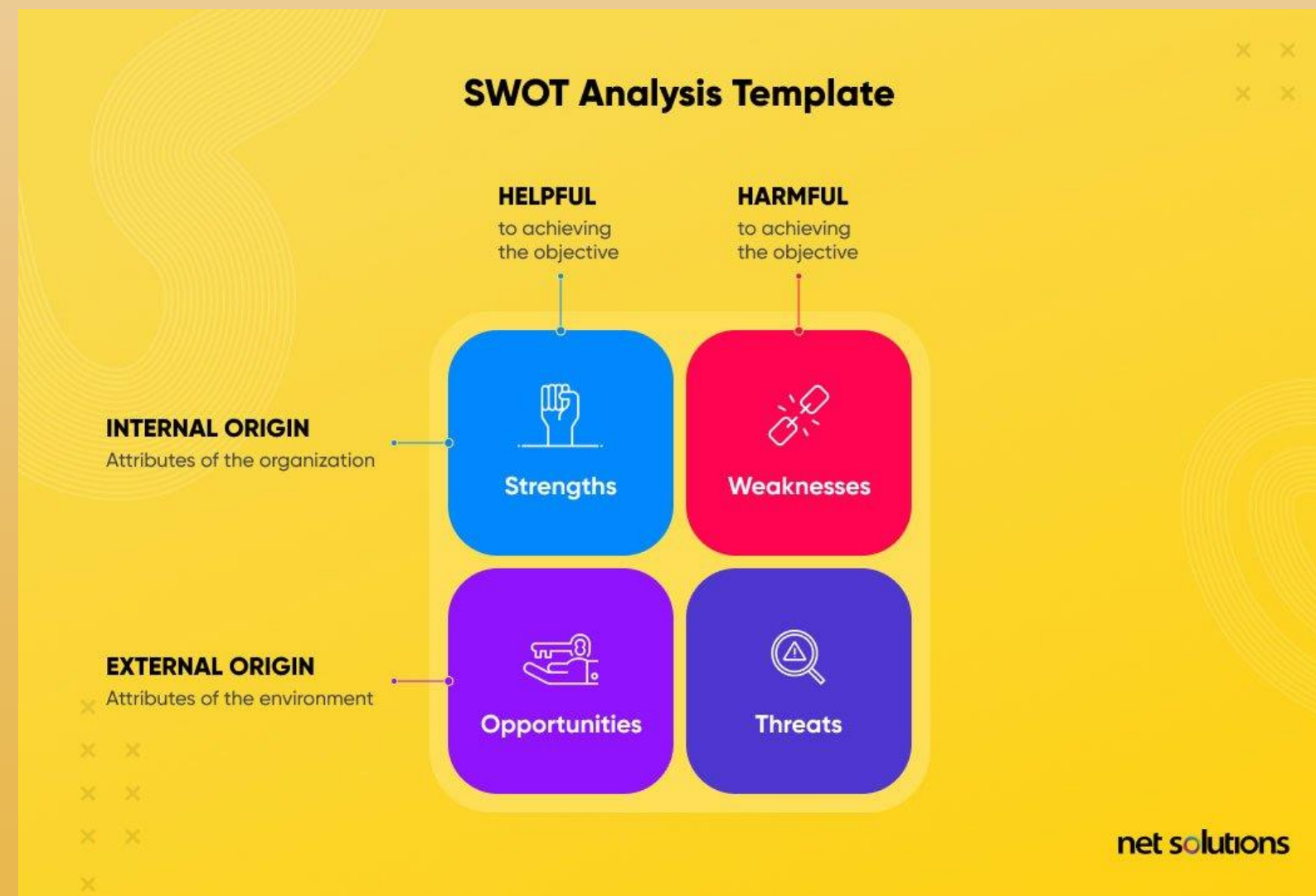
The goal should be to generate many worthy ideas that can form the foundation for the New Product Development strategy. The major focus for stage 1 should be to arrange brainstorming sessions where solving customer problems is given precedence. Here's how to identify the issues that the target audience is facing: Personal Problems, Qualify Each of the Listed Problems, Coming Up With Possible Solutions, Narrowing Down Problems + Solutions.



Stages in the New Product Development Process

Stage 2: Idea Screening

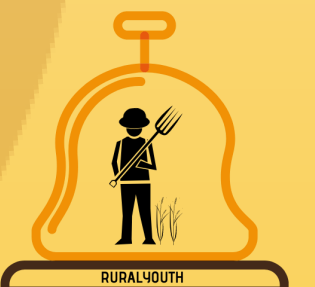
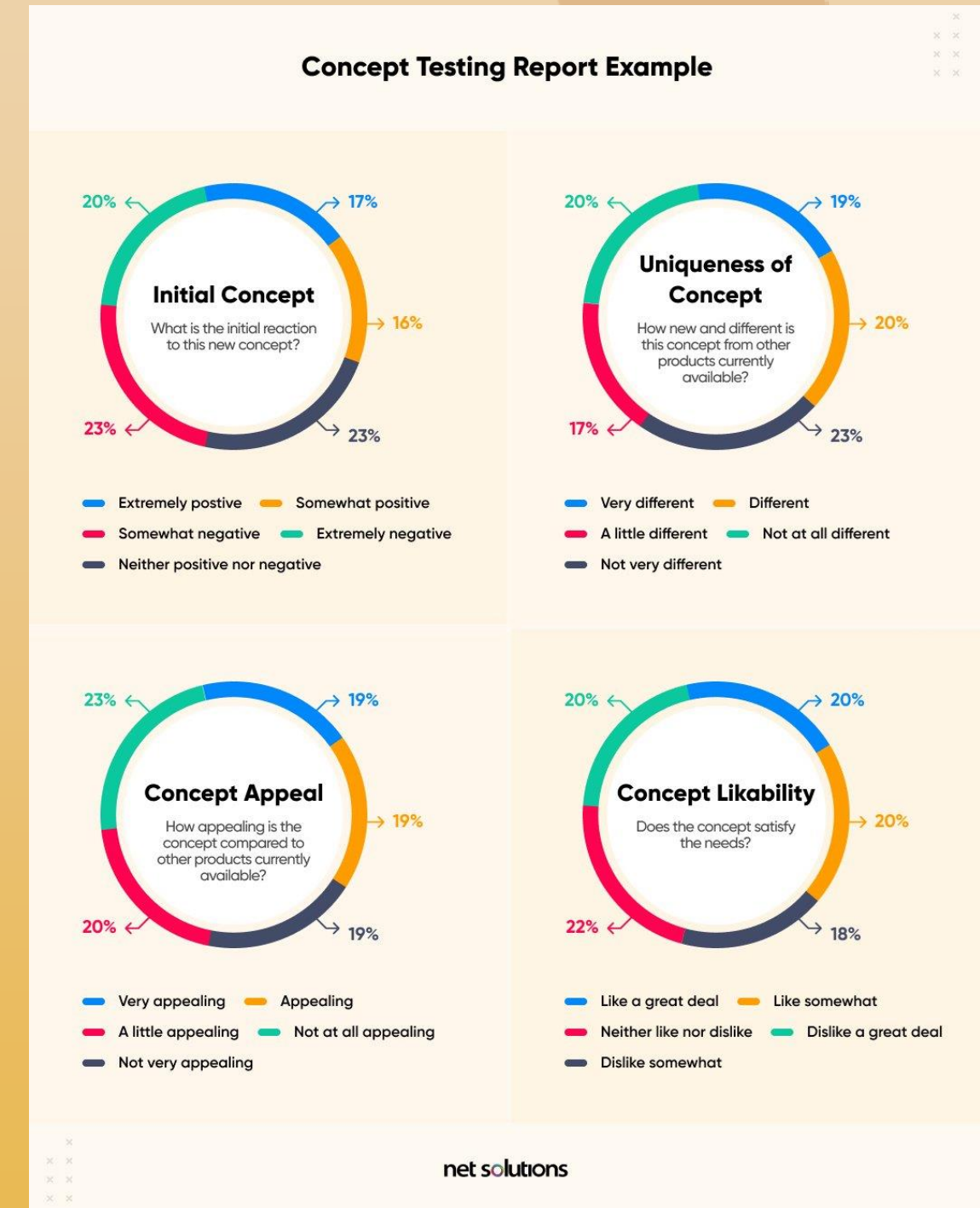
This New Product Development stage revolves around choosing the one idea that has the highest potential for success. Put all the ideas available on the table for internal review. That is, turn to people with industry knowledge and experience in the field for idea screening. New Product Development idea should be unique so that people do not need to be convinced to pay for it.



Stages in the New Product Development Process

Stage 3: Concept Development & Testing

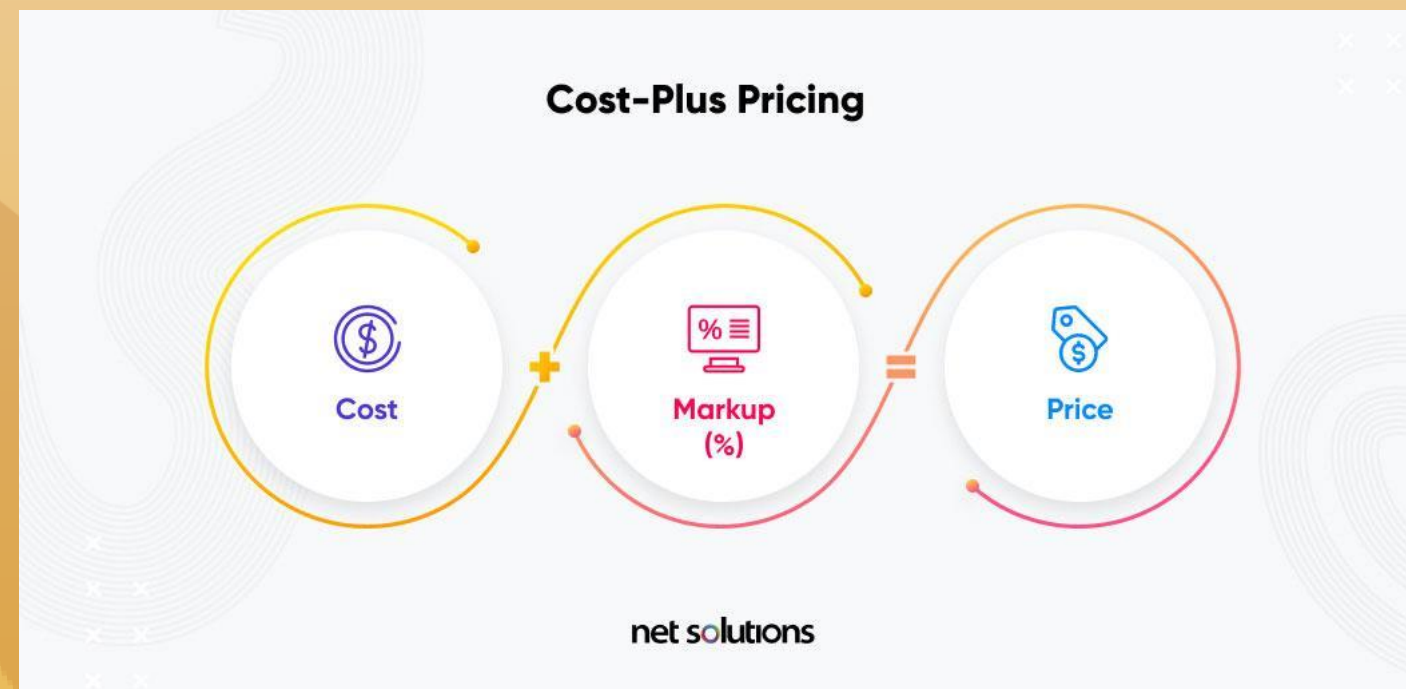
Once the value proposition is ready, it is time to present it to the set of selected customers. How they perceive the idea is the test of the efforts so far. If the idea doesn't look promising, it is wise to repeat the idea screening steps to develop a new product.



Stages in the New Product Development Process

Stage 4: Market Strategy/Business Analysis

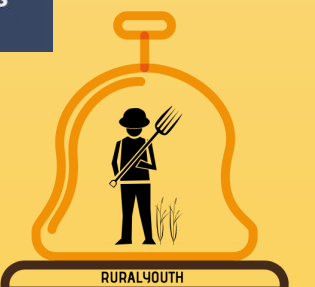
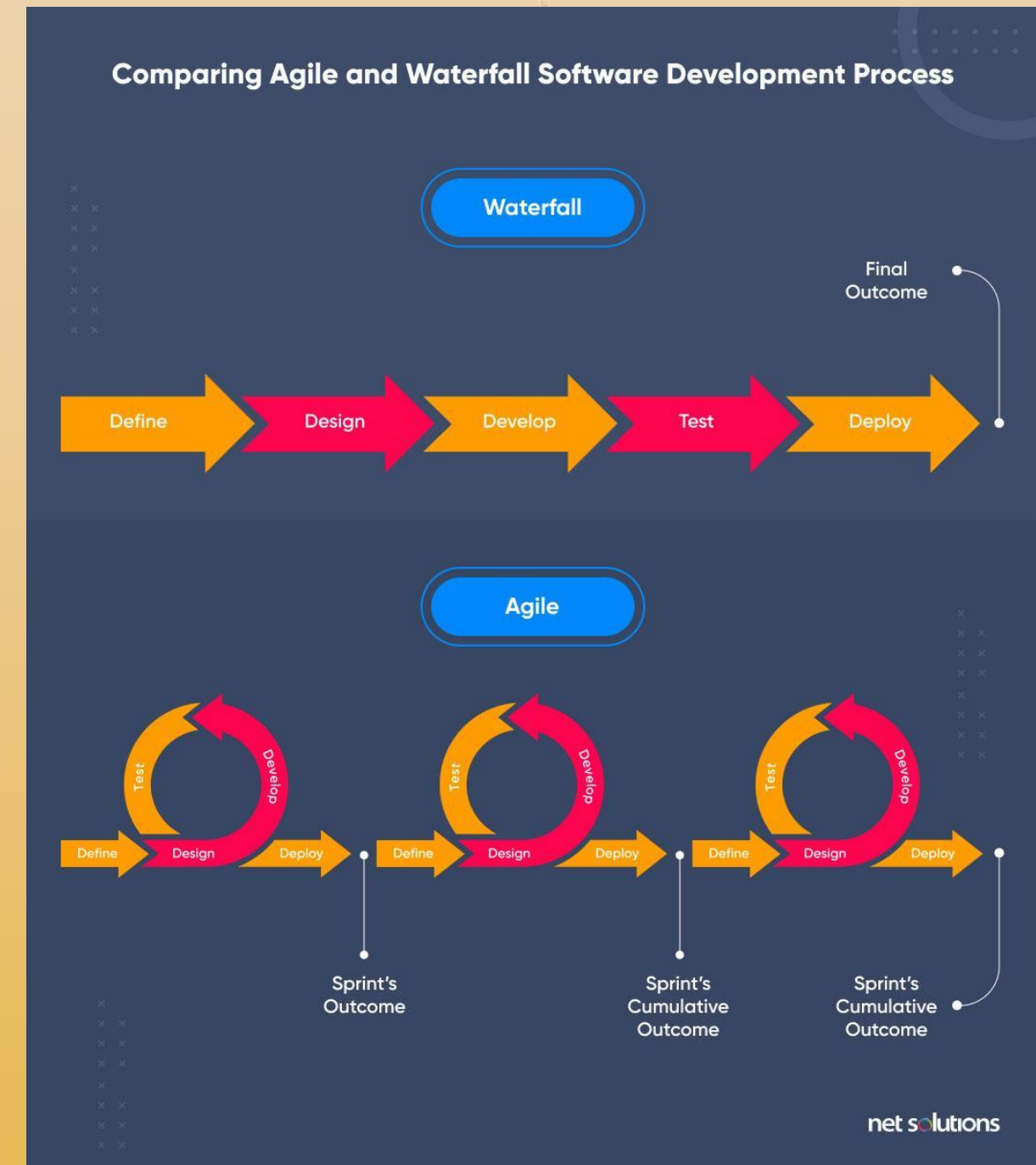
Marketing strategy is all about drafting a way to reach out to the targeted audience. It is important to strategize in an informed way about the selling price by identifying the base price of the product. The best way to identify the base price is: Cost-Based Pricing Model and Market-Focused Pricing



Stages in the New Product Development Process

Stage 5: Product Development

Though the development stages of Waterfall and Agile are similar, these software development methodologies differ. The advantage of Agile is that it speeds up the software development process while maintaining communication and synchronization across the development teams.



Stages in the New Product Development Process

Stage 6: Market Testing.

This step in New Product Development aims to reduce the uncertainty revolving around the success of the software product. In other words, this step revolves around checking the viability of the new product or its marketing campaign.

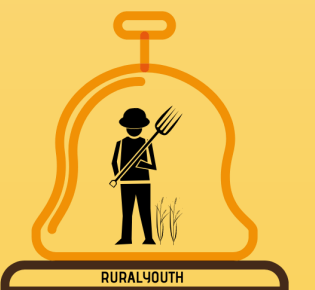
Alpha Testing. The test engineers deployed in the organization use and judge the product based on performance.

Beta Testing. The target groups or customers use the product and give their unbiased feedback to the organization. This strategy is about listening to the voice of customers (VOC).

Comparing Alpha and Beta Testing

| | Alpha | Beta |
|-------------------|--|--|
| Why? | Validate software in all perspective, ensure readiness for beta testing. | Get end users' feedback, ensure readiness for release. |
| When? | At the end of development process. | After alpha testing. |
| Who? | In-house development or QA team, customer. | A group of real end users. |
| Get What? | Bugs, blockers, missing features and others. | Idea to improve usability, compatibility, functionality. |
| What next? | Bugs, blockers, missing features and others. | Idea to improve usability, compatibility, functionality. |

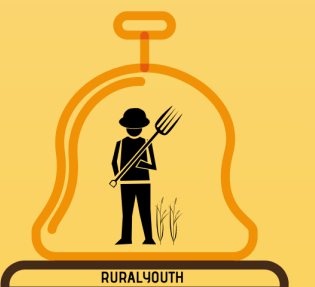
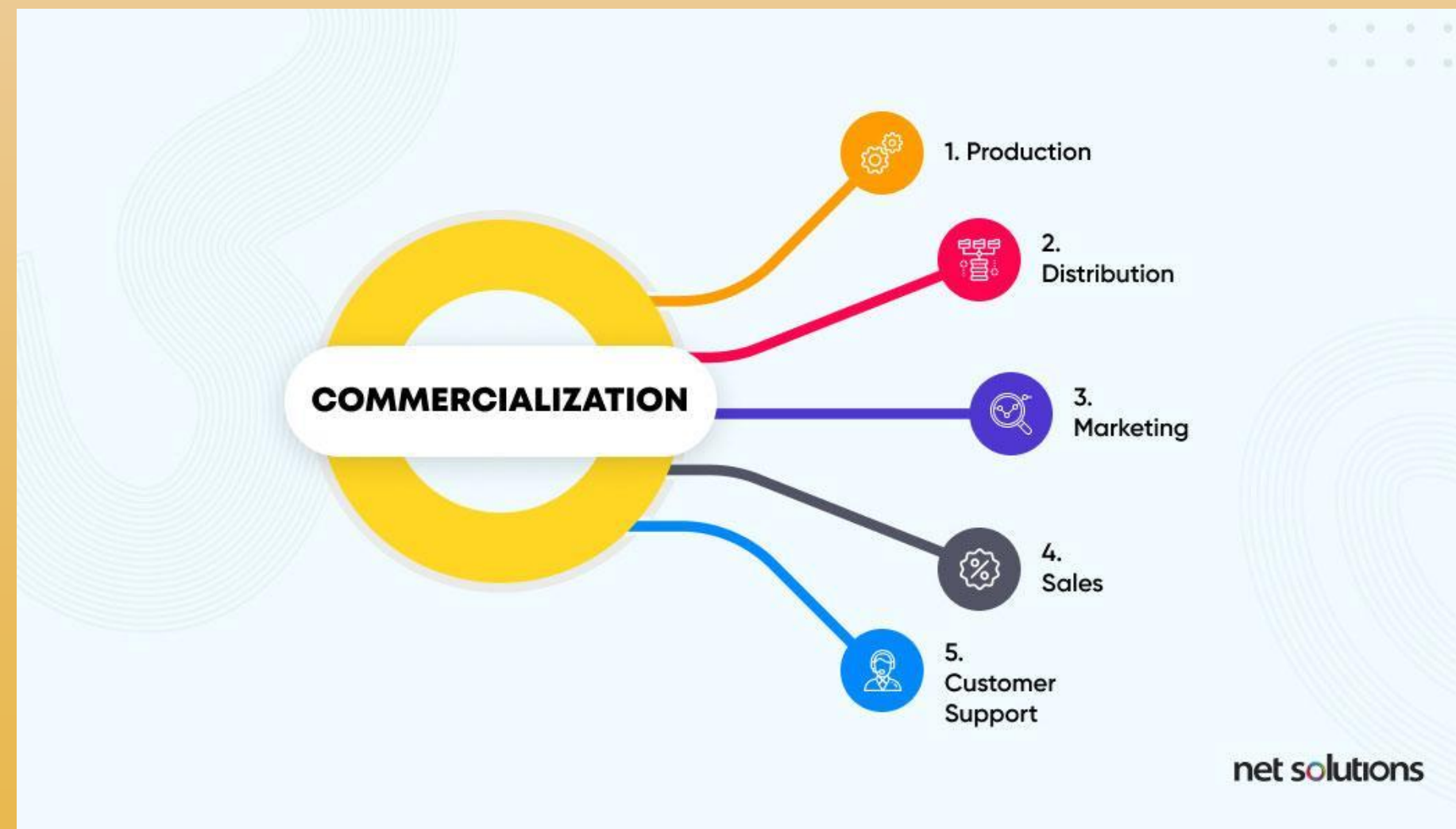
net solutions



Stages in the New Product Development Process

Stage 7: Market Entry/Commercialization

Commercialization is an umbrella term that entails varied strategies to ensure the success of the new product. If all the mentioned strategies fall right in place, nothing can stop a product from getting attention and being a product-market fit. Here is what commercialization includes:



What about product life cycle?



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from Noun Project

What is product life cycle?

A product life cycle is the length of time from a product first being introduced to consumers until it is removed from the market. A product's life cycle is usually broken down into four stages; introduction, growth, maturity, and decline.



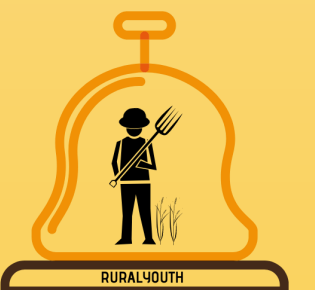
Created by Eucalyp

What is product life cycle?

Product life cycles are used by management and marketing professionals to help determine advertising schedules, price points, expansion to new product markets, packaging redesigns, and more. These strategic methods of supporting a product are known as product life cycle management. They can also help determine when newer products are ready to push older ones from the market.



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Twi-Global

Types of marketing channels

Four stages of a product's life cycle:



Market Introduction and Development

This product life cycle stage involves developing a market strategy, usually through an investment in advertising and marketing to make consumers aware of the product and its benefits.



Created by Nurfakeh Fuji

Market Growth

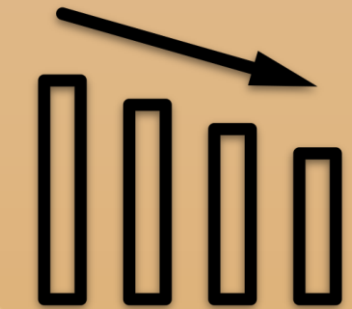
The steady growth of the market introduction and development stage now turns into a sharp upturn as the product takes off.



Created by SHAHAREA

Market Maturity

At this point a product is established in the marketplace and so the cost of producing and marketing the existing product will decline. As the product life cycle reaches this mature stage there are the beginnings of market saturation.

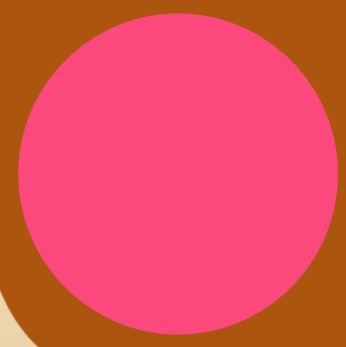


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Market Decline

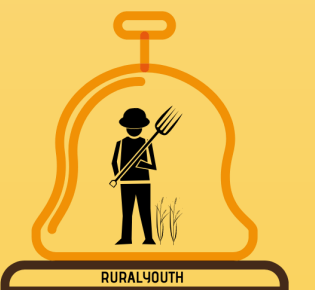
Eventually, as competition continues to rise, with other companies seeking to emulate your success with additional product features or lower prices, so the life cycle will go into decline.





What about Product Life Cycle Strategy and Management?

Having a properly managed product life cycle strategy can help extend the life cycle of your product in the market. The strategy begins right at the market introduction stage with setting of pricing. Options include 'price skimming,' where the initial price is set high and then lowered in order to 'skim' consumer groups as the market grows. Alternatively, you can opt for price penetration, setting the price low to reach as much of the market as quickly as possible before increasing the price once established.



What about Product Life Cycle Strategy and Management?

Product advertising and packaging are equally important in order to appeal to the target market. In addition, it is important to market your product to new demographics in order to grow your revenue stream.

Products may also become redundant or need to be pivoted to meet changing demands. Understanding the product life cycle allows you to keep reinventing and innovating with an existing product (like the iPhone) to reinvigorate demand and elongate the product's market life.



Marketing Channels



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from Noun Project

What is a Marketing Channel?

A marketing channel can be described as the set of the external contactual organizations, people and activities that helps to spread the idea about the product or service from the point of origin to the potential consumer. So, a marketing channels' main purpose is to build a connection between potential customers and organizations that develop service or products.



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Types of marketing channels

For physical products, there are four basic types of marketing channels:



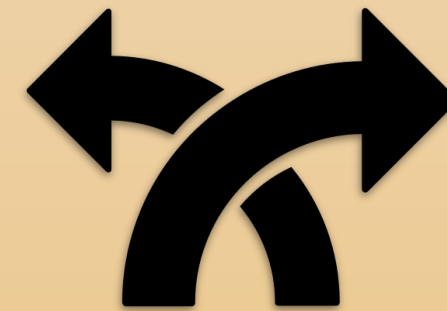
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Direct selling,
where products
are marketed and
sold directly to
consumers without
a fixed retail
location



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Selling through intermediaries,
where products are
manufactured at the point
of origin and sold to
customers by downstream
intermediaries such as
agents, brokers,
wholesalers and retail
stores

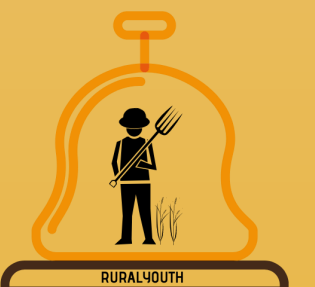


Dual distribution,
where manufacturers
combine multiple types of
channels to sell products to
the end-user. This could
mean that the manufacturer
sells directly to customers
and also does business with
wholesalers and retailers
who sell to customers
through their own distribution
networks



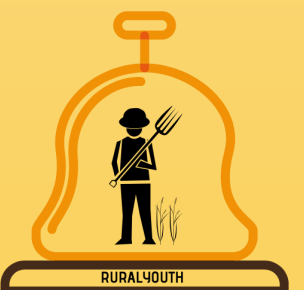
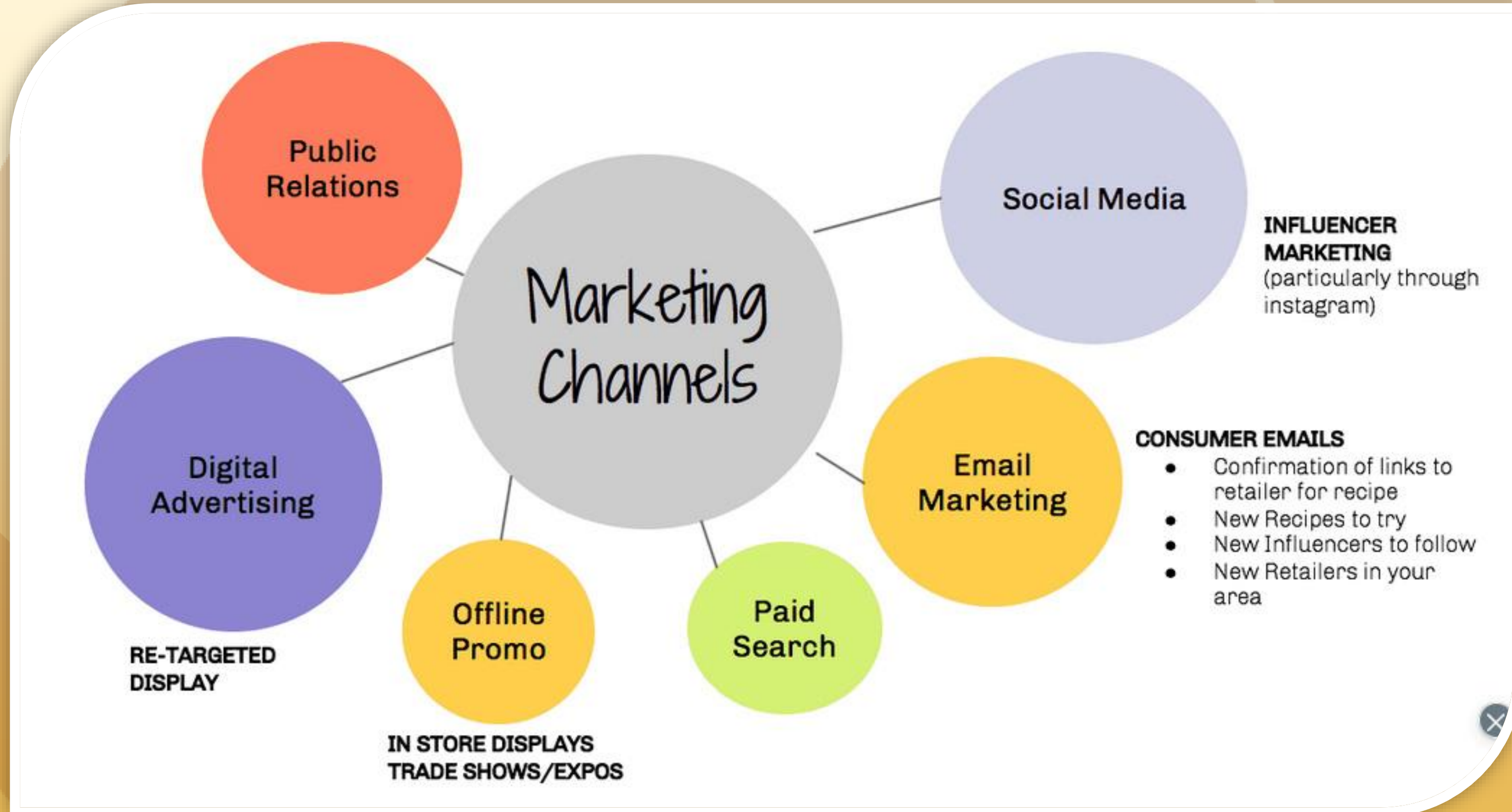
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Reverse marketing,
where products move
from the customer back
to the manufacturer.
Typical cases of reverse
marketing include
recycling and product
recalls



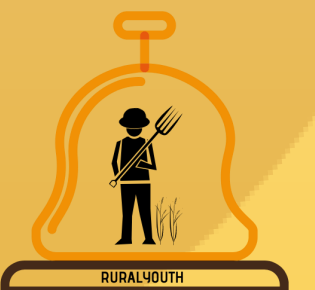
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Marketing channels



What is the Direct Marketing Channel?

The direct marketing channel is also known as zero-level channel. This means that products or services are sold directly from the manufacturer to the consumer. Talking about service industry, which includes catering, salons and different types of travel (as well as rural tourism), this direct marketing channel is more popular, because these businesses offer their services directly for customers.

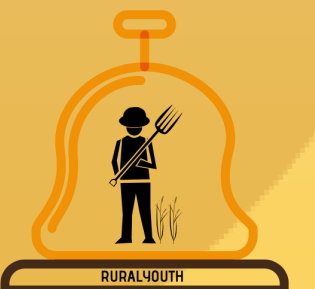


What is Indirect Marketing Channel?

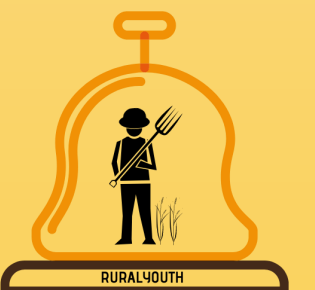
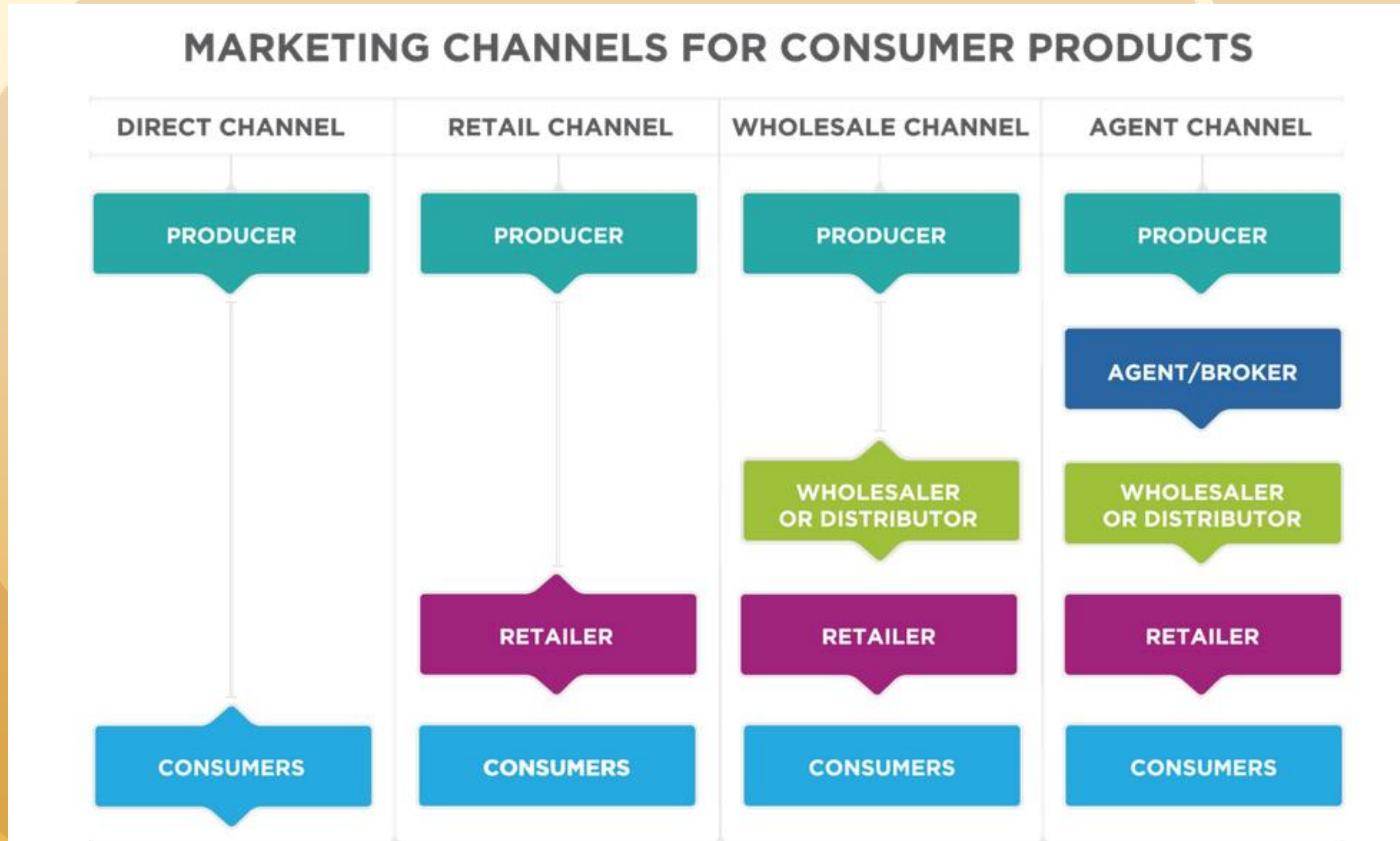
The indirect marketing channel means that goods have to go through different intermediaries in order to reach its final consumer from the point of origin. There are three types of indirect marketing:

- **One-level channel** - when there is one retailer between the manufacturer and the consumer;
- **Two-level channel** - when goods are sold in large quantities from manufacturer to the wholesalers, then they supply to retailers in small quantities and from them the goods reach the final consumer;
- **Three-level channel** - firstly goods from manufacturer are given to an agent, who distributes the products to wholesalers in large quantities. Goods are then supplied from wholesalers to retailers in small quantities. And then goods reach the final consumer.

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Marketing channels for customer products



Promotional Marketing



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What is promotional marketing?

Promotional marketing is a set of activities to share knowledge about a particular brand, product, or service with as many people as possible with the aim of increasing brand awareness and sales.



What is promotional marketing?

Promotion belongs to the 4Ps of marketing. It's all about strategies and techniques that help communicate a product to the audience. The goal of promotions is to present your product, increase demand, and differentiate it. So, promotion is the basic element of marketing.

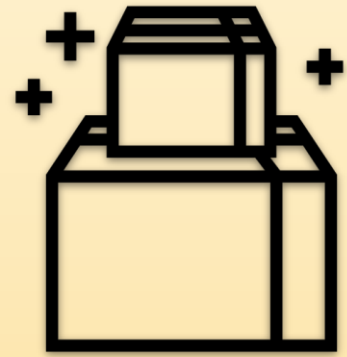


The Objectives of Promotional Marketing

1. Promotion of new products or services
2. Development of brand image
3. Informing customers
4. Showing superiority over competitors
5. Turning potential buyers into real customers

Created by **Silvia Natalia**

The Objectives of Promotional Marketing



Created by Wichai Wi

Promotion of new products or services

It is possible to introduce new products and services to the market against existing ones — a chance to find a place in the niche.



Created by Logan from the Noun Project

Development of brand

This promotion objective tends to create or restore the brand image and makes products more recognizable amongst others in the market.



Created by Adrien Coquet from the Noun Project

Informing customers

Marketing promotion is vital for telling people about changes in products or brand's policies. It also helps to describe the features and details of the products.



Created by Nithinan Tatal

Showing superiority over competitors

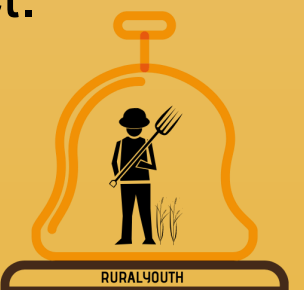
Everybody uses promotion marketing these days, so to be competitive, each brand needs to apply a long-term promotional strategy.



Created by Kamin Ginkae

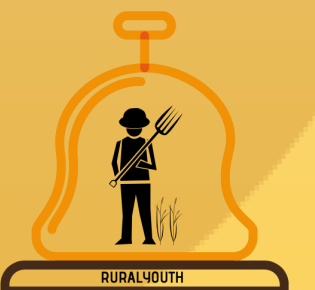
Turning potential buyers into real customers

If promotion marketing styles like personal selling, advertising, and others are used appropriately, they stimulate demand for the product.

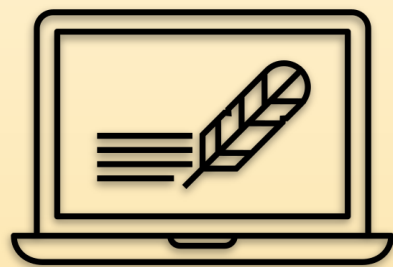


Digital Marketing Channels for Promoting Your Product

If you sell or market a digital product online, chances are that you're working in the "direct selling" model of marketing channels. If your product can be distributed through the internet, there is no need to build a distribution network of agents and retailers that can connect customers to your product. Rather, your focus should be on effectively promoting your product and driving sales through the appropriate digital channels. Below, we list some of the most popular digital marketing channels that you should consider for your next marketing campaign.



Digital Marketing Channels for Promoting Your Product



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Website & Blogs
If you are engaged in online direct selling, your company website will most likely act as the main distribution channel for your product or service.



Created by Siipkan Creati

Search Engines
Search engines are one of the most valuable marketing channels for promoting your business.



Created by Gregor Cresnar from the Noun Project

Email Marketing
Making this one of the best marketing channels for communicating directly with prospects.



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Social Media
Social media is one of the most cost-effective marketing channels for brands that wish to stay at the top-of-mind of prospective customers by providing interesting and informative content that drives engagement.



Created by Aneeqe Ahmed from the Noun Project

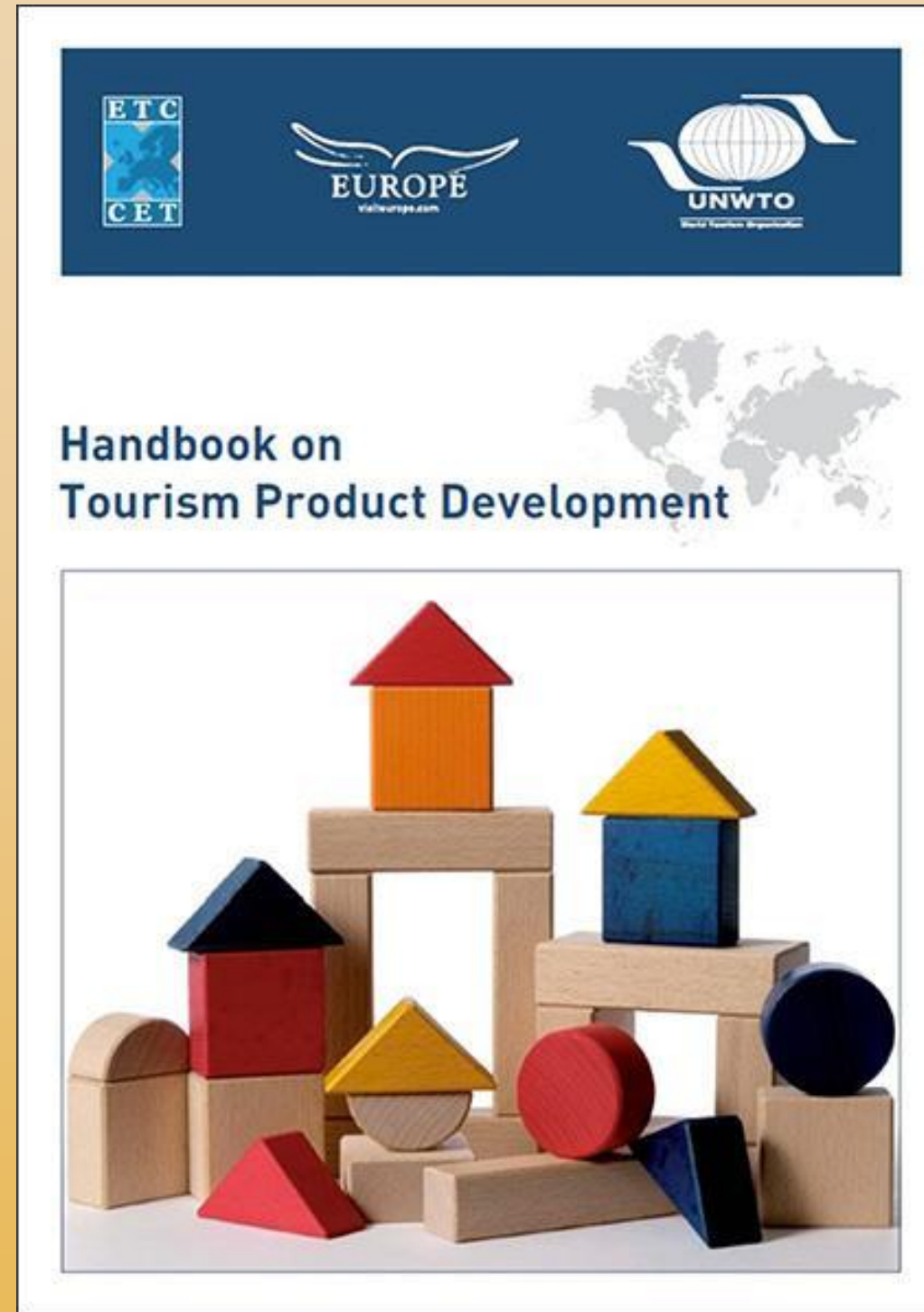
Content Marketing
Content marketing is all about producing informative and interesting material that helps your customers solve their problems while positioning yourself as an authority.



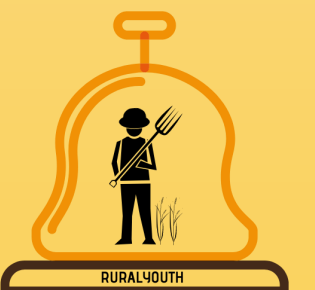
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UNWTO/ETC Handbook on Tourism Product Development

Tourism products are the basis for a destinations tourism sector operation: unless the tourism product meets the needs and expectations of tourists, the destination cannot realise its full potential. However, only few destinations focus their attention on the development and delivery of the various attractions and activities that make up the tourism product.



The UNWTO/ETC Handbook on Tourism Product Development outlines the essential elements in the process of tourism product development planning and implementation, e.g. coordination, consultation, collaboration co-opetition. It illustrates these principles through a range of successful approaches and case studies from around the world and sets out best practice examples and benchmarks by which destinations can assess their own product development system and methods.

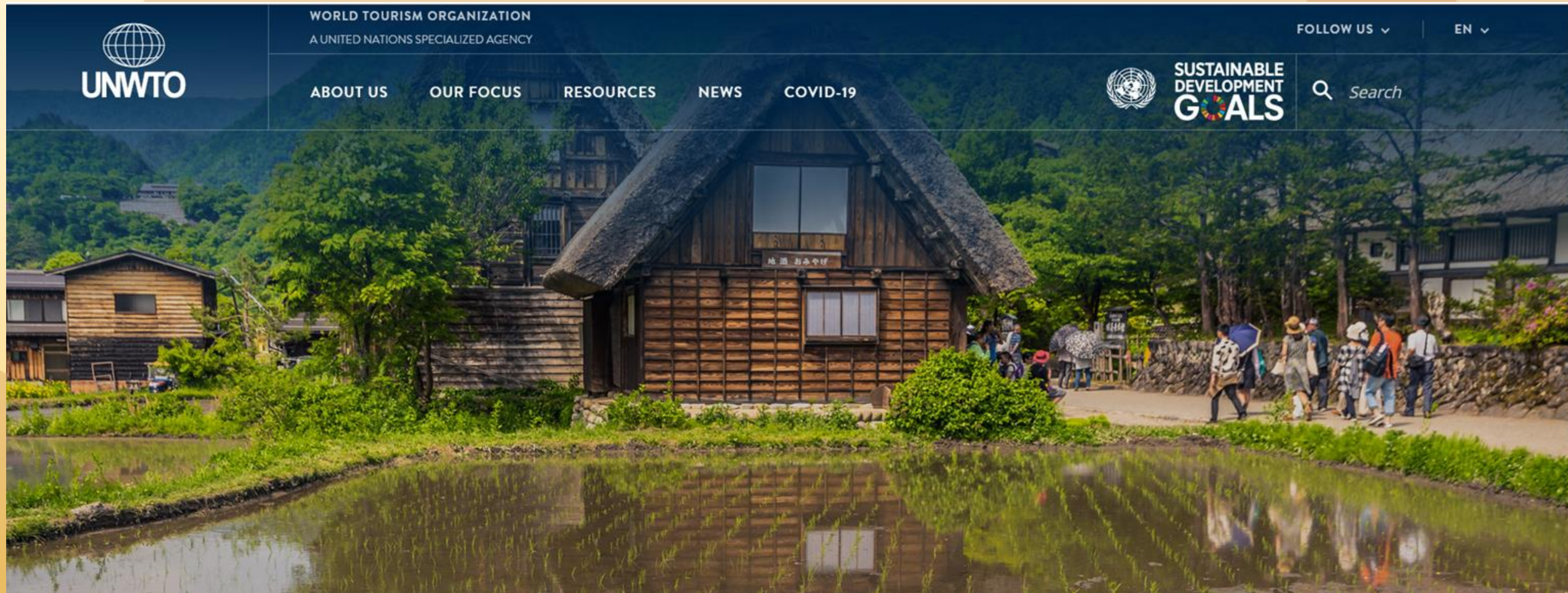


New Products Development in Rural Tourism

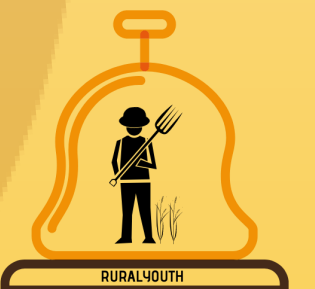


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UNWTO Opens Call for 'Best Tourism Villages'



Best Tourism Villages

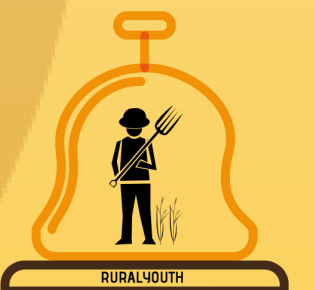


Good practices in rural tourism

The launch of the 'Best Tourism Villages by UNWTO' initiative takes place on the occasion of the opening of UNWTO's Regional Office in the Middle East (Riyadh, Saudi Arabia), underscoring the focus of the Office on, among other issues, the role of tourism in rural development. The initiative includes **three pillars**:

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Best Tourism Villages

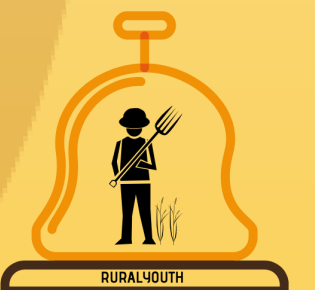


1. **The ‘Best Tourism Villages by UNWTO’ Label:** The Label will recognize a village which is an outstanding example of a rural tourism destination with recognized cultural and natural assets, that preserves and promotes rural and community-based values, products and lifestyle and has a clear commitment to innovation and sustainability in all its aspects – economic, social and environmental.



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Best Tourism
Villages

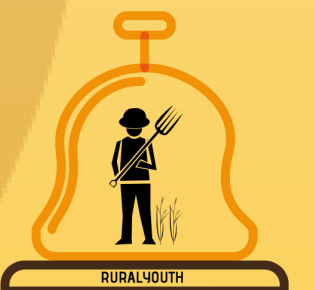


2. **The ‘Best Tourism Villages by UNWTO’ Upgrade Programme:** The Upgrade programme will benefit a number of villages that do not fully meet the Label criteria. These villages will receive support from UNWTO and its Partners in improving elements of the areas identified as gaps in the evaluation process.

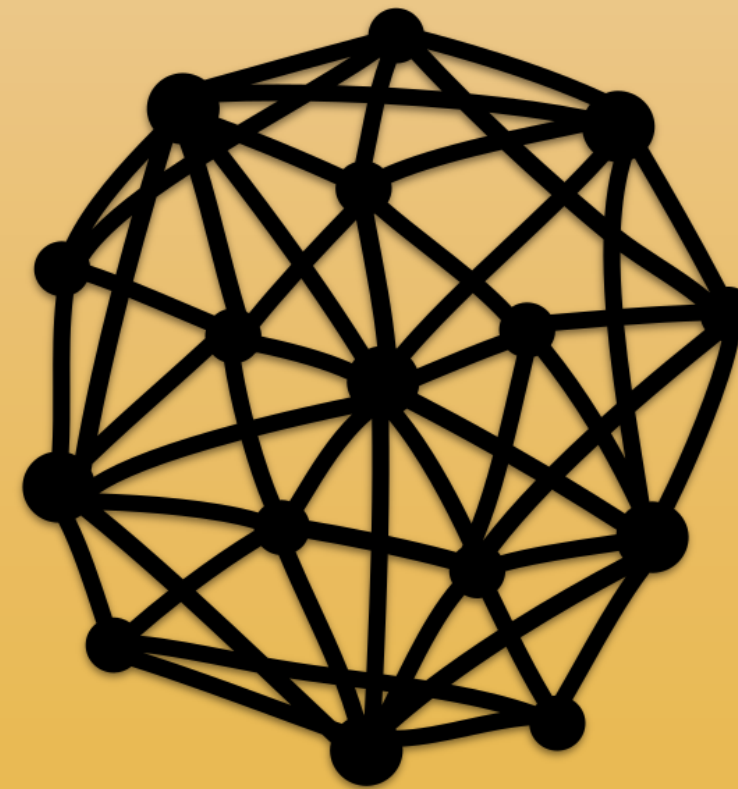


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Best Tourism
Villages

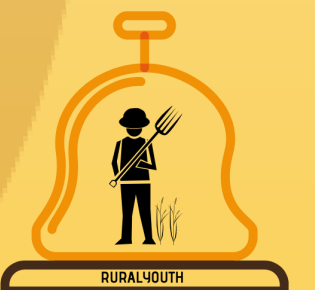


3. **The ‘Best Tourism Villages by UNWTO’ Network:** The Network will provide a space for exchanging experiences and good practices, learnings, and opportunities. It will include representatives of the villages awarded the ‘Best Tourism Village by UNWTO’ Label, the villages participating in the Upgrade Programme, as well as experts, public and private sector partners engaged in the promotion of tourism for rural development.



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Best Tourism
Villages





OBJECTIVES



PEOPLE

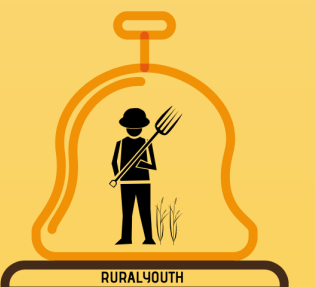


PROSPERITY



PLANET

- Reduce regional inequalities in income and development.
 - Fight rural depopulation.
- Progress gender equality and women's and youth empowerment.
 - Enhance education and skills development.



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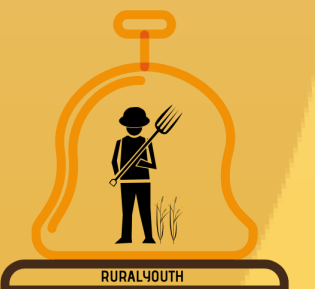
"Tourism can be a driver of positive change for rural communities all around the world," said UNWTO Secretary-General Zurab Pololikashvili. "We want to recognize the uniqueness of each village and showcase the best initiatives to make tourism a means for a better future in rural areas. As we restart tourism, we work to ensure that we leave no one - and no village-behind."

UNWTO Secretary-General Zurab Pololikashvili

Best Tourism Villages



www.unwto.org





**SURF
TO FIND OUT
MORE**

- 👉 Find out more about [Product Development!](#)
- 👉 Find out more about how [Tourism Product Development Team Brings Success to Rural Communities!](#)
- 👉 What are the Seven Stages in the New Product Development Process? [Read here!](#)
- 👉 Listen to [the podcast](#) - Talking Tourism Episode 82 - Tuning-Up Your Marketing Plan with David Inches & Tom Wootton!

TEST YOUR KNOWLEDGE!



_____ where products are marketed and sold directly to consumers without a fixed retail location.

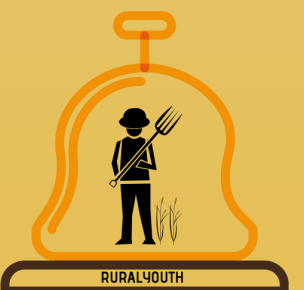
- a) View of
- c) Idea is.
- b) Direct selling is.**
- d) All of above.

Manufacturers combine multiple types of channels to sell products to the end-user is called _____.

- a) idea development
- b) dual distribution**
- c) innovative view
- d) none of above

Reverse marketing is _____.

- a) usual marketing
- c) where products move from the customer back to the manufacturer**
- b) none of above



_____ is described as the set of people, organizations, and activities that work together to transfer goods (products and services) from the point of origin to the point of consumption.

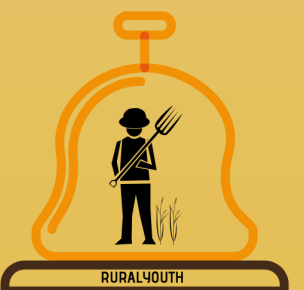
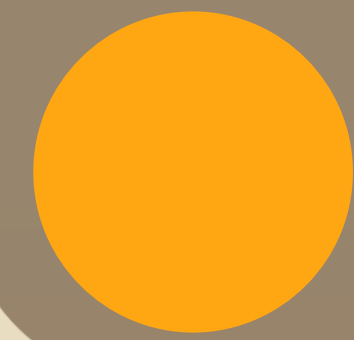
- a) idea
- c) message
- b) marketing plan
- d) A marketing channel**

_____ development team goes hand in hand with the advertising department to come with the most relevant marketing message.

- a) sales
- b) product**
- c) suppliers
- d) none of above

Every New Product Development journey starts with _____

- a) brand image
- c) an idea**
- b) customers
- d) none of above



New product development is the process of converting an idea into:

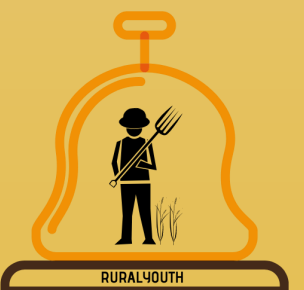
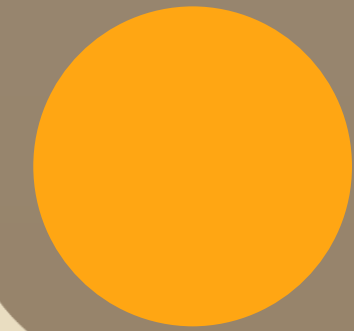
- a) innovation
- b) money
- c) Sense making marketing
- d) a workable software product.**

Beginning the New Product Development process takes _____.

- a) tact
- c) ideas
- b) tact and planning**
- d) none of above

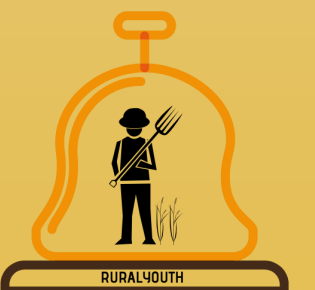
When a product solves the end user's problems, the business achieves

- _____.
- a) value
 - b) marketing
 - c) product-market fit**
 - a) none of above



DISCUSSION

1. Try to imagine the future of tourism products development.
1. Discuss the best examples of rural tourism products.
1. Share your ideas about unique experience development challenges when developing products for rural tourism.



SUMMARY

- In this unit, you have learned about the development of new products in rural tourism, discovered the importance of product development, product life cycle, promoting channels, have been paid attention to good practices.
- When staying in rural area try to take your attention to your native village or the village of your travel destination as a whole, rethinking how various product development tools and channels could be adopted and developed for the concrete place marketing.
- In Unit 5.4 you will learn about heritage marketing and place and its relation to tourism.

