

# Factsheet



## SUSTAINABLE TOUR PRODUCT DEVELOPMENT

### MARKET-DRIVEN AND SUSTAINABLE TOUR PRODUCT DEVELOPMENT THROUGH SUPPLY CHAIN INTEGRATION

#### Context

The demand for sustainable tourism globally is increasing, so much so it could be considered as a post-pandemic tourism trend. “Sustainability-oriented” travelers are the future of travel. They seek authentic experiences, exploration of local life, culture, and at the same time, giving back to the communities visited.

In SUSTOUR’s working area, Flores and Wakatobi, there is limited quantity, quality, and variety of tour products which align with the demand of more sustainability-oriented travelers. This is due to:

- Limited collaboration between Destination Management Companies (DMCs) and Tour Operators (TOs) to improve product quality and diversity.
- Community-Based Tourism (CBT) groups are lacking the knowledge on sustainable tour market, and the incentive to innovate.

To meet the market’s demand, there is a need to forge a strong connection between the tour product suppliers and the demand.

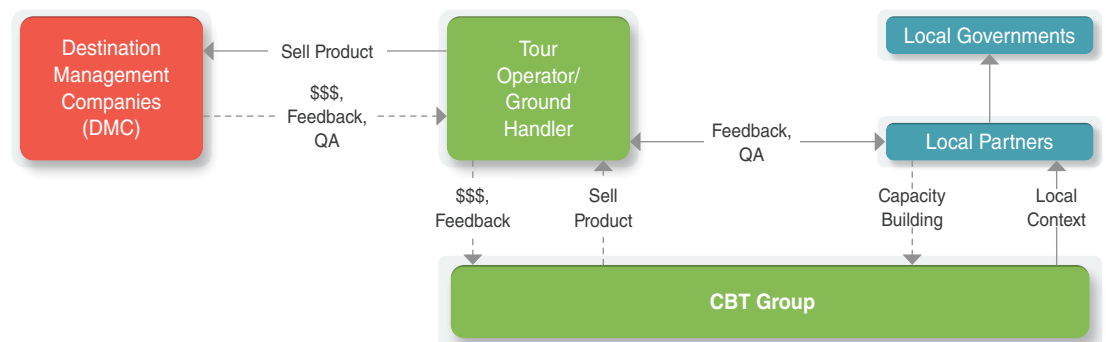
Linking the more sustainable-forward DMCs through their supply chain to the tour product suppliers has a huge potential of instilling sustainability-oriented innovation while aligning to customer expectations. At the same time, CBT groups will gain awareness and exposure to a sustainable tour market, motivating them to innovate and improve their tour product.

**About the Product**

Market-Driven Sustainable Tour Product Development is an innovative approach that stimulates a strong connection between supply and demand of sustainable tourism products through backward investment.

The DMC/TO invest their resources to support the product development by providing market insights and facilitation to the Community-Based Tourism (CBT) groups to improve the quality of their products. To strengthen the connection between DMC/TO & CBT groups, local partners (DMOs or local ground-handlers) would act as a bridge, especially in capacity development and quality control, for the whole product development process. The DMC/TO then promote the tour product to the sustainability-oriented market; once sold, they analyze the customer feedback with the CBT groups, as the continuous improvement process.

The model of the development process can be found on the diagram below:



To realize this model, a series of steps should be established:



**Step 1: Connection & Identification**

Local partners or local government to identify the potential DMC and the potential CBT group to engage in the program. Once identified, connection and understanding should be established between all stakeholders. On this step, initial market needs analysis should be conducted to identify the market expectations in sustainable-oriented tour products.

**Step 2: Capacity Development**

Local partners work with the DMC to analyze the needs for capacity development for CBT groups, in fulfilling the sustainable-oriented tour products. The capacity development covers training, coaching, or infrastructure investment.

**Step 3: New Products Development**

The sustainable tour product is developed by involving the supply, demand, and local partner as a bridge. The tour product could be adapted from the existing product with adjustments made based on the input from the market, or a completely new tour product.

**Step 4: Promotion & Quality Control**

Once the sustainable tour product is ready, DMC/TO commences promotion to the market, highlighting the sustainability aspects of the product. When the product is sold, the DMC/TO would collect feedback from customers. This feedback will then be shared with the CBT groups through the Local Partner, as a continuous quality control process.

**Step 5: Awards & Certifications (optional)**

The successful CBT groups could pursue sustainability-related acknowledgement such as awards or certifications, both nationally and globally.

**What makes the Product Unique?**

- Better quality control through **supply chain integration**.
- **Demand-driven** tour product development.
- Building **economic inclusivity** and **environmental sustainability**, especially for CBT groups.
- Increasing **sense of ownership**, motivation, and productivity; both from the supply and demand side.

**Experiences**



**1** **Wakatobi**, Southeast Sulawesi  
(Island Hopping Wangi-wangi, Kaledupa, and Tomia Island)



**2** **Flores Island**, East Nusa Tenggara  
(Waelolos, Todo, and Pemo villages)



**Achievement**



**9**

sustainable tour products developed and promoted; 2 products sold internationally.



**7**

Community-Based Tourism groups build with capacity on sustainable tour product development.



**209%**

increase of the sales of the CBT groups products in Flores (2021 vs 2022).



**92.5%**

satisfaction from visitors.



**93%**

of villages involved in economic improvement and social / culture protection are satisfied or very satisfied.




**3 CBT groups**

passed the top 300 selections for Indonesia's Tourism Village Award (ADWI) in 2022 and 2023.

**This Product is Perfect for:**

- For **DMCs/TOs** in developing sustainability product portfolio.
- For **local government** in developing sustainable products in potential tourism villages.
- For **DMOs and Community-Based Tourism groups** in improving market connectivity and relevance for their sustainable tourism product.



# SUSTOUR SUSTAINABLE TOURISM DESTINATION DEVELOPMENT

Tourism is an important part of the Indonesian economy and a significant source of employment and foreign exchange earnings.

Recognizing the potential of tourism as driver for economic development and inclusive growth, since 2009, the Swiss State Secretariat for Economic Affairs (SECO) has actively supported the Ministry of Tourism & Creative Economy Republic of Indonesia (MoTCE) to strengthen the competitiveness of selected tourism destinations.

The SUSTOUR project is part of the overall Sustainable Tourism Development in Indonesia (STDI) Program of SECO, led by both SECO and the MoTCE. The Program focuses to develop a sustainable and inclusive expansion of tourism in Indonesia.

SUSTOUR aims to increase employment and income opportunities for the local population through inclusive and sustainable economic growth in two targeted destinations, namely in Wakatobi and the western part of Flores (Labuan Bajo).



For more information about SUSTOUR,  
please scan the QR Code or visit the link:  
<https://bit.ly/projectSUSTOUR>

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