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Tour Product Development: Influencing Factors & Best Practices In Tour Operators' Secondary Destination Selection

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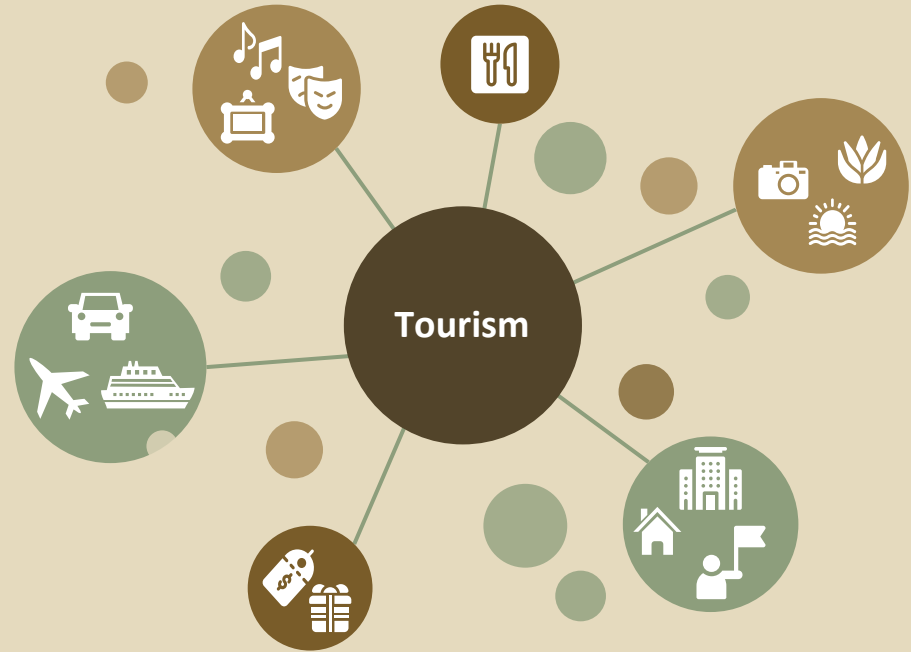
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EDBAC
ENGAGED SCHOLARSHIP • COLLABORATION • NETWORKING

Tourism Business

The tourism industry consists of many service sectors, including hotel accommodation, transportation, attractions, entertainment, recreational activities, shopping, food, and drink (Lerner & Haber, 2001). It impacts global and local employment, resident income, and tax income (Faber & Gaubert, 2019).

Tourism has a significant impact on the global economy. It is the world's second-biggest export sector in 2020, according to UNWTO. In addition, it grows a country's national output and increases foreign currency earnings.



Faber, B., & Gaubert, C. (2019). Tourism and Economic Development: Evidence from Mexico's Coastline. *American Economic Review*, 109(6), 2245-2293.

Lerner, M., & Haber, S. (2001). Performance Factors of Small Tourism Ventures: The Interface of Tourism, Entrepreneurship and the Environment. *Journal of Business Venturing*, 16(1), 77-100.

Tourism Economy*



10.4% of global GDP¹
1 out of 10 jobs worldwide¹
the world's second-biggest export sector²

Global



8.6% of GDP³
1.9 trillion GDP³
16.6 million local jobs³

United States



Increase in hotel occupancy leads to more supplies
In Mexico, local manufacturing GDP increases by 3.9%
when local hotel revenue increases by 10%⁴

Impact on other industries



* All data above is of 2019 before the COVID pandemic.

Source: 1. World Travel & Tourism Council (WTTC)
2. the World Tourism Organization (UNWTO)
3. U.S. Census ABS, 2021
4. Faber & Gaubert, 2019

Agenda



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Why Is Tourism Important?

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Business Problem and Research Question

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Primary vs. Secondary Destinations

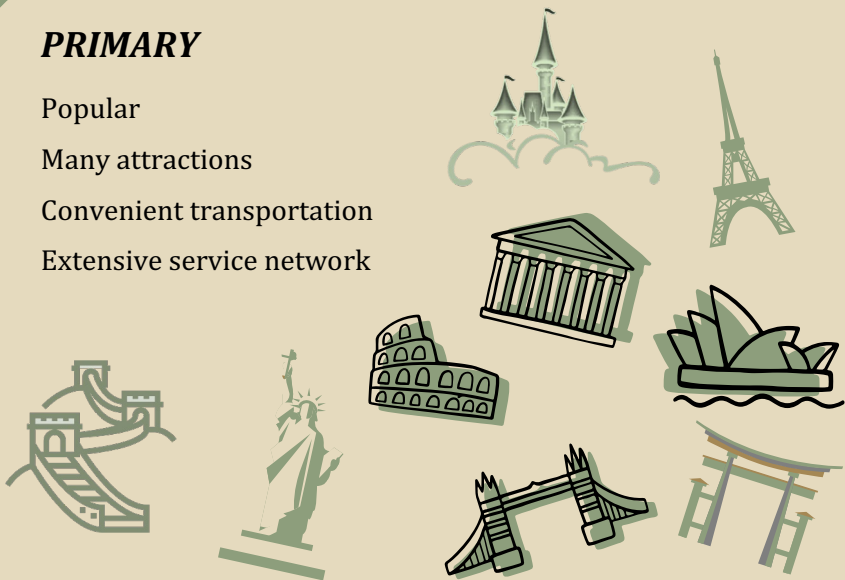
PRIMARY

Popular

Many attractions

Convenient transportation

Extensive service network



SECONDARY

Complementary to
the main trip

An extension of the
primary destination



Stopover



What Is This Research About?

Driving people to attractions outside the major hot tourism spots is not only of interest to secondary destination businesses; it is also a concern for tourism sustainability.

Improving travel to other places will improve the economy and employment of the local communities

MARKET SITUATION

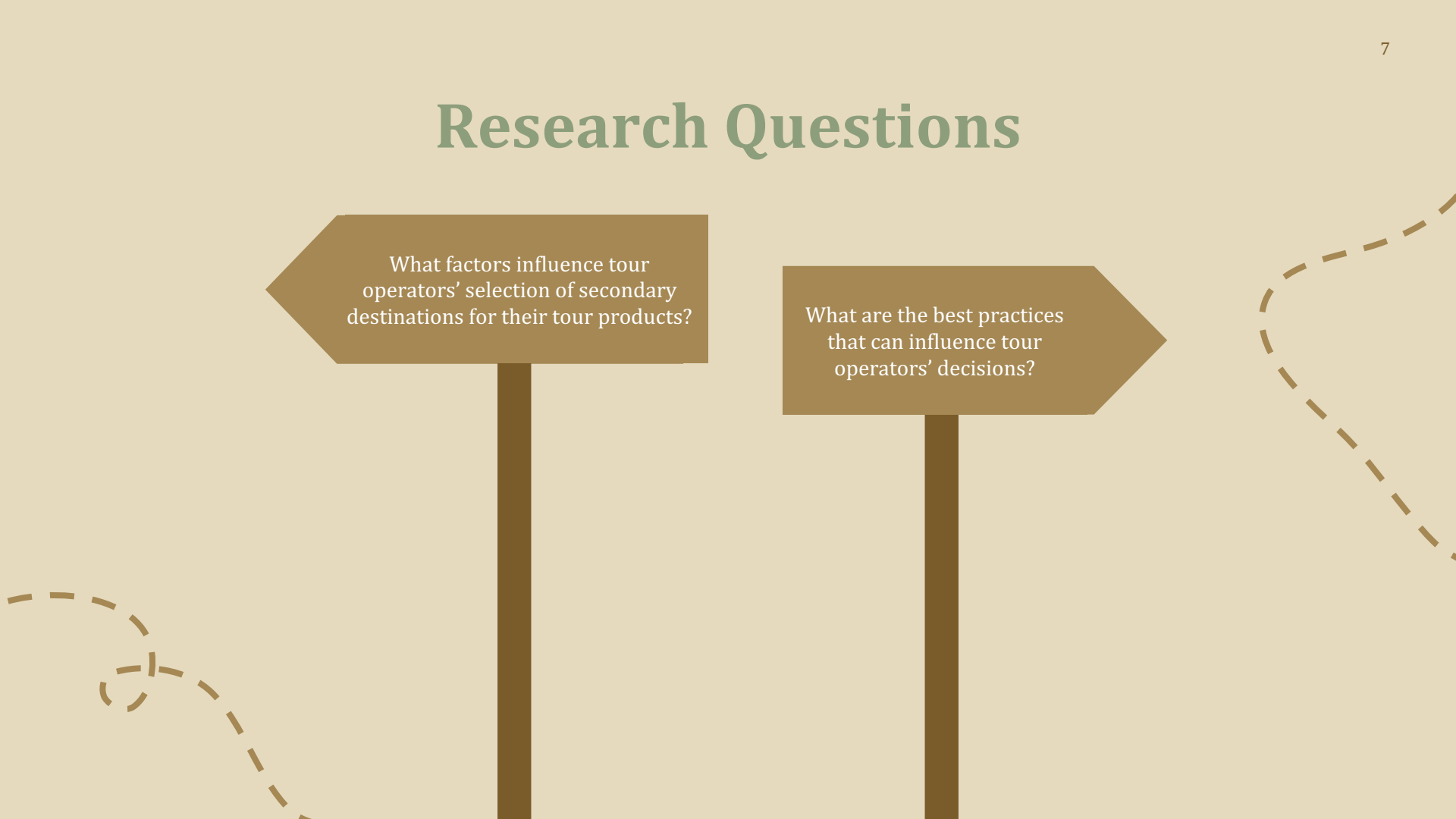


BUSINESS PROBLEM

People are naturally drawn to popular tourist spots such as Paris, Rome, NYC, Orlando, and Disney.

Secondary designations are typically smaller, have fewer attractions, few resources and have weaker infrastructure.

Research Questions

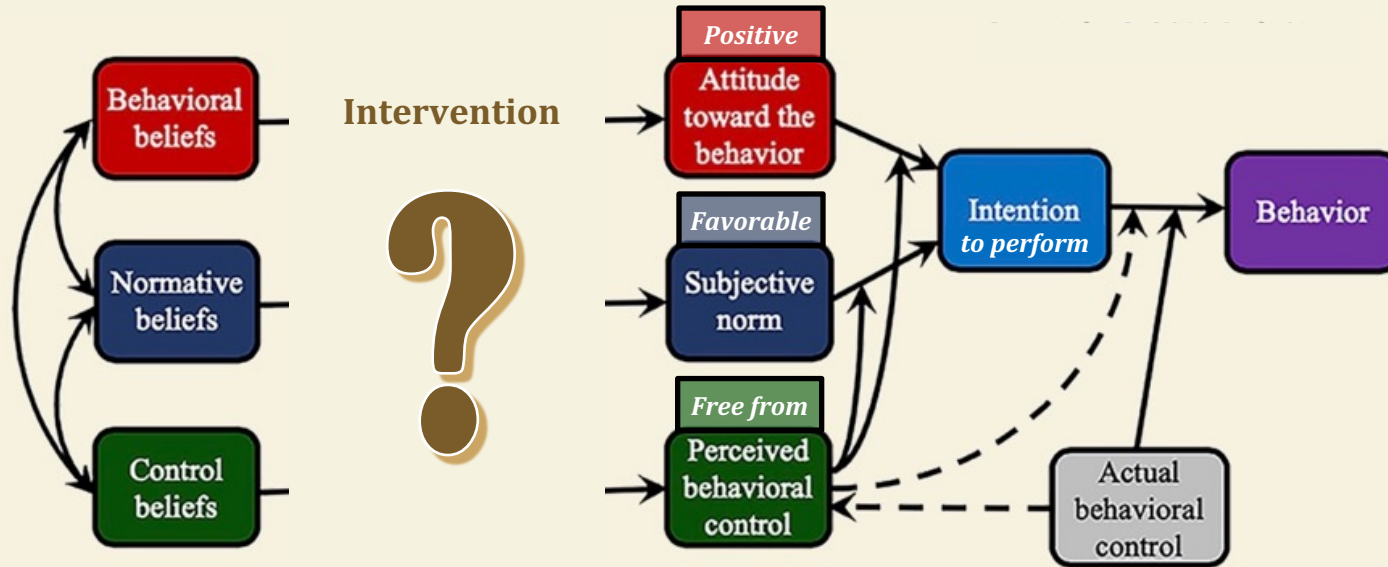


What factors influence tour operators' selection of secondary destinations for their tour products?

What are the best practices that can influence tour operators' decisions?

Theory of Planned Behavior (TPB)

Adapted from Theory of Planned Behavior © 2019 Icek Ajzen
Retrieved from <https://people.umass.edu/aizen/tpb.diag.html>



Ajzen, I. (1985). From Intentions to Actions: A Theory of Planned Behavior: Springer.

Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior And Human Decision Processes*, 50(2), 179-211.

Data Collection

Screener to ensure
company eligibility and
interviewee's involvement
in product development



50-75 min
online interview

<i>Invitation emails sent</i>	200+
<i>Started screeners</i>	41
<i>Completed screeners</i>	28
<i>Qualified candidates</i>	23
<i>Interviews scheduled</i>	18
<i>Completed interviews</i>	13

Business Function		
<i>Destination Management Company (DMC)</i>	4	30.77%
<i>Design and wholesale escorted group tours</i>	7	53.85%
<i>Design and retail escorted group tours</i>	9	69.23%
<i>Customize tour itineraries for groups</i>	6	46.15%
<i>Customize tour itineraries for FITs</i>	7	53.85%
<i>Operate its own escorted tours</i>	11	84.61%
<i>Receptive Tour Operator (RTO)</i>	6	46.15%

Tour Size		
<i>Big group by bus</i>	9	69.23%
<i>Small tours</i>	10	76.92%
<i>FIT</i>	3	23.08%

Business Size in 2019		
<i>10,000 or less tourists</i>	6	46.15%
<i>10,001 to 50,000 tourists</i>	4	30.77%
<i>50,001 to 100,000 tourists</i>	3	23.08%

Business Operation			
<i>USA Only</i>	<i>CA, CO, MA, MD, NY</i>	8	61.54%
<i>Canada Only</i>	<i>Nova Scotia</i>	1	7.69%
<i>Global</i>		4	30.77%

Thematic Analysis

Tour Operators'	Belief	Destinations	Suppliers
Attitudes	<i>What do tour operators <u>think</u> about having secondary destinations on their tours?</i>	<i>What can secondary destinations do to make them positive?</i>	<i>What can tourism suppliers do to make them positive?</i>
Subjective Norms	<i>What tour operators <u>believe the market responds</u> to the itineraries that include secondary destinations?</i>	<i>What can secondary destinations do to make them favorable?</i>	<i>What can tourism suppliers do to make them favorable?</i>
Perceived Constraints	<i>what <u>restricts tour operators</u> from including secondary destinations in their products?</i>	<i>What can secondary destinations do to eliminate them?</i>	<i>What can tourism suppliers do to eliminate them?</i>

Ajzen, I. (1985). From Intentions to Actions: A Theory of Planned Behavior: Springer.

Ajzen, I. (1991). The Theory of Planned Behavior. Organizational Behavior And Human Decision Processes, 50(2), 179-211.

Holton, G. (1988). Thematic Origins of Scientific Thought: Kepler to Einstein: Harvard University Press.

Participant Statements



Research Participants

Fictional Name:	Aaron	Betty	Charlie	Derek	Emma	Freddy	George	Henry	Ivy	Jenny	Katie	Lisa	Michael		
<u>Business</u>															
Design public tours	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		12	92.31%
Customize for preformed groups	✓	✓	✓	✓	✓	✓		✓	✓					8	61.54%
Customize for private groups		✓	✓			✓						✓	✓	5	38.46%
Operate Escorted Tours	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			11	84.62%
Inbound	✓	✓			✓		✓	✓	✓		✓	✓	✓	9	69.23%
Outbound	✓		✓	✓	✓	✓	✓			✓	✓	✓	✓	10	76.92%
Domestic	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	11	84.62%
<u>Personal</u>															
Tour Guide Experience	✓			✓		✓	✓	✓	✓	✓	✓	✓		9	69.23%
Direct Contact with DMO	✓	✓		✓	✓		✓	✓	✓	✓		✓		9	69.23%
<u>Tourism Experience</u>															
40-49 yrs								✓						1	7.69%
30-39 yrs	✓	✓		✓	✓		✓		✓		✓	✓		8	61.54%
20-29 yrs			✓			✓				✓			✓	4	30.77%
<u>Gender</u>															
Female		✓			✓				✓	✓	✓	✓		6	46.15%
Male	✓		✓	✓		✓	✓	✓					✓	7	53.85%

Research Result: SD Selection Criteria

Tour Operators Think...

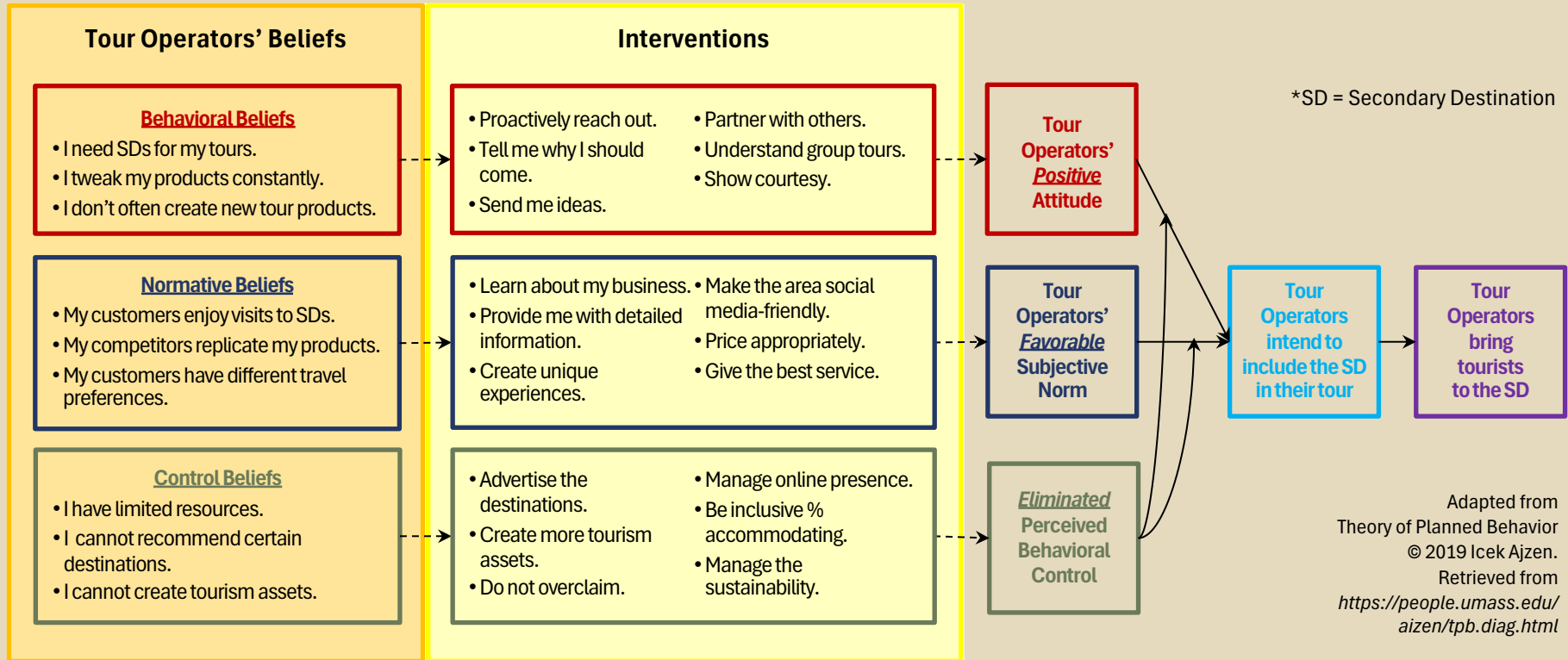
- I need SDs for my tours.
- I tweak my products constantly.
- I don't often create new tour products.
- My customers enjoy visits to SDs.
- My competitors replicate my products.
- My customers have different travel preferences.
- I have limited resources.
- I cannot recommend certain destinations.
- I cannot create tourism assets.

They Expect Destinations to...

- Proactively reach out.
- Tell me why I should come.
- Send me ideas.
- Partner with others.
- Understand group tours.
- Show courtesy.
- Learn about my business.
- Provide me with detailed information.
- Create unique experiences.
- Make the area social media-friendly.
- Price appropriately.
- Give the best service.
- Advertise the destinations.
- Create more tourism assets.
- Do not overclaim.
- Manage online presence.
- Be inclusive % accommodating.
- Manage the sustainability.

*SD = Secondary Destination

Research Result: Beliefs & Interventions



Conclusion

What factors influence tour operators' selection of secondary destinations for their tour products?

The study presents tour operators' beliefs concerning the addition of secondary destinations to their tour itineraries and their expectations from the destinations and tourism suppliers.

What are the best practices that can influence tour operators' decisions?

The study provides practitioners with actionable steps to improve their chances of being selected in tour products.

Contributions & Future Studies

Academic

- extensively explores behavioral, normative and control beliefs to understand tour operators' intrinsic motivations
- demonstrates how the TPB framework can be used to navigate & influence complex business decisions.
- shows how third-party stakeholders can leverage TPB constructs to influence tour operators' decisions.

apply the TPB framework to seek interventions that can influence other decisions and subconscious behaviors

Practitioner

- exams how tour operators' perceptions of customer preferences, industry standards, & competitive positioning influence their inclinations to include or exclude secondary destinations
- provides a blueprint for strategic interventions in tour product development and other areas of business decision-making
- identifies actionable insights into shaping tour operators' product development decisions

include the perspectives of other tourism stakeholders, their diverse preferences & motivations

Looking Forward

*This study serves as a testimony
to the ever-evolving nature of tourism research by
bridging the gap between theory and practice.
I challenge researchers and practitioners
to look beyond traditional models and
consider the broader implications of their work
on the sustainable development of tourism and other industries.*

Questions? Comments?



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