

2022/10/08

## 65TH UNWTO REGIONAL COMMISSION FOR AFRICA

SYMPOSIUM ON PRODUCT DIVERSIFICATION

Arusha, United Republic of Tanzania

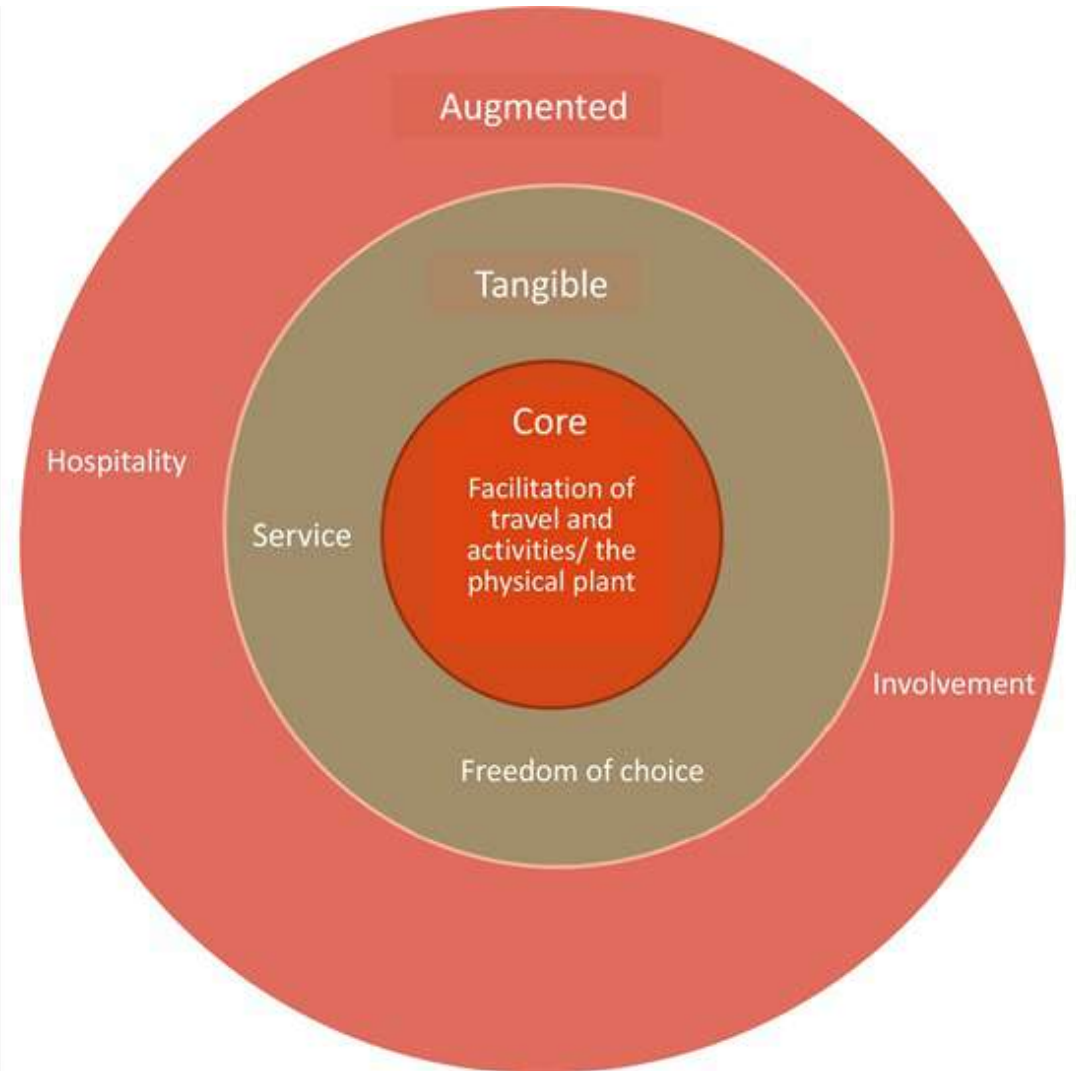
5 to 7 October 2022



## SOME OF CLIENTS & PARTNERS



# What is a tourism product?



# Tourism product portfolio





# FEATURES

## Characteristics of Tourism Products

Intangible	Perishable	Composite Product
Unstable Demand	Fixed Supply in Short run	Absence of Ownership
Risk	Not Homogenous	Marketable

# PRODUCT LIFE CYCLE



# The Future

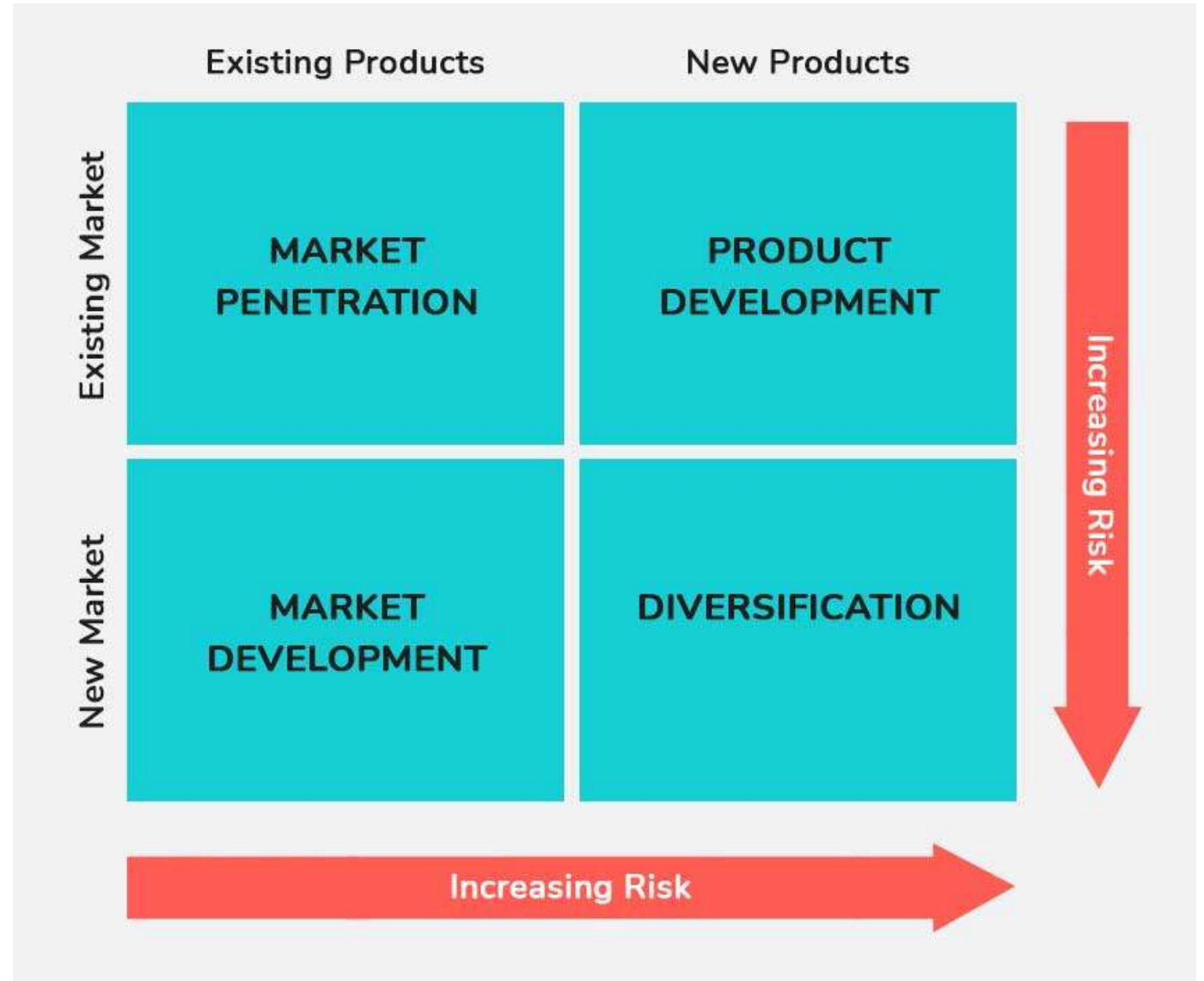


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# Ansoff Matrix

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# Why diversify?

Diversification in tourism destinations has become increasingly necessary because of the evolution of the tourism industry

Demand-side as well as supply-side market trends have led destinations to consider product diversification

Reconsidering and better understanding their market segments due to demographic changes, demand for more varied tourism products, and need for better value for money

Changes in demand for more varied tourism products, and need for better value for money

Conditions, environmental matters and tourism seasonality have contributed to an increasing need for product diversity.

Gain and maintain competitive advantage, have to make sure to offer a mix of diverse products, which can have synergies and linkages among them.

# DIVERSIFICATION STRATEGY

NEW PRODUCTS AND NEW MARKETS FOR SUSTAINABLE GROWTH

## DISRUPTION

New Products for  
New Markets with  
New Marketing  
Strategies

## INNOVATION

New Products with  
New Capabilities  
Processes and  
Technologies

## INORGANIC GROWTH

Diversify Portfolio  
with Partners and  
Mergers and  
Acquisition





Proactive tourism destinations, organisations and business enterprises must constantly look for the diversification of the Tourism product

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Diversification in tourism destinations has become increasingly necessary because of the evolution of the tourism industry

# What is diversification?

Diversification refers to the expansion of a product or a sector into a new market rather than specialising in a single-product.

Firms may choose to enter new fields seeking diversification rather than innovating within the same market.

In addition, firms implementing diversification strategies may use different types of innovation—product, process, radical or incremental—to enter new markets [

The Tourism Product Diversification and Marketing Program can help you re-invent, improve or expand your tourism product and operation to meet future market demands by providing funding for business planning, product development and packaging as well as marketing.

The diversification, intensification and linkage of these products can be crucial for the competitiveness and sustainable development of destinations.

# Strategic approaches



Tourism sectoral diversification which are germane for tourism as a prioritised area or a target market



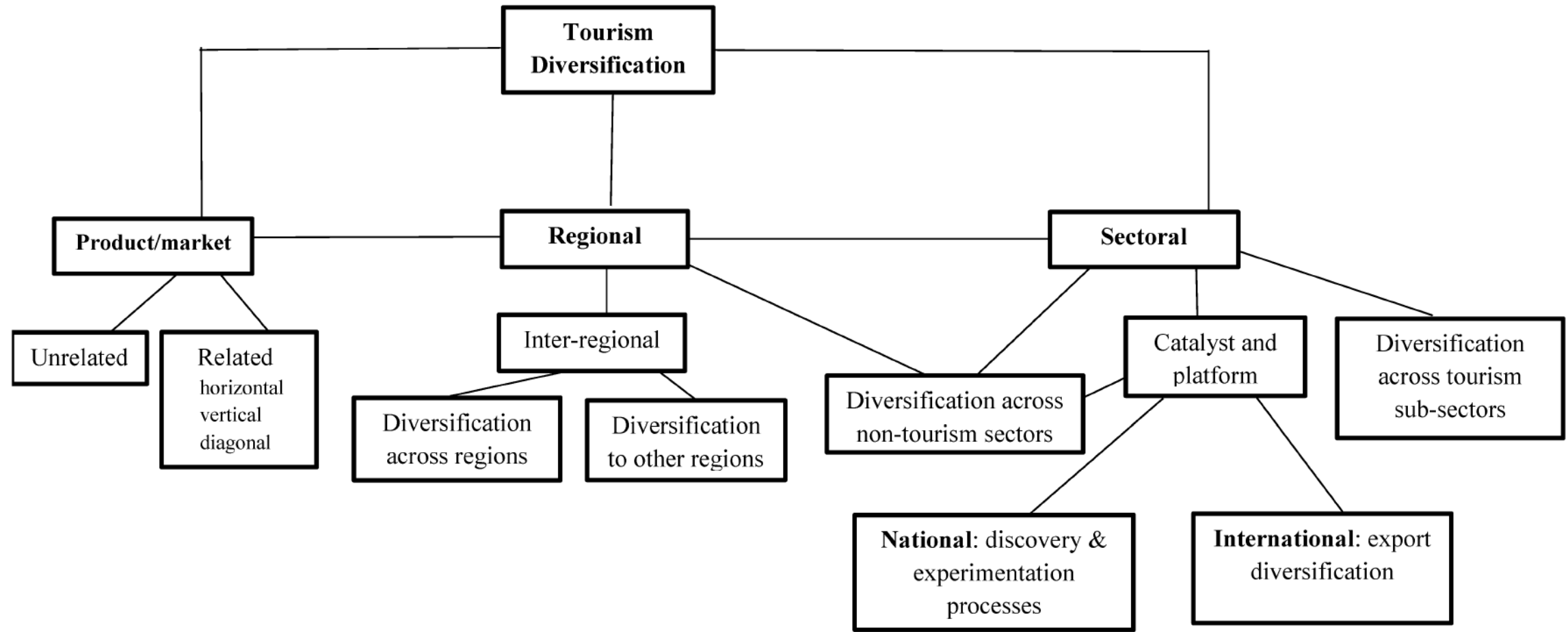
Diversification across tourism sub-sectors

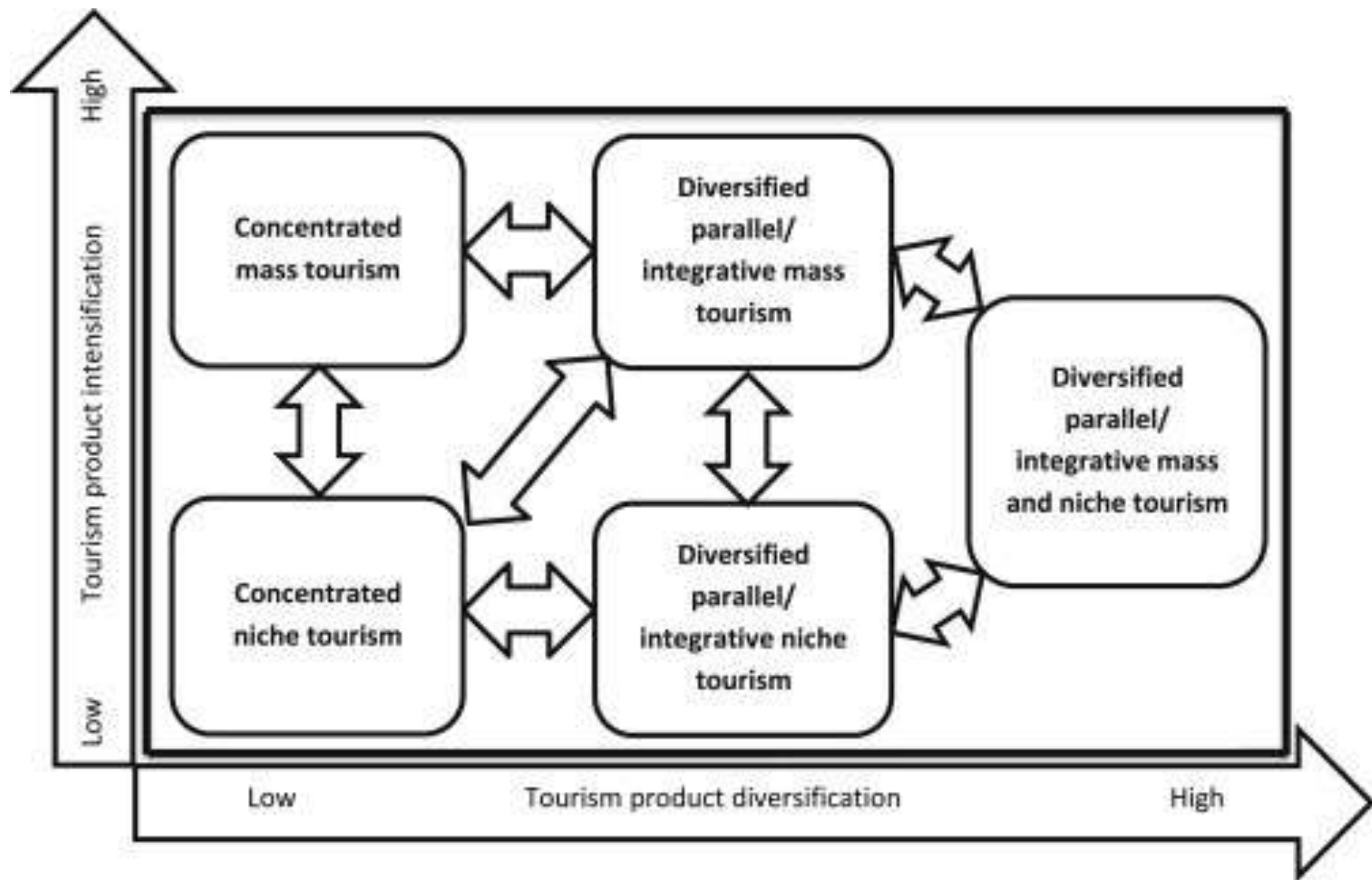


Platform and a catalyst for diversification across other sectors.



# Diversification Strategies

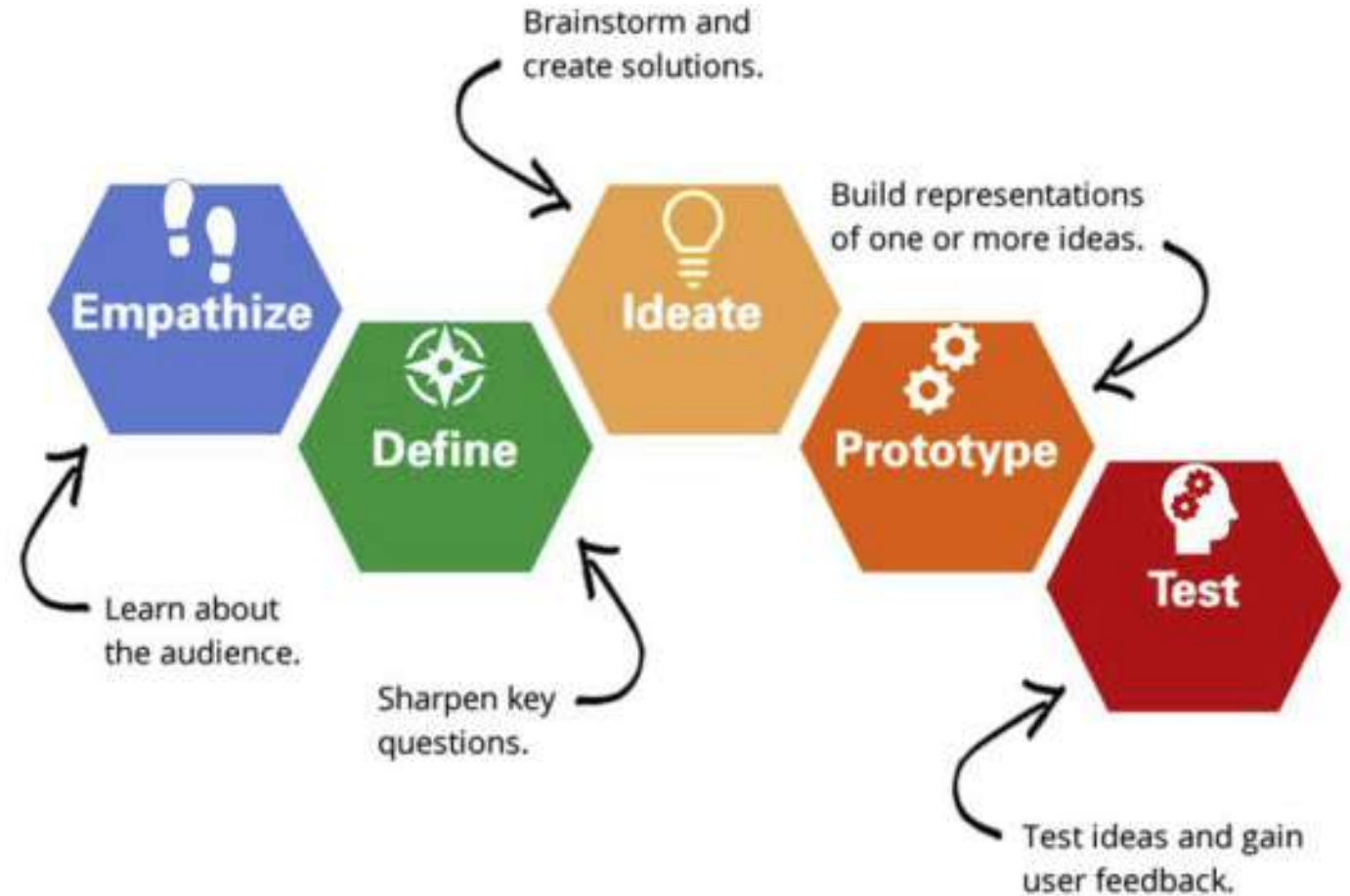




# Process of diversification

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# Examples of diversification

Just one or a few tourism products (whether mass tourism or alternative tourism products), into other products that attract tourists with more specialist interests (and thus generally fewer tourists), such as through diversification into ecotourism, cultural tourism, and sport tourism.

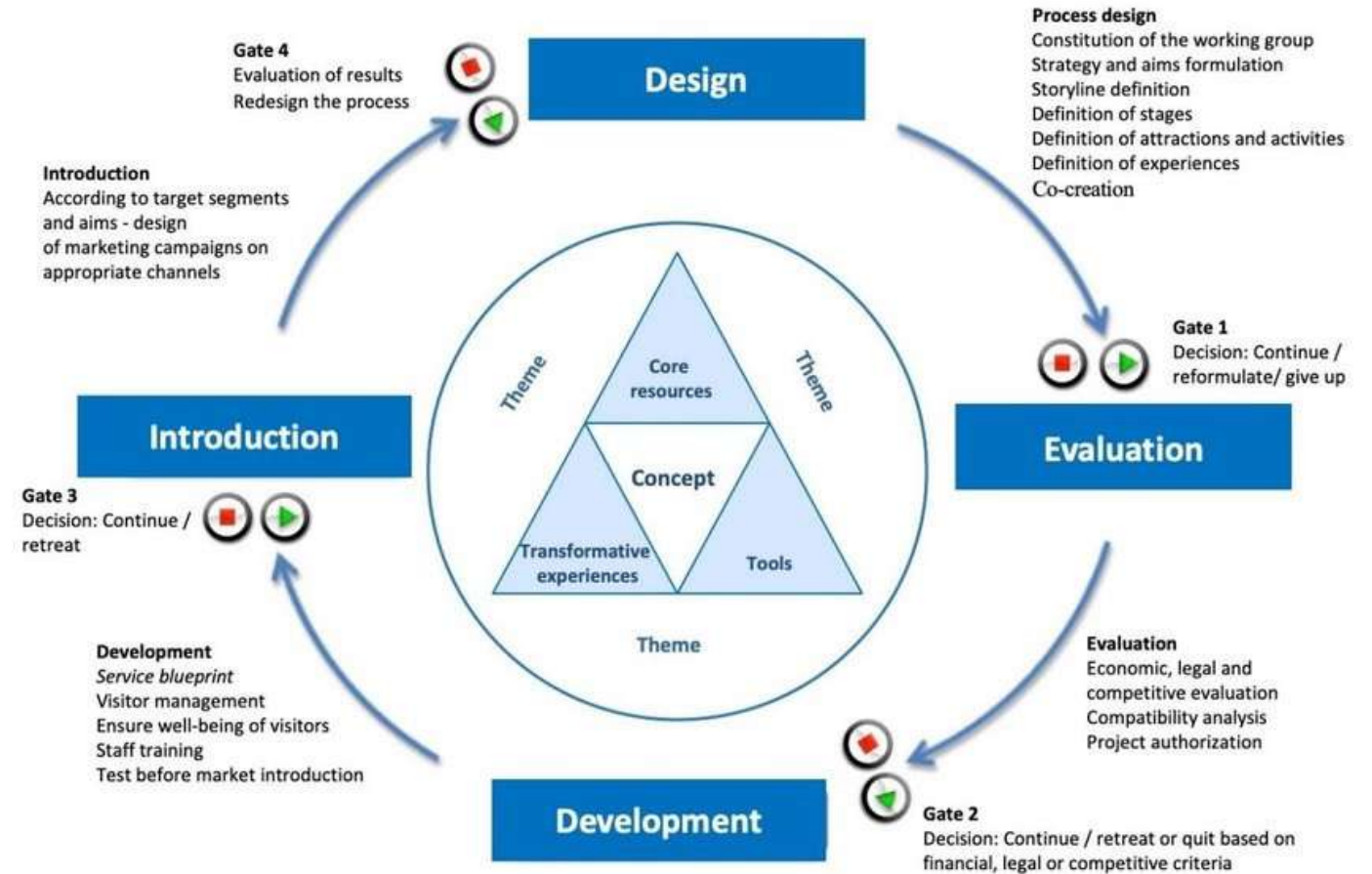
Other destinations (again whether focused on mass tourism or alternative tourism) may seek to diversify into tourism products that are large-scale, or draw on standardised international features, or attract large numbers of tourists, such as resorts that develop golf courses, marinas and conference and

May involve developing products that closely relate to existing destination products, such as the diversification of beach tourism to include outdoor and indoor water sports.

On the other hand, it can involve diversification into highly different products, such as by connecting mass tourism products, such as beach resorts, with alternative tourism products, such as wildlife safaris and cultural tourism

# MODEL OF DIVERSIFICATION

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# TOURISM AS SHARING ECONOMY



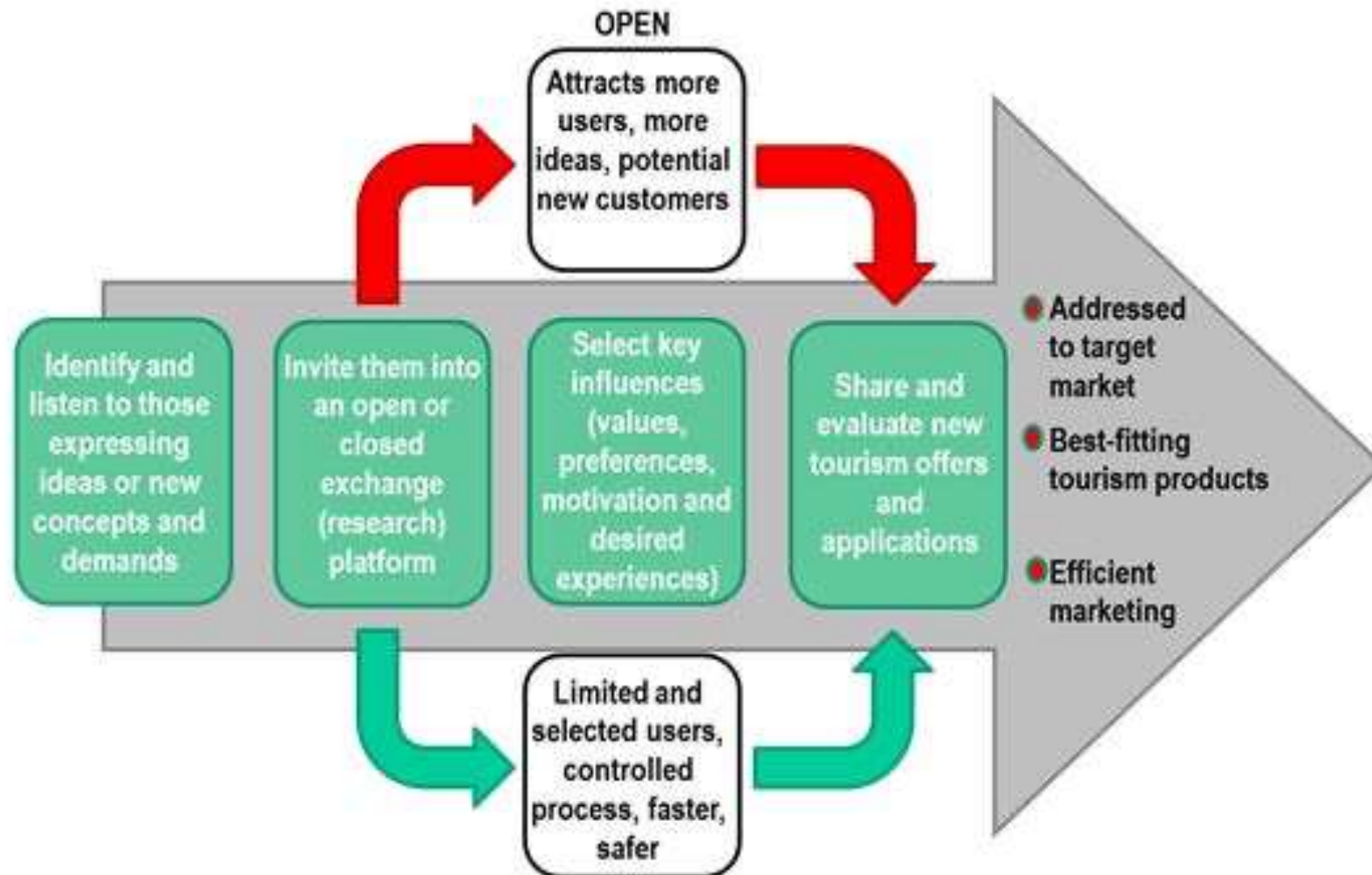


Figure 1: Concept of Co-creation (changed after Pröbstl-Haider and Lampl 2015)





# How to diversify

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- Develop large-scale tourism products (i.e., marinas, casinos, golf courses, conference and exhibitions centre), generally aimed at attracting up- market visitors, but with features of large, mass tourism markets, given the significant number of tourists brought to the destination (Bramwell, 2004b);
- Develop alternative tourism products that emphasize particular characteristics of a destination, such as cultural, historical, ecological aspects. These are usually provided on a small scale, at least at the beginning
- Create linkages between diversified tourism products, thus creating complementarities and synergies such as MICE
- Infuse innovation to serve the target audience and offer betwe value for money

# The lesson

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# In Conclusion

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I thank you

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