

TOURISM PRODUCT DEVELOPMENT:
A WAY TO CREATE VALUE
The case of La Vall de Lord

Jordi Datzira Masip

Director of DDS

Member of AIEST

E-mail: jordi.datzira@ddservices.es

Barcelona, April 2006

Abstract

The management of tourism destinations is closely related with the policies that affect local development and the creation of value in a destination. That is why a sustainable tourism development policy should try to obtain a balance between cultural values, environmental attractions and the economic results that the development of tourism can offer to a destination. Moreover, tourism development policy should also take into account three key issues: to establish development guidelines, to determine and control planning processes and to define the most adequate marketing strategies for the destination.

The creation of value in a tourism destination can be determined by the specialization through the creation of products targeted toward specific market segments. The creation of tourism products is a process that needs different elements and follows some steps. The initial step is where all basic elements are taken into account, afterwards the product is created and finally it is communicated to the market so that it can be consumed by a part of tourism demand.

The case of la Vall de Lord shows the most important features of the destination and how tourism development is being managed. The current situation is pictured through the demography, the territory, the population distributed by economic activity and the tourism supply and its demand. It is also established the tourism product portfolio in which the Valley has specialized itself, the products and services it offers and the tourism development policy established by the local Tourism Association which describes the activities that will be done throughout 2006.

The conclusions refer to the most relevant weaknesses in tourism management, improvement needs and the development possibilities which holds la Vall de Lord as a tourism destination.

Index

- A. Introduction**
- B. Tourism development policy**
- C. Tourism product creation**
- D. The case of *La Vall de Lord***
- E. Conclusions**
- F. Bibliography**

A. Introduction

1. Which policy areas are crucial for the development of tourism?
2. What can be done by a tourism destination to enhance its value?
3. What are destinations doing to develop their tourism?

B. Tourism development policy

The significance of a balanced and sustainable tourism development policy

The WTO (2004) affirms that *'sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability'*.

On the significance of a sustainable tourism development policy Ritchie, B and Crouch, G (2003: 148), affirm that *'tourism policy seeks to provide high-quality visitors experience that are profitable to destination stakeholders, while ensuring that the destination is not compromised in terms of its environmental, social and cultural integrity'*. And define tourism policy as a *'set of regulations, rules, guidelines, directives and development/promotion objectives and strategies that provide a framework within which the collective and individual decisions directly affecting tourism development and the daily activities within a destination are taken'*.

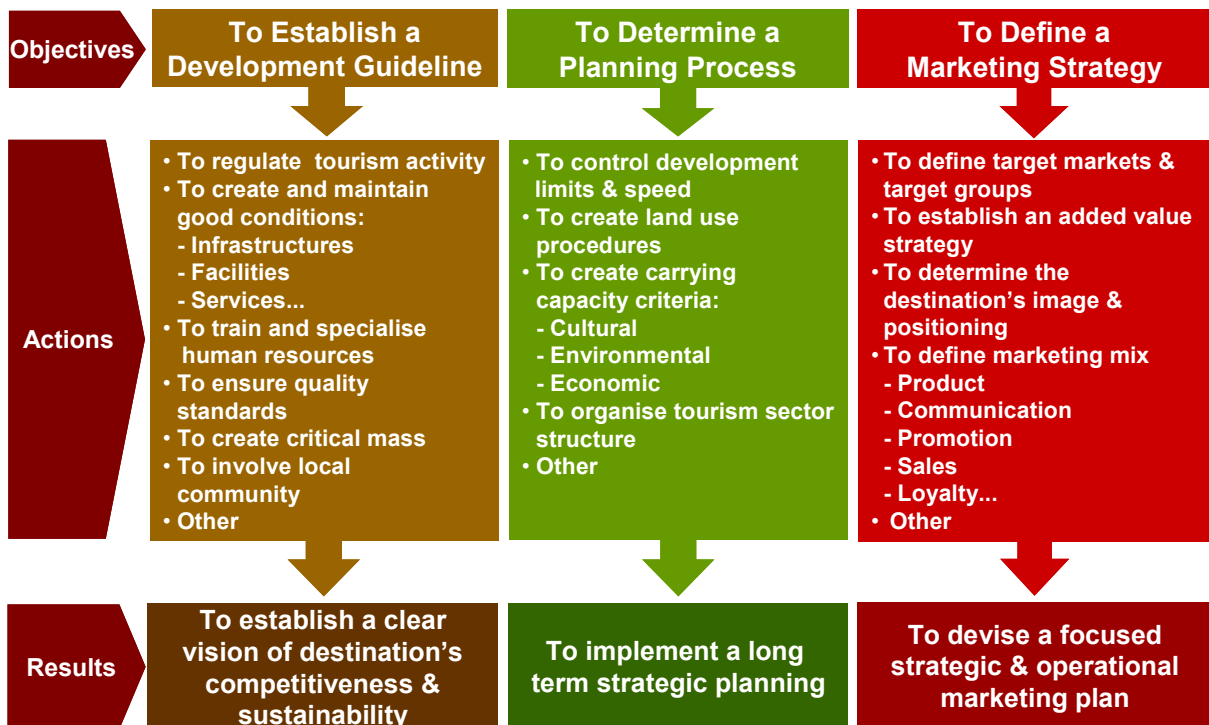
Following this idea, a sustainable tourism policy must include three basic aspects for the development of tourism and should find the correct balance between:

- **Cultural** values
- **Environmental** resources
- **Economic** results

But it also should take into account the three key areas of a tourism development policy for destinations at any level, local, regional, national or international. The key areas that should be present to achieve the established goals, all through the sustainable tourism development process of any destination, are the following:

- Establishment of **development guidelines**
- Determine and control the **planning** process
- Define a **marketing** strategy and actions

Figure 1. Key areas of a tourism development policy



Source: Datzira-Masip, J. 'Cultural Heritage Tourism-Opportunities for product development: the Barcelona case' in Tourism Review, Vol 61, No 1 AIEST. 2006

As shown in figure 1, three key areas are defined as follows:

- **Development guidelines** should help in the adequate development of a destination and at the same time should guarantee a clear vision of a rational and balanced development with the aim of the improvement of the competitiveness and sustainability of the destination.
- **Planning process** is an essential tool that provides a framework that makes such development happen, together with the introduction of control mechanisms. Successful planning results in the implementation of development strategies that ensure both long and short term sustainability and balanced growth that shall guarantee the preservation of resources of a destination.
- **Marketing strategies** are crucial for the promotion and commercialization of any destination that develops new tourism products that should be communicated to markets and target public. Both the establishment of specific marketing strategies and the application of the adequate marketing mix can help a destination increase the efficiency of marketing actions.

C. Tourism product creation

Tourism product portfolio strategy

A tourism destination needs a good product portfolio strategy to be able to develop tourism and specialise the existing supply of the destination. The portfolio should be based on the existing attractions and resources, but it should also take into account the essential infrastructures, facilities and services needed to make the development come true.

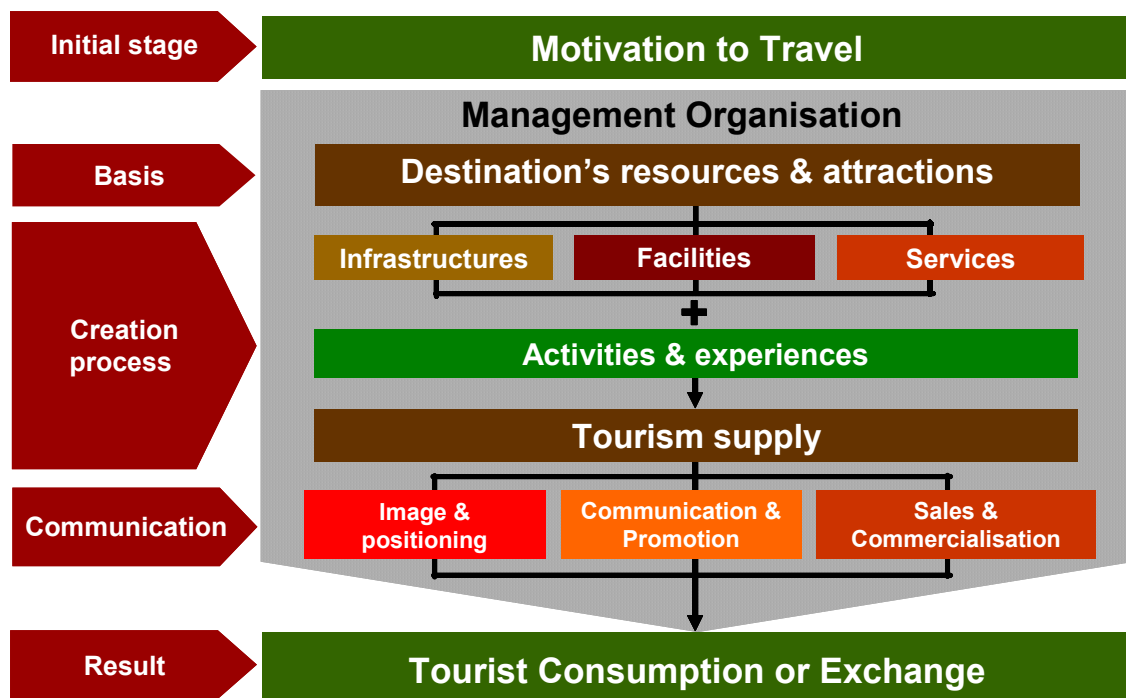
During the process other criteria will be needed to help in the accurate evaluation of the real success potential of the different products. These criteria can be economic, social, cultural, environmental or political, among others. Some examples can be the market potential assigned to the product, the image creation and positioning of a destination, the attractiveness of public or private investment, the foreseen level of investment, the expected results, the social cost-effectiveness of the demonstration effect that can mean the creation of new products.

Following this idea, the creation of a complementary supply can help in the definition of an adequate product portfolio for a destination. But, always bearing in mind a clear and coherent development strategy that will try to specialise the services, to be able to be differentiated from the competition, and taking into account the needs of the different actors present through the process of development and creation of new products

Creation of tourism products

Once the product portfolio is defined and the destination is specialized, it will be time to create products and services to complement the basic tourism supply of accommodation and restaurants. Anyway, the creation of products follows a process that includes different elements specified in the following figure:

Figure 2. Key elements in the product creation process



Source: Adapted from Datzira-Masip, J. 'Cultural Heritage Tourism-Opportunities for product development: the Barcelona case' in Tourism Review, Vol 61, No 1 AIEST. 2006

Figure 2 shows the key elements in which the tourism product creation process is divided. There are 5 different areas and the result is the stimulation of tourist consumption in a destination:

- **Initial stage:** existence of a motivation to travel.
- **Basis:** resources and attractions are the basis of a destination.
- **Creation process:** it requires not only the existence or creation of infrastructures, facilities and services but also the development of specific activities or experiences. The result of the process can be seen as the tourism supply of a destination.
- **Communication:** once tourism supply is created, there will be functional and emotional benefits that can be communicated to markets and target audiences through the creation of an image and the correct positioning. The values provided by the product should also be communicated and promoted to stimulate consumption.
- **Result:** the consumption of tourism products in a destination.

The process to create products is complex and it requires the existence of a management organization that should lead, coordinate, structure, develop and implement the process. It will also be necessary that all the different issues related to the process of product creation are coordinated to be able to guarantee its success, always taking into account the economic perspective, social development and protection of the environment.

D. The case of La Vall de Lord

1) Introduction

La Vall de Lord is a valley situated on the north area of the county of Solsonès belonging to the Catalan Pre-Pyrenees, and is located in the heart of Catalonia. The Valley is a natural and historical subcounty formed by the municipalities of Sant Llorenç de Morunys, La Coma i la Pedra and Guixers.

Table 1. Social and economic situation

Year 2005					
Town	Population (censed inhabitants)	%	Surface in Km2	%	Population density (inhab./Km2)
Sant Llorenç de Morunys	969	70.0	4.3	3.3	223.3
La Coma i la Pedra	270	19.5	60.6	46.2	4.5
Guixers	144	10.5	66.4	50.5	2.2
Total Vall de Lord	1,382	100.0	131.3	100.0	10.5
Solsonès	12,764	10.8	1,001.2	13.1	12.7

Source: www.idescat.net

The biggest concentration of population in the valley is found in *Sant Llorenç de Morunys*, which holds 70% of the total. La Vall de Lord represents almost 11% of the total population of the county and it has a total surface of more than 131 km² which represents more than 13% of the total of the county. *Sant Llorenç de Morunys*, even if it is the capital of the valley, only occupies 3.3% of the territory, and *La Coma i la Pedra* and *Guixers* hold the rest in almost even proportions. All these means that, even if the population density of *Sant Llorenç de Morunys* is over 223 hab./km², the average of the valley is 10,5%, similar to the rest of the county.

Table 2. Population grouped by economic activity sector (%):

Year 2001	Agriculture	Industry	Construction	Services
Sant Llorenç de Morunys	3.7	25.4	20.6	50.3
La Coma i la Pedra	13.4	14.4	28.9	43.3
Guixers	31.5	13.7	16.4	38.4
Total Vall de Lord	9.1	21.9	21.5	47.4
Solsonès	12.9	22.3	17.0	47.8
Catalonia	2.4	25.1	10.3	62.0

Source: www.idescat.net

The majority of the population in la Vall de Lord works on the services sector, as shown in table 2, and represents almost half of the population (47.4%). More than 42% of the population work in the construction and industry sectors, and only 9,1% of the population work in agriculture, even if it is relevant in the municipality of *Guixers*, where it represents more than 31%. There are no substantial differences if we compare these numbers with those from the *Solsonès* County. But if we take a look to the numbers of Catalonia in the sectors of agriculture and construction they are sensibly higher in *Solsonès*, and the contrary happens in industry and services which are lower than the Catalan average. It is important to highlight that the municipality of *Sant Llorenç de Morunys* concentrates the majority of activity, 80% in industry, more than 73% in services and 66% in construction.

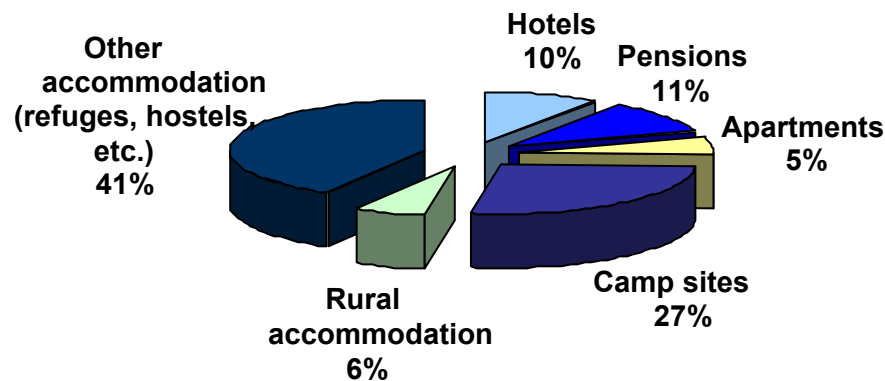
2) Accommodation facilities

Table 3. Accommodation facilities in La Vall de Lord by category (2005)

Typology/Category	3*	2*	1*	Number of beds	%
Hotels	30		65	95	9.8
Pensions		89	14	103	10.6
Apartments				50	5.2
Camp sites				260	26.8
Rural accommodation				58	5.8
Other accommodation (mountain refuges, hostels, etc.)				406	41.8
Total				972	100.0

Source: Patronat de Turisme del Solsonès. 2005

Figure 3. % accommodation facilities in La Vall de Lord by category (2005)



Source: Patronat de Turisme del Solsonès. 2005

The accommodation facilities in La Vall de Lord is based on alternative accommodation, mountain refuges and hostels represent almost 42% of the total. Camp sites represent almost 27% and hotels and pensions only represent 20% of the total. Regarding the hotels, only 30% hold a 3* category and the rest only hold one star. It is important to remark that there is no supply of higher categories such as 4* or 5*, which is significant if we take into account the attractions that the valley offers. Apartments and rural accommodation represent 5.2% and 5.8% respectively.

It should also be highlighted that there is no data regarding the number of second homes in the valley and it is well known that it represents an important % of the total accommodation in La Vall de Lord.

The economy of the Valley is based basically on tourism activity throughout the year, which implies that most of the sectors of activity work directly or indirectly on services and tourism, forming almost the totality of the economy of the Valley.

3) Product portfolio

The tourism product portfolio in La Vall de Lord has been defined through a research process carried out through interviews and on site visits and 6 differentiated products have been determined as shown in the following figure:

Figure 4. Tourism product portfolio in La Vall de Lord



Source: own illustration

4) Tourism activities

Ski resort Port del Comte

The ski resort has been in a renovation process these last five years, with strong private investment that has meant the re-launching of the ski resort and has allowed the improvement of its services and facilities: renovation of the lifts, improvement in the condition of the ski slopes (trails, safety, signposting, etc.), creation of new service areas, etc. Currently the resort is investing in the following plans:

- **Special plan for the ski resort:** installation of 300 snow cannons and a new water pond to feed them, 2 new chairlifts in the area Estivella, general improvement of safety with protections, etc.
- **Development partial plan:** new resort with 400 apartments distributed in 18 stone buildings with two floors and garage, 1 new hotel with 200 rooms, restaurants, shops, etc.
- **Adventure centre:**
 - Winter: inflated toboggans and sleighs, snowshoes hikes, etc.
 - Summer: zip-line area and suspension bridges, Adventure Park circuit, Mountain Bike excursions with a car following them, etc.
- **Recuperation of the Golf course:** rehabilitation of the club house, recuperation and improvement of the practice area and the 9 holes, Par 34 of the golf course, with the creation of artificial grass greens.

Reservoir Llosa del Cavall

- Activity organization: canoeing, archery, etc.

Mountain Bike Centre Vall de Lord

- Welcome and information centre
- 148,6 km of signposted tracks
- 9 marked routes with 4 levels of difficulty that go from an elevation change of 67 meters, the easiest, to an elevation change of 1.874 meters, the hardest.

Climbing areas and creation of new scaling faces

Paraglide centre: practices and learning courses.

Eco-museum Vall d'Ora: mill and flour mill that work in a traditional way and have kept their original appearance, with an interpretation centre where the transformation processes are explained.

5) Tourism demand

There is little information available about the demand characteristics and habits. The Tourism Information Centre of Solsonès, that is managed by the 'Patronat de Turisme del Solsonès', is collecting some data about the visits they received during the year, but they have not been able to provide any information related to the customer characteristics.

In order to present an idea about the demand characteristics in la Vall de Lord, a study done in 1995 about the tourism situation within the area shows the following results:

- More than 87% of tourists were coming from Barcelona (35%) and its province (52%)
- More than 54% were between 21 and 40 years old
- Near 92% were coming accompanied, from which 79% came with their family and the rest with friends
- 94% used private transportation to get to the area
- 46% stayed more than 2 weeks on vacations in the area
- More than 50% use a second home and 22% stayed at friends' and relatives' homes
- Nearly 85% had visited the area before more than 5 times
- They liked to go for walks and do some excursions within the valley
- The main motivations to travel were the natural environment, relaxation, the climate and friends
- 99% were happy about the vacation and thought they would repeat the visit in the future

Source: Datzira-Masip, J. 'Estudi sobre la situació turística a la Vall de Lord'. April 1995. Unpublished

This study, although the statistics have not been updated, shows that La Vall de Lord is an area with a tourism tradition for its natural and cultural attractions, landscape, climate and with an important number of second homes that are the basic customers during the year. It is a family tourist area which has to take advantage of offering the adequate products and services to suit their needs and expectations. Most of tourists are highly loyal to the area and happy with their vacation experience and would like to repeat in the future, giving a positive perspective to the future development of tourism within the area.

6) Tourism development policy and its management

The Tourism Association of Vall de Lord was born in 1987 and its main goal was to get together all the people, companies and institutions interested in collaborating in the maintenance, communication and development of tourism activity as the economic engine of La Vall de Lord.

The Action Plan year 2006 includes the organization of the following activities:

- External activities: IV Gastronomical event, Enramades (folkloric festivity), VIII Arts and crafts Day, VIII Mountain Bike Vall de Lord (Catalan Cup), summer concerts, etc.
- Internal activities: publication of leaflets, web page improvement, assess the members of the association, integrate the Association in the new Tourism Consortium of Solsonès

7) Conclusions

La Vall de Lord is a destination with a long tourism tradition that nowadays is faced with different improvement needs that will help it to increase the attraction power and improve its competitiveness within the sector and its development.

There is a generalized lack of future vision of tourism in the Valley, and the collective conscience of the importance of tourism for the economic and social development of the Valley is almost inexistent.

There is no professionalisation of the tourism management, neither in the public sector nor in the private sector. Tourism management reverts to the Tourism Association of Vall de Lord, which doesn't have any human resource professionally dedicated to it and it only counts with a very low budget that turns into almost impossible the rational and effective management of the tourism sector in the area.

Moreover no business organization represents the majority of the private sector in the Valley, which complicates the global development of its local economy. And it is important to know that La Vall de Lord as a tourism destination has no image or specific positioning, it is just another area in the pre-Pyrenees mountain range.

Currently, tourism demand has a medium, medium-low socio-economic level that is not bringing the expected results that should help to further develop the sector, such as the creation of complementary services, charming accommodation, leisure activities organization, improvement of local shops, etc. that would strengthen the attraction capacity for a kind of tourism adequate for the needs of the area and its population.

8) Development possibilities

Different possibilities and improvement needs can be defined on the economic and tourism development of La Vall de Lord. First of all, there is a need to think about the strategy that should follow the development of la Vall de Lord as a tourism destination.

Secondly, once the bases for the future development are established, it will be necessary to improve the management of tourism, especially in a professional point of view. As it is now, it is extremely difficult to carry out any kind of activity (image, communication, promotion, assessment in the creation of new tourism supply, elaboration of statistics, creation of tourism packages, etc.) within the valley.

Therefore, in order to achieve this, it would be necessary to create a professional management organisation that would unite all the private sector and the public institutions of the valley. With this organization in place it will be possible to manage the development of the local economy in a more effective and rational way and the short and long term needs will be taken into account.

9) Methodology

In the research process the following tasks have been carried out:

- On site visits
- Compilation of published information, such as leaflets, studies and statistics
- Individual interviews with 10 representing members of the public and private sectors of the Valley.

E. Conclusions

- The tourism development policy should be based on sustainable criteria that should stand on three key areas: development, planning and marketing. It should also take into account the limits and speed, priorities, etc, of the development and management of tourism.
- The management of a tourism destination goes hand in hand with tourism policy and a clear and specific vision of the development, planning and marketing issues that should be applied.
- The management of a destination needs an organization that leads, coordinates and directs the different agents involved (both public and private) in the development of tourism.
- The product portfolio strategy can facilitate the specialization of the tourism supply of a destination, and the development strategy to be followed should also be defined.
- The creation of products has to be oriented toward specific markets and specific targets, to be able to offer the adequate products to fulfil their needs and expectations and, therefore promote the creation of value within a tourism destination.

F. Bibliography

- AIEST (1999) “*Future-Oriented Tourism Policy: a contribution to the strategic development of places*” 49è Congress in Portoroz, Slovenia
- Associació de Turisme Vall de Lord: www.lavalldelord.com
- Chias, J (2005) “*El negocio de la felicidad*” Prentice Hall. Madrid, Spain
- Datzira Masip, J
 - 1995 “*Estudi sobre la situació turística a la Vall de Lord*” Manresa, Spain (unpublished)
 - “*Tourism Policy in Spain: an overview*” in *Tourism Review*. AIEST. 1998, Vol. 1, pp. 41-50. Switzerland
 - “*Cultural Heritage Tourism-Opportunities for product development: the Barcelona case*” in *Tourism Review*. AIEST 2006, Vol.61, No 1, pp. 13-20. Switzerland
- Edgel, D.,L. “*Tourism Policy: the next millennium*” Sagamore Publishing, 1999. Illinois. USA
- Generalitat de Catalunya: www.idescat.net
- Godfrey, K & Clarke, J (2000) “*The tourism development handbook, a practical approach to planning and marketing*” Continuum. United Kingdom
- Goelder, C & Ritchie, B (2006) “*Tourism, principles, practices, philosophies*” 10a edition. John Willey & Sons. USA
- Gunn, C (1994) “*Tourism planning, basic concepts and cases*” 3rd edition. Taylor & Francis. USA
- Jansen-Verbeke, M. (1997) “*Urban Tourism: managing resources and visitors*” a *Tourism, Development and Growth, the challenge of sustainability*. Edited by Salah Wahab & John J. Pigram. Routledge. United Kingdom
- Hall, M (2000) “*Tourism planning: policies, processes and relationships*” Prentice Hall. United Kingdom
- Inskip, E (1991) “*Tourism Planning, an integrated and sustainable development approach*”. Van Nostrand Reinhold. USA
- Patronat de Turisme del Solsonès: www.elsolsonesinvita.com
- Ritchie, B & Crouch, G (2003) “*The Competitive Destination: a sustainable tourism perspective*”. CABI. United Kingdom
- Scheyvens, R “*Tourism for development, empowering communities*”. Prentice Hall. 2002. United Kingdom
- Swarbrooke, J (1997) “*The development and management of visitors attractions*” Butterworth Heinemann. United Kingdom
- Thematour (1997) “*Les Routes Touristiques, de la conception a l’animation*” Sarganda, E. n° 1 Chambres de Commerce et d’Industrie. Paris, France
- THR, Asesores en Turismo, Hoteleria y Recreación, S.A. (1998). “*Manual de desenvolupament de productes turístics*”. Barcelona. Spain
- UNEP (United Nations Environmental Programme) & WTO (World Tourism Organisation). 2005. “*Managing tourism more sustainable. A guide for policy makers*”
- Valls, Josep-Francesc (2004) “*Gestión de Destinos Turísticos Sostenibles*” Gestión 2000. Barcelona. Spain
- Walder, B et al. (2006) “*Innovation and Product Development in Tourism, creating sustainable competitive advantage*” Erich Schmidt Verlag. Berlin. Germany
- WTO (World Tourism Organisation)
 - “*Tourism congestion management at natural and cultural sites. A guidebook*”. Madrid, Spain. 2004
 - www.world-tourism.org/frameset/frame_sustainable.html