Unit 5 Logistics Management in Tourism Study

Topic

Meaning of logistics management in tourism study

Tourism logistics and tourism supply chain management link

Objectives

Students should be able to:

- Explain how transport, supply chain and logistics are applied in tourism industry.
- Identify tourism supply chain and tourism logistics.
- Explain how the concept of a supply chain affects the analysis of the tourists' travel experience.
- Discuss physical flow, information flow and financial flow in tourism logistics in relation to tourists' satisfaction.

Transport, Supply Chain and Logistics Applied in the Tourism Industry

Passengers and Freight Transportation

Passengers
- Board, get off and transfer without assistance.
- Process information and act on it without assistance.
- Make choices between transport modes without assistance but often irrationally.
- Require travel accommodations related to comfort and safety.

Freight
- Must be loaded, unloaded and transferred.
- Information must be processed through logistics managers.
- Logistics managers meet choices between transport modes rationally.
- Require accommodations related to storage.

https://transportgeography.org/contents/chapter1/what-is-transport-geography/operational-differences-passenger-freight/

Similarities and Differences

Similarities of tourism logistics and production/ industrial logistics

- <u>Tourism products need production</u> as well, but tourism products are <u>just intangible</u> (service and experience related). Therefore tourism products also have production units, product activities and deliveries of products.

- Tourism industry is also supported by other <u>related production sectors.</u>

- "Flow" is the main issue that needs solutions, because tourists involve with 3 flows:

(1) physical flow
(2) information flow
(3) financial flow

- The same goal, which is customers or tourists' satisfaction.

- Tourism product/ experience quality depends on tourists' willingness to pay, whereas tourists can be categorized into many classes/ groups/ markets who have different level of willingness to pay.

Differences of tourism logistics and production/ industrial logistic

- Tourists are considered those who also create their own travel experience, thus <u>they are part of travel production. Tourists are human</u>, so logistics can be different

- Storage of goods can be compared to accommodation, spots for taking stops during long journey, or places to stop for having meals. <u>These may be compared to tourists. But tourists are human, not goods</u>, so storage management is different.

- In tourism, transportation does not play a role in moving tourism product (destinations) to tourists, <u>but tourists must come to the destinations by means of transportation.</u>

- Human issues such as about illegal immigration, sickness and hospitalization during trips, food issue, toilettes or even gathering of people who share or do not share the same mindset or interests. These issues reflect a more complexity of tourists as consumers.

How is tourism logistics different from tourism supply chain management (TSCM)?

TSCM =

"all the goods and services that go into the delivery of tourism products to consumers. It includes all suppliers of goods and services whether or not they are directly contracted by tour operators or by their agents….. or suppliers (including accommodation providers: Tourism supply chains involves many components- not just accommodation, transport and excursions, but also bars and restaurants, handicrafts, food production, waste disposal, and the infrastructure that supports tourism in destinations."

- Business- to- business relationships to improve the performance and output in the chain

- Focuses on product development and service management to meet tourist needs, under different circumstances and factors such as seasonality.

- Better coordination of the supply chains assists in improving relationships in the system as well as overall profitability and competitiveness

- In relation to transportation, tourism supply chain management (TSCM) can refer to decision on choosing transport element in the supply chain as a basis for planning transport trips to reduce impacts.

Meeting customers' needs

A group of tourists were moved to an island. The tourism logistics manager needed to co-ordinate with different units or organizations that concern different activities such as bus, ferry and accommodation. In the process, the bus came to take the tourists at the appointment point. Once the tourists got on the bus, a tourist guide started to introduce things to give the tourists the useful information and to entertain them in order not to make them get bored. When the bus arrived at a pier, the tourist guide led the tourists to get on a ferry that was waiting already. On- board, there were games for tourists' entertainment. During that time, the tourist guide also needed to contact with the accommodation that was already booked, to inform the accommodation staff to prepare for welcoming. Once the tourists arrived at the island, a staff was approaching to give a welcome, followed by welcome drinks when the tourists were led to move into the lobby of the accommodation.

Tourism logistics or supply chain management?

Identify which parts reflect and concern logistics management, and which part reflect and concern supply chain management. Post your answers on Jam Board

Your answers on logistics management

Logistics is the tourist from the meeting point to each destination first, they would get on the bus to go to the pier to take the ferry than they get to the island and arrive at the accommodation. Pak

Logistics is take the tourist from meeting point go to buses after that furries will take them to island. Blue

The tourist is the main factor that using Logistics by using the bus to take them to the meeting point and ferry to take them to Island. Pepo

The logistics is When tourists use buses and ferries as well as stay in hotels. Gust

Logistics management

Transporting tourists to an island source Starting from receiving tourists on the bus When arriving the port continues by ferry and arrives at the island -Mile

Logistics is to take tourists to the meeting point by bus and when they reach their destination, they will board the prepared boat and take the tourists to the prepared accommodation. - Film

Logistics is a plan to move groups of tourists. and control the efficiency of the movement of tourists from the first point to the last point // RAm

Your answers on supply chain management

The supply chain is the tourist organizer, bus, ferry, and accommodation. All of this chain will use the help of the staff to give the service to the tourist such as entertainment and information from tourist guides along the way then get the welcoming service from hotel staff. Pak

Tourist organizers > Bus > Ferry > Accommodation are in the supply chain that waiting for tourist to get the service, entertain and information to them - Pepo

In terms of supply chain, it is to increase the value and efficiency of articles is that the guide recommends things to tourists and entertains them, such as Playing games on the boat as well as booking accommodation and hotels are welcome. // RAm

Activities services such as providing information to the guide while on the tour bus, playing games on the ferry and welcome to the accommodation by hotel employees, etc. Mile

Supply chain management

Supply chain is bus, ferry, tourist organizer and various accommodation depend on management of each oganization. Tourist will take various service from staff such as welcoming service from hotel staff or some activities from staff. Blue

Supply Chain is the accommodation manager who coordinates activities such as buses, boats, and accommodation to enable tourists to arrive at their accommodation quickly and safely along the way. The manager organizes a variety of activities to keep the tourists from getting bored. For example, there are guides to tell you about information. - Filmmii

The supply chain is the management of bus, boat and hotel bookings, as well as organizing boat events, managing multiple staff. Gust

How is tourism logistics different from tourist transport?

- Tourist transport is just one part of activities in tourism logistics. It happens for a moment or a period of time, or a session, <u>not for the whole trip</u>.

- For example, <u>bus or ferry transports are needed only for a few hours to move the tourists from the meeting point to the pier, and from the pier to the island and to the hotel</u> (A). But once the tourists arrived at the hotel (B), there is no more transport activity.
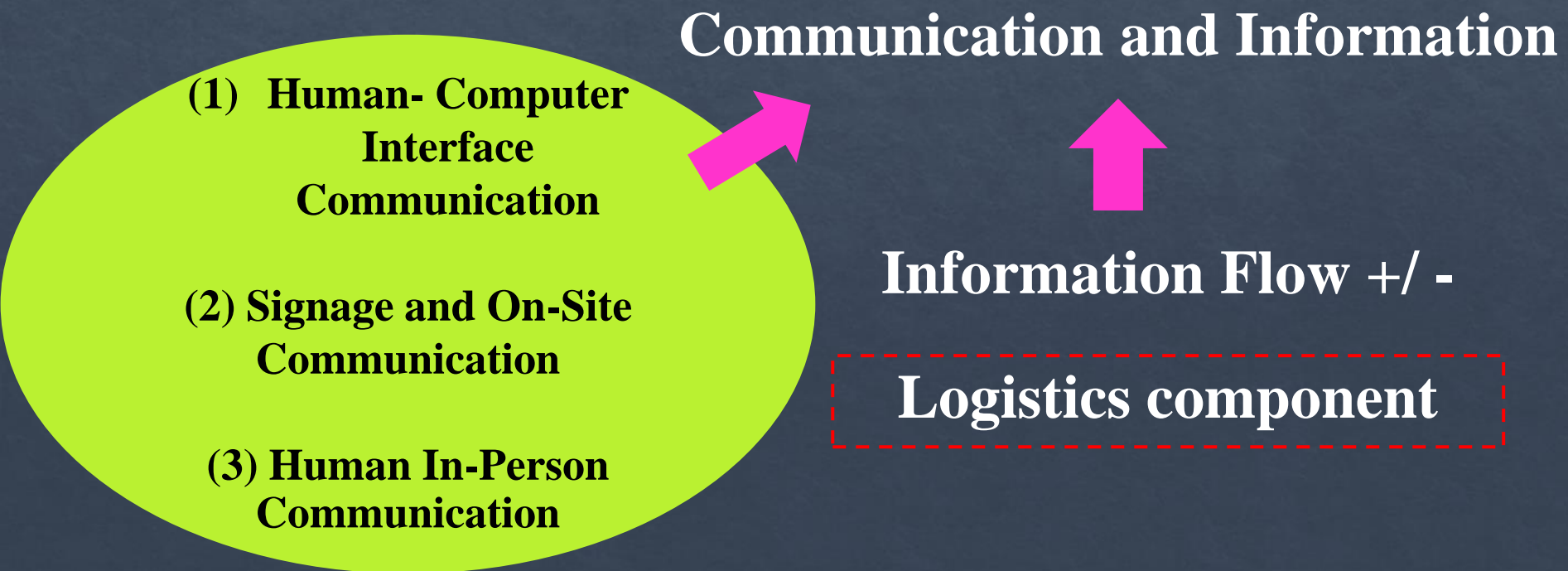
But flow within the hotel also reflects logistics in itself

Figure 2: Tourism logistics as a link
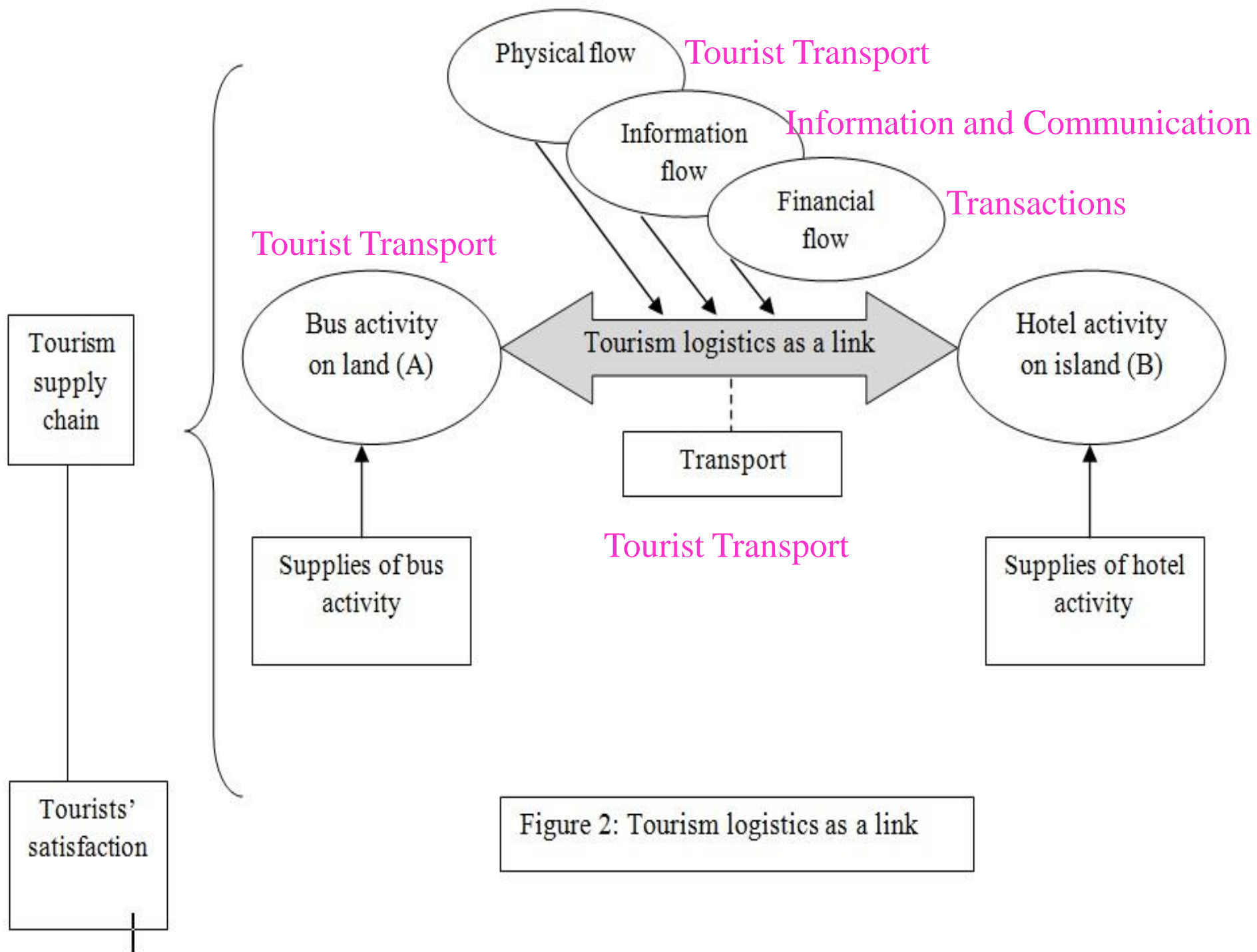
- However, tourism logistics is a linkage between Activity A and Activity B

- Tourism logistics manages tourism at points with no transport activity as well

Communication and Information

(1) **Human- Computer Interface Communication**

(2) **Signage and On-Site Communication**

(3) **Human In-Person Communication**

Information Flow +/ -

Logistics component

Floor layout

Where is the gym?

Restaurant information

What types of restaurants are there here?

Event information

Ah, the fair is in the banquet hall.

How do we get to the station?

Area map

The Hotel of the Future
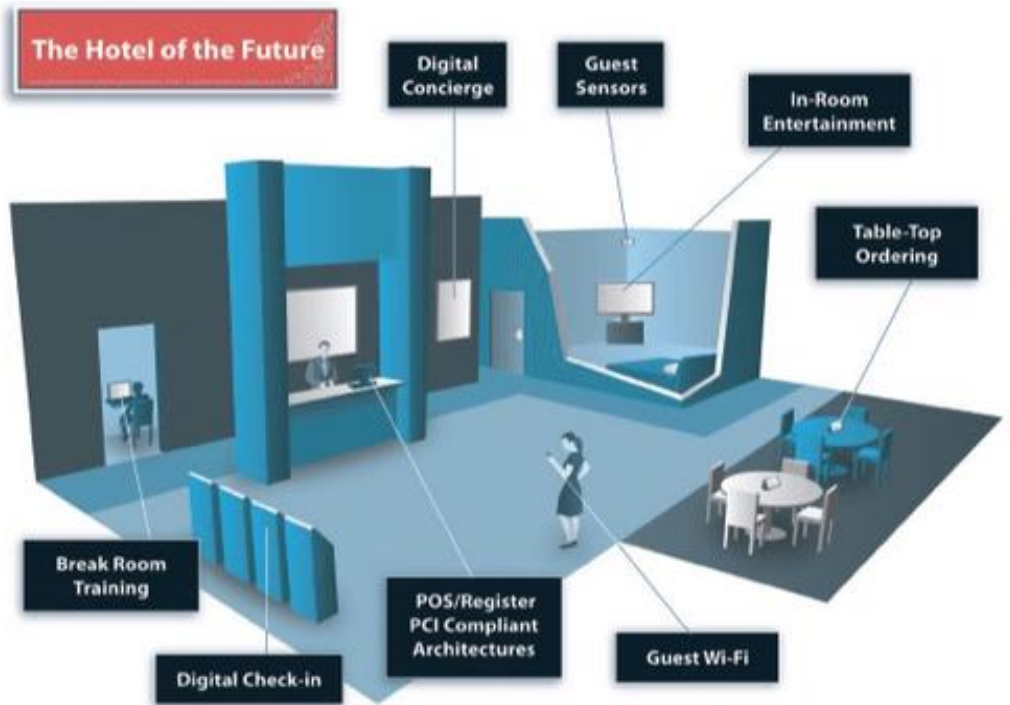
Digital Concierge

Guest Sensors

In-Room Entertainment

Table-Top Ordering

Break Room Training

POS/Register PCI Compliant Architectures

Guest Wi-Fi

Digital Check-in

Thus, to study about tourism logistics, we need to ask the following questions, as examples:

- What kind of tourists we are responding to?

- At present, can tourists plan their trip by themselves from the beginning to the end?

- How can we create tourism logistics that can facilitate tourists in planning their trip from the beginning and the end with effectiveness?

- Would tourists have chance to get lost if they travel on their own?

- Is there any linkage or connecting points between each transport modes and between service nodes that could help direct tourists to arrive where they are going to safely and conveniently? And how to improve capacity and capability of this?

- Are tourists feeling good, relaxed, safe and confident during their trips, and fulfilled (satisfied) after the trip?

- Are co-ordinations between organizations for various activities in tourism effective and smooth enough to make tourists' trips so satisfying and memorable, and enough to convince them to come back to travel again?

In conclusion: three main areas of tourism logistics are therefore:

Physical flow
(transport of tourists and goods for use in tourism activities, physical facilities that help tourist/ group of tourists move smoothly)

Information flow
(giving and receiving of information in tourism activities– help in planning, decision making, getting understanding)
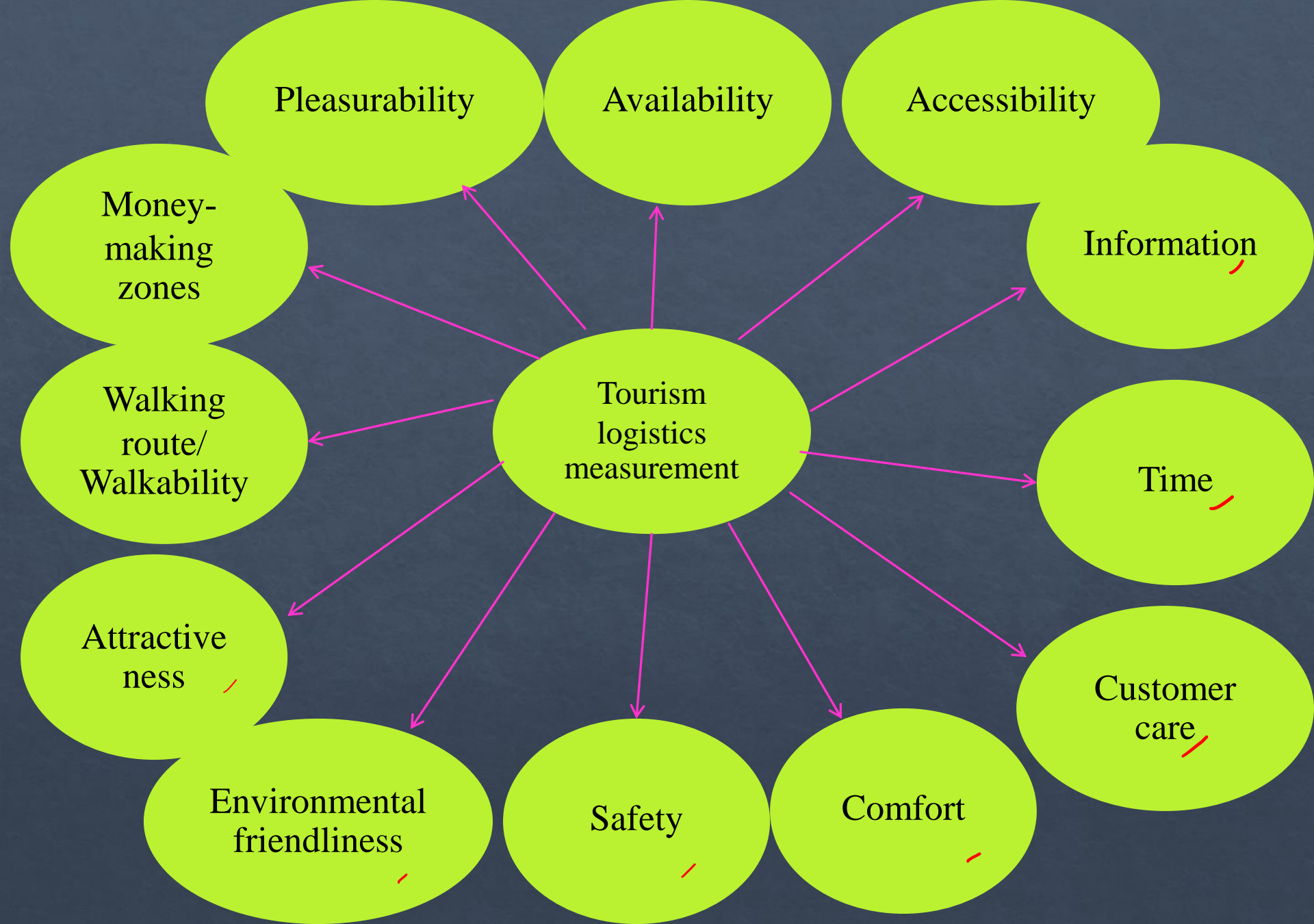
Financial flow
(payment and receipt of money in tourism activities)

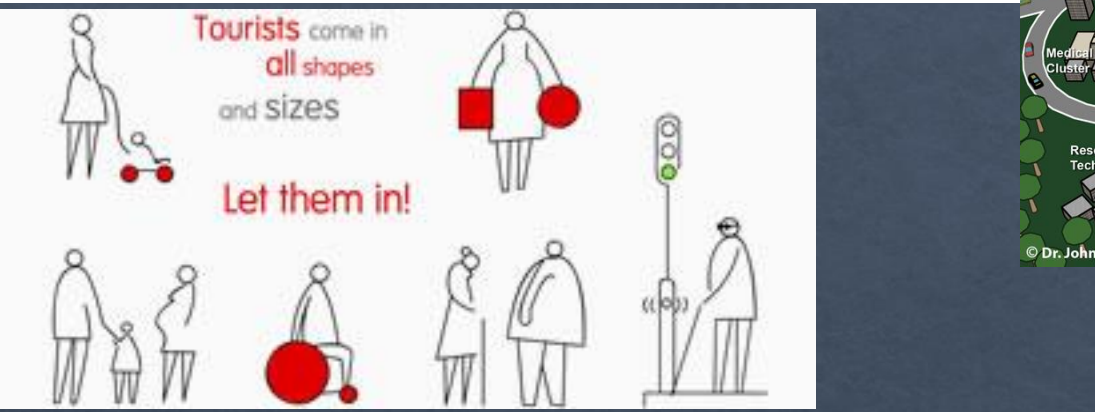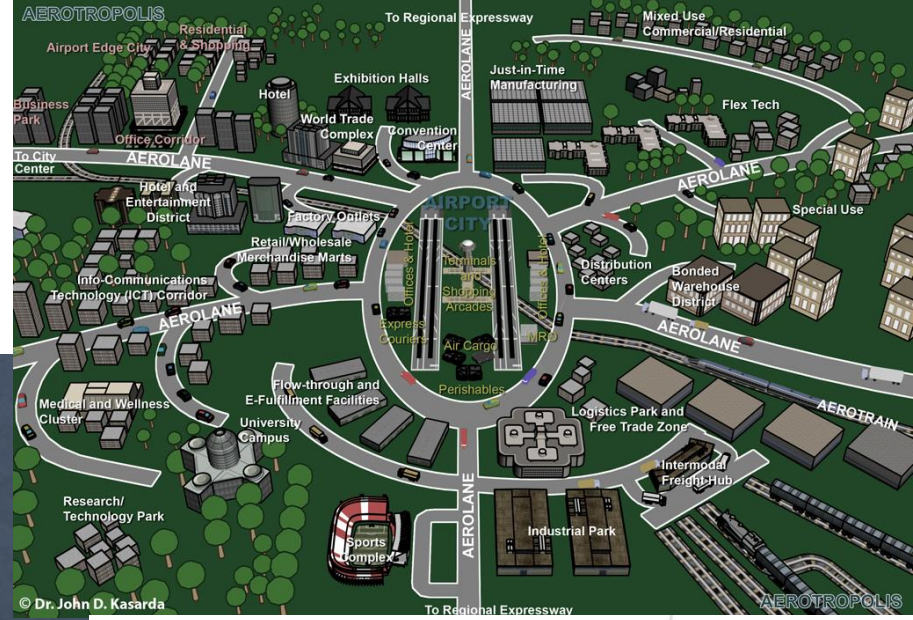# Measurement of Tourism Logistics

Availability: availability of transport mode types and sufficiency of carrying units in each mode, routes opened for tourist service, level of service quality by classes such as first class, second class, including extra service such as lift for disabled persons or those who have many baggage or high loads, lockers for tourists or transit passengers, communication channel for tourists in case of emergency

AVAILABILITY

Accessibility: this means what that give ability of tourists to access tourism services, facilitation provided for tourists in using tourism services such as timetable and place that facilitate tourists to buy ticket easily and fast, location of rail terminal (or terminals of other modes), signs at bus stops, and etc.
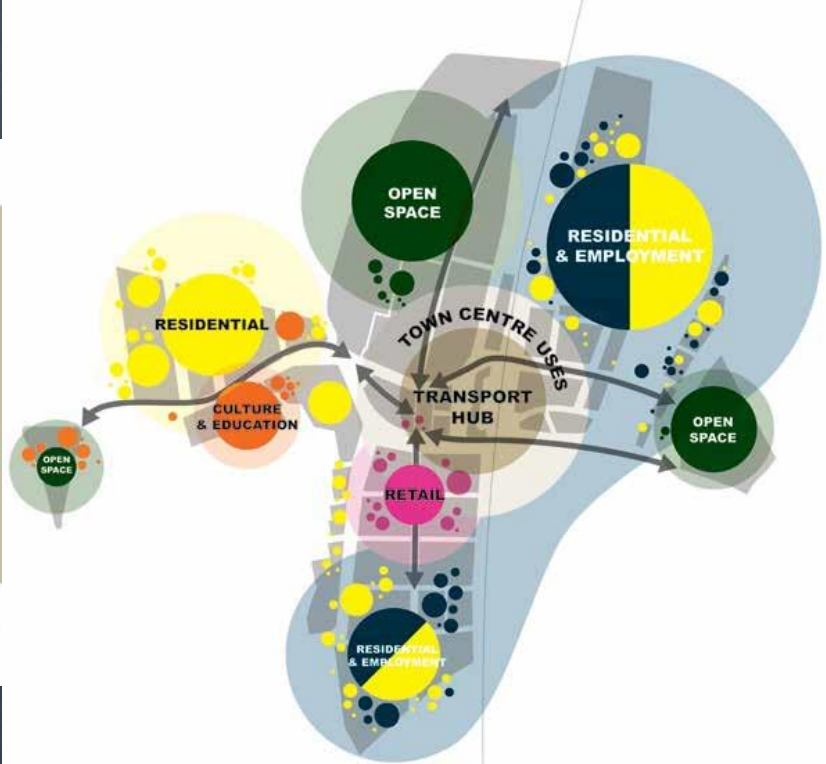
TOURISME & HANDICAP

Tourists come in all shapes and sizes
Let them in!

AEROTROPOLIS

© Dr. John D. Kasarda

Services for People with Special Needs

People with fewer access needs

People with all types of access needs

People with access needs

People with the greatest access needs

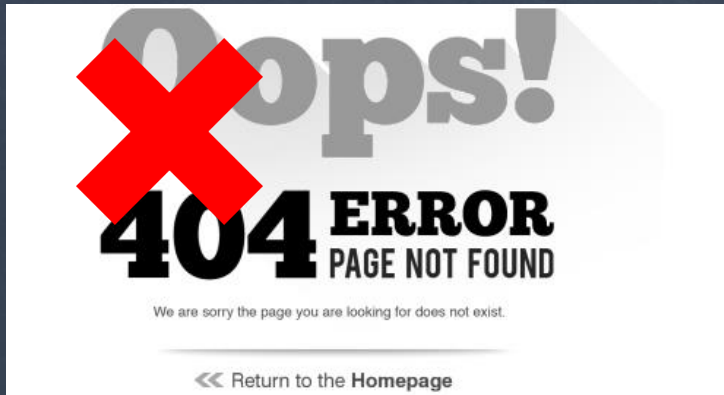Volunteer or other organizations for the disabled, Specialized Travel Agencies ↔ Destination Management Organizations, Internet, Travel Agencies

OPEN SPACE

RESIDENTIAL & EMPLOYMENT

RESIDENTIAL

TOWN CENTRE USES

CULTURE & EDUCATION

TRANSPORT HUB

OPEN SPACE

OPEN SPACE

RETAIL

RESIDENTIAL & EMPLOYMENT

Information: provision of information that is correct, responsive and sufficient, in order for tourists or passengers not to be confused in traveling.

Correctness and responsiveness in providing information can help tourists in planning their trip in advance as well as planning in situ (at destination). Moreover, this also means places or channels where tourists can search from and retrieve information (that they can find and read easily and clearly.

Brown tourist direction signs:

- 3 Heritage Drive →
- 3 / space for approved symbol →
- 56 END
- 3
- 3 →

- House of Dolls 3 / World of Cars 6
- 4 Hayleys Reef / 10 Gallery
- Historical Marker
- Wineries 23

- 7 Desert Trail Rides (CLOSED JAN - MAR)
- 3 Farm / Blank panel
- 7 Estate / OPEN: WEEKENDS/HOLIDAYS
- 3 Farm / CLOSED JUNE - SEPT

Blue service signs:

- 300m ON RIGHT
- TURN LEFT 300m
- Motel 300m ON LEFT

- 2
- (fuel, food, caravan, bed)
- (food, fuel)

Information Bays and Interpretive Signs

Existing

Existing Condition

- Overload of information
- Too many signs on one pole
- Tourist, services and direction signage mixed
- Highly visually intrusive

Simplified

Simplified Approach

- Remove the streetblade pole
- Directional sign structure has maximum of three signs
- As there are a number of tourist attractions and services, direct motorists to visitor information centre in town centre
- Separate tourist attraction sign from major directional signs

Existing Condition

- Overload of similar tourist attractions and services information
- Difficult to read from moving vehicles
- Highly visually intrusive

Simplified Approach

- Use Winery symbol for attractions and Bed symbol for accommodation
- Combine tourist and services information onto one sign
- Erect below directional sign

Existing Condition

- Overload of similar tourist attractions and services information
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Simplified Approach

- Use Winery symbol for attractions and Bed symbol for accommodation
- Combine tourist and services information onto one sign
- Erect below directional sign

Existing Condition

- Services information not clearly visible from moving vehicles
- Some services do not qualify for signing from declared roads
- Visual clutter

Simplified Approach

- Use only Australian Standard services symbols
- Clearly presented and well balanced information
- Size and height of the sign is appropriate for driver's eye

Existing

Existing Condition

- Major overload of information
- Most of the accommodation and attractions signs do not conform to eligibility criteria
- Visual clutter

Simplified

Simplified Approach

- Use only accommodation and refreshments symbols to navigate to services
- As there are a number of tourist attractions and services, direct motorists to information bay

Existing Condition

- Overload of information
- Naming of each establishment can be simplified
- Visual clutter

Simplified Approach

- Use minimum number of words to describe each establishment
- Make signs the same size
- Remove 'A' frame from road reserve advertising sign

<u>Time</u>: <u>appropriate timetable setting or scheduling</u> of transport service; for example, buses should be appropriately frequent in servicing to make sure that tourists or passengers do not wait too long.

Contrarily, for example, scheduling of bus service should not be too frequent that there are a few passengers using the service in each round (economy of scale). <u>Ability to be "just in time" (JIT) and punctuality is important.</u>

Customer care: cares and courtesy of staff, service designs given to tourists and passengers in terms of safety (physical) and security (comfort of mind/ feeling secured for asset protection), such as…

- cleanliness and hygiene of seats, toilets, floor and lockers, food and drink services on- board (quality of on- board catering)

- provision of areas for smoking and non- smoking people
- provision of staff who take care and monitor, and even who receive passengers' requests and complaints on the carrying unit.

Customer care can also include discount/special rates for frequent users or travelers (i.e. frequent flyers for air transport)
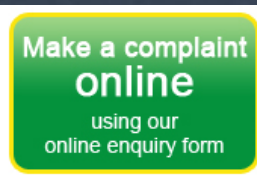
Comfort: passengers' physical comfort should be concerned and taken care such as comfortable seats, space between seat for passengers extending legs and knees for relaxing, design of passenger room or cabin suitable for human body, adjustment of temperature and humidity of passenger rooms or cabins, quietness and no noise during passengers' journeys.

<u>Safety:</u> this involves <u>awareness of accidents</u> during a journey. <u>In transport, this can refer to concerns on safety and protection for passengers from accidents</u> that can occur in passenger rooms (ห้องโดยสาร), preventing falls of baggage from the shelf that can hurt passengers, preparation of equipment always ready in case of fire and a provision of first aids.

<u>Environmental friendliness</u>: this refers to a reduction of carbon dioxide and carbon monoxide releases to the air when a transport operates its service, no use of chlorine gas that affects the ozone and causes ozone depletion, no release of wastes from the carrying unit without treatment, use of renewable energy, and managing the transport service in the way that it is not making a noise pollution that affects people living nearby or along the routes driven.

This can apply to other tourism units as well.

AIRPLANE
FORKLIFT
HELICOPTER
TRAIN
TRANSPORT
TRUCK
SHIP
SUBMARINE

Attraction/. Attractiveness: this is an element of tourism, referring to pull factors of destinations that attract tourists to visit, such as festivals and events, iconic attractions, tourist attractions, activities. (Degree of attractiveness of destination mix)

Many times you can also see that transport itself can become a tourist attraction, or in many cases of tourist activities that relate a use of transport carrying units as part of their pleasure such as scenic train, bicycling, or boating along a scenic rivers.

Interesting case

> ### Box 2.2. Transport hubs as showcases for cultural heritage and tourism attractions
>
> Transportation hubs, such as airports and train stations, offer unique opportunities to highlight local art, culture and attractions. Two examples of international airport hubs that take advantage of what is often a captive audience while passengers await flight connections, and to promote the local culture and attractions, can be found in Vancouver, Canada and Seoul, Korea:
>
> - Vancouver International Airport has an extensive collection of artwork, including major sculptures that illustrate traditional art styles, plus rotating displays of works by students and well-known regional artists The airport established an Art Foundation to foster First Nations (North American Indian) arts and artists, which sponsors an annual Youth and Mid-Career Artists Scholarship (e.g. *www.yvr.ca/en/about/art-architecture.aspx*).
>
> - Seoul's Incheon International Airport has year-round cultural performances that include daily concerts and storytelling, a traditional royal parade held four times each day, a Korean cultural street with traditional architecture and food, the Cultural Museum of Korea (provided by the National Museum of Korea), and a traditional Korean cultural experience which allows foreign visitors to learn traditional arts and crafts and try on traditional Korean clothes (*http://english.visitkorea.or.kr/enu/SI/SI_EN_3_1_1_1.jsp?cid=609933*).
>
> Amenities such as those provided at Vancouver and Incheon Airports improve the travel experience of visitors, including those in transit through a country or city, and have the potential to encourage return visitation.

Interesting case

Box 2.3. Aviation and cruise hubs as catalysts for tourism in Singapore

Changi airport, as an aviation hub, has transformed Singapore into a significant destination by leveraging tourism/transport policy synergies. Opened in 1981, there are three factors critical to its transformation: i) strategic geographic location between markets, ii) good airport facilities, and iii) a high level of co-ordination of air schedules. The airport originally functioned as a node in long haul services between Europe and Asia. Aviation and tourism policy makers recognised that the high numbers of transit passengers moving through the airport represented significant potential for the development of tourism. However, the extent to which the airport hub could assist in the development of tourism, and stimulate the local economy was dependent upon the capacity of the destination to create the right environment for investment and the development of tourism infrastructure, services and facilities.

With visitor numbers, tourism receipts, room revenue and average length of stay showing consistent year on year growth. Singapore is now recognised as an important destination for leisure and business travel and not simply a transit node. This has been achieved through liberal air transport policy as a catalyst for aviation growth coupled with extensive development of hotels, resorts, retail precincts and attractions driven by the Singapore Tourism Board. The airport serves as a multimodal transport hub providing visitors with access to the city and beyond by train, bus, taxi or limousine.

Singapore's approach to maximising synergies between aviation and tourism has also been extended to cruise tourism. Taking advantage of global growth in the cruise industry, Singapore has completed an upgrade of its existing terminal facilities and the development of new facilities. The Marina Bay cruise facility has the capacity to accommodate new generation cruise ships, and includes a terminal of 28 000 m^2 with over 80 check-in counters and 27 coach bays to facilitate the mobility of visitors within the destination. The success of these developments clearly demonstrates the importance of considering tourism/transport policy synergies and taking a long term-approach to transport infrastructure planning and development.

Walking route or walking zone:

This refers to <u>areas or zones preserved for tourists or residents walks</u> for pleasure, shopping, etc. This type of zone is opened only for pedestrian traffic, not car traffic. This is to facilitate pedestrians (tourists/ local residents) to walk around and access important spots (attractions) of a town/ city and to stop anytime for shopping. It is emphasizing a concept of walkability and productive space use that will support economy of the place.

Money- making zoning/ spots: this refers to zones or spots designed for tourists to have motivation to spend money on various purposes such as shopping, eating, drinking, playing games, and more.

This kind of zones is like a stimulator that accelerates tourists' spending or provokes tourists' mood to spend. These zones can be designed by making a prediction of tourists' emotions or moods once they arrive at those spots, such as being excited, getting tired and wanting to stop, sit, and wanting to buy things (i.e. souvenirs)

<u>Pleasurability during a journey/ trip</u>: this is an <u>ability of destination management to create pleasure to tourists.</u>

It can also refer to ability of transport that turns tourists' experience from using general transportation function into the transport journey that is filled with pleasure.

This is why we call "pleasurability of transport journey" or an ability of transport to give tourists pleasure during journey. This can be designed through for example routing, services and activities on- board
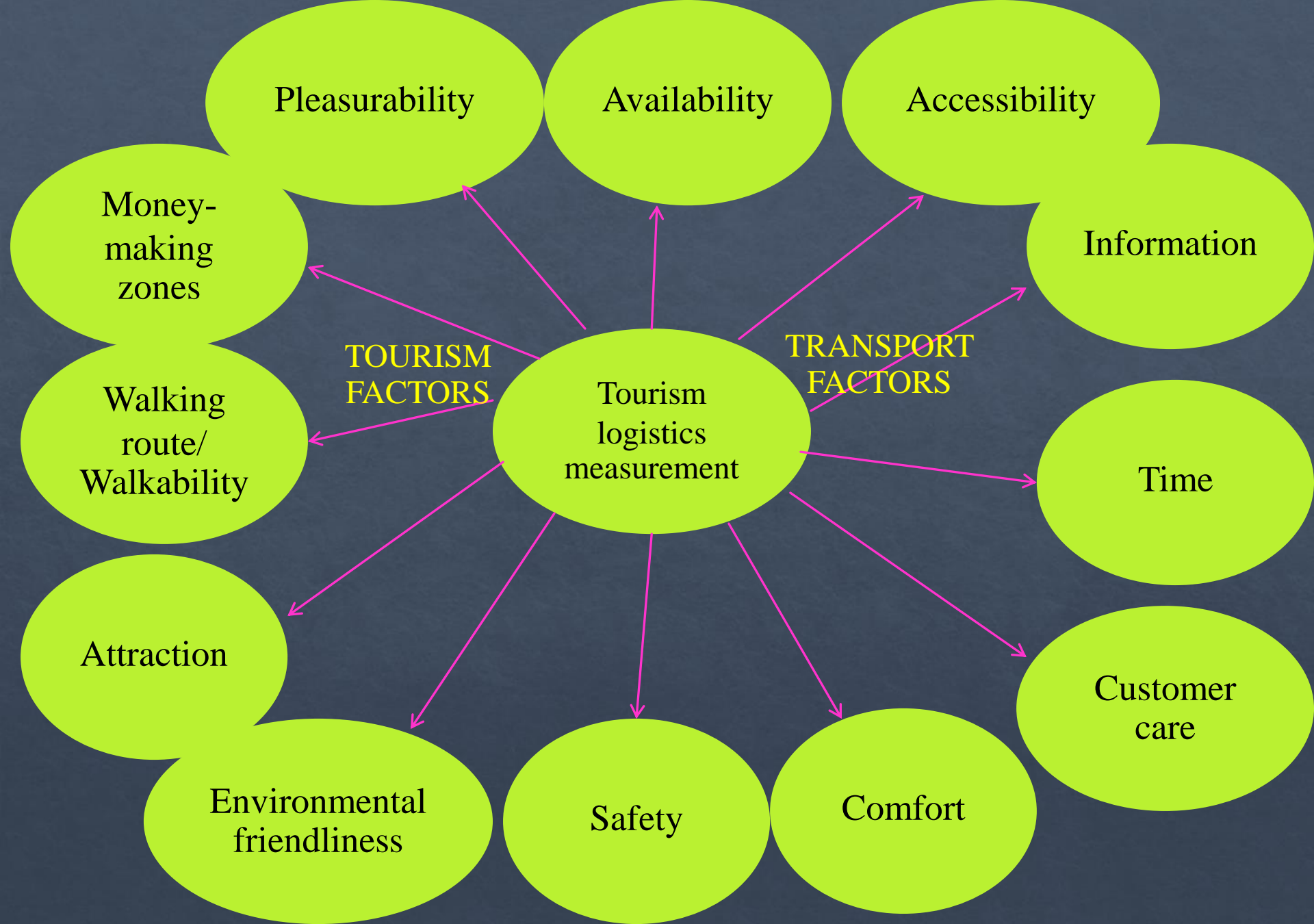
Pre- train experience	On- board experience	Post- train experience

Points of contact

• Telephone enquiries and bookings

• Car access

• Station experience
  - Ticket office (e.g. queuing time)
  - Buffet
  - platform

Train experience
- Cleanliness of trains
- Courtesy of conductors
- Courtesy of buffet staff
- Quality of on-board catering
- Punctuality
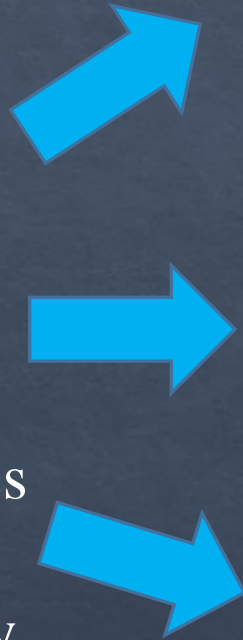- Reliability of on-board fixtures and fittings
- Value for money

After sale

Repeat business

InterCity brand image and satisfaction/ dissatisfaction

Service model of tourist InterCity Train
Value can be added in stage of pre, during and post trip)

Facilitating Functions:

Some basic needs that tourists have when they are in an unfamiliar environment, and the place can provide those things to them.

External or Place- Connecting Functions:

These perform the fundamental functions that help tourists relate to, appreciate or comprehend the place they are visiting.

Internal or State-of-Mind Functions:

These perform the functions that relate to how the place makes tourists within or visiting the place feel. These allow tourists to obtain or maintain the sense of feeling of being a tourist in a setting (e.g. city, natural place, historic place,…)

Facilitating Functions
Availability
Accessibility
Information
Safety

Internal or State-of-Mind Functions
Time
Customer Care
Comfort
Information
Environmental Friendliness

External or Place- Connecting Functions
Attraction
Walking Route/Walkability
Money- Making Zones
Pleasurability
Accessibility
Time

Varied by types of destination/ types of tourism

Tourist Demand Development towards Destination

Facilitating Functions: TOURISTS' BASIC NEEDS AND PHYSICAL TOUCH AT DESTINATION

External or Place- Connecting Functions: TOURISTS PERCEIVING AND LEARNING FROM DESTINATION CONTEXT

Internal or State-of-Mind Functions: CHANGE OF ATTITUDE AND MIND SET OF TOURISTS

So, what supplies should be developed in the tourist destination supply chain, and in according to the tourism logistics factors?
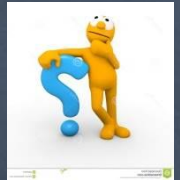
Facilitating Functions
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Internal or State-of-Mind Functions
Time
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External or Place- Connecting Functions
Attraction
Walking Route/Walkability
Money- Making Zones
Pleasurability
Accessibility
Time

Varied by types of destination/ types of tourism

Search (from the internet) and share your idea/vision about quality tourist attractions (use measurement of tourism logistics as the guideline). Use pictures to share your vision. Post on your own Jam Board

Ram: https://jamboard.google.com/d/1sOuHW1oHgh-48M4ex1WZSoAKXKuewXRI72CqII2MYpw/viewer

Blue: https://jamboard.google.com/d/1f9c_UEujLTDSIztrM_ffXiL3MeQfQR-1V-XlvY8Rm48/viewer

Team: https://jamboard.google.com/d/10A9FFHaiC2Ikokh5WqgpWGcJDRh_NUIbTOj2yEa9Tus/viewer

Mile: https://jamboard.google.com/d/1wix9VuQ8ow_paqWiA1UKPphXja-72GjDF2o3epsW6dE/viewer

Gus: https://jamboard.google.com/d/1lSFKbIbQW0hAtWtwljjiNITz71TnTrqZKQgMxacY_Aw/viewer

Beck: https://jamboard.google.com/d/1S8eZW6bss1BaD2rpFu5IqdzIyOjvLs2e-kfyI8-T0jk/viewer

Pak: https://jamboard.google.com/d/1E85ifveg_1cPRouOyofDM3Lko8yr2cKwLtFKLmt3kU4/viewer

Film: https://jamboard.google.com/d/1qLWF-H9oBLlOaCXumbAQZyyHBr5A0TIbtc1hKbhvgSU/viewer

Pepo: https://jamboard.google.com/d/12MRNx2eBYfOvtNKQ9fx0YoZ11NURcIFK6yjYBu7mFCY/viewer

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Mile's Board
Jul 20, 2021

Gus's Board
Jul 20, 2021

Pak's Board
Jul 20, 2021

Team's Board
Jul 20, 2021

Ram's Board
Jul 20, 2021

Film's Board
Jul 20, 2021

Beck's Board
Jul 20, 2021

Pepo's Board
Jul 20, 2021