Unit 6 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
Similarities and Differences

Similarities of tourism logistics and production/industrial logistics

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

- Tourism industry is also supported by other related production sectors.
“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 they are part of travel production. Tourists are human, 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. These may be compared to tourists. But tourists are human, not goods, so storage management is different.
In tourism, transportation does not play a role in moving tourism product (destinations) to tourists, but tourists must come to the destinations by means of transportation.

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
Reading

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?
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, not for the whole trip.

- For example, 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 (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.
Tourist Transport

Tourism supply chain

Tourists’ satisfaction

Bus activity on land (A)

Supplies of bus activity

Hotel activity on island (B)

Supplies of hotel activity

Tourism logistics as a link

Transport

Physical flow

Information flow

Financial flow

Transactions

Information and Communication

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

1. Human-Computer Interface Communication
2. Signage and On-Site Communication
3. Human In-Person Communication

Communication and Information

Information Flow +/-

Logistics component
1. You enter your hotel requirements...
2. We search and combine prices and availability results from all major travel sites at once...
3. And display the best hotel rates available online!
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 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?
- 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 tourists/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.


**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.
**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).
Time: appropriate timetable setting or scheduling 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). Ability to be “just in time” (JIT) and punctuality is important.
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.
Safety: this involves awareness of accidents during a journey. In transport, this can refer to concerns on safety and protection for passengers from accidents 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.
Environmental friendliness: 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.
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.
Walking route or walking zone:

This refers to areas or zones preserved for tourists or residents walks 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)
Pleasurability during a journey/ trip: this is an ability of destination management to create pleasure to tourists.

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.
Tourism logistics measurement

Tourism factors:
- Pleasurability
- Availability
- Accessibility
- Information
- Comfort
- Safety
- Customer care
- Time
- Money-making zones
- Walking route/Walkability
- Attraction
- Environmental friendliness

Transport factors:
- TOURISM FACTORS
- TRANSPORT FACTORS
Service model of tourist InterCity Train
Value can be added in stage of pre, during and post trip)
Think of a tourist attraction or a destination in various types of geographical and spatial characters.

How can tourism logistics be designed by uses of tourism logistics measurement to create tourists’ satisfaction?
Pair Assignment
Observation, taking pictures, making notes, discussion and presentation (10 Marks)

Students are assigned to observe the components of transport in different modes (focusing here on land (road/ rail) and river or canal) at different areas/ zones of Bangkok or Nakorn Pathom.

After the observation, please prepare the power point presentation (with pictures) for the following:
1. Describe first about physical characters and location of the selected transport mode and area/node. Also, give more information about that node such as service information, schedule/timetable
2. Discuss the effectiveness of the components of that transport mode of the selected area/node.
3. Also indicate what are good and bad points about it and give suggestions for improvement.
Areas of your observation

- permanent traffic
- temporary signs or unplanned signs
- traffic flow
- walk ways for pedestrians/ footpath
- road condition and lanes
- drivers’ behavior
- users’ behavior
- spaces for buses, vans and cars, including space for parking
- parking and stop behavior
- passenger bus station/ stop environment
Individual Paper Assignment (10 marks)

Each student is assigned to write a paper (300-400 words) that discusses about the following question.

How do utilities and effectiveness of transportation play roles in tourism and travel industry in terms of creating tourists’ mobility and travel experiences?

* Essay Form
** You need to give some examples in your paper as well and give citations.