Tourism Supply Chains: A Conceptual Framework

Pairach Piboonrungroj
Logistics and Supply Chain Research Centre
Faculty of Economics, Chiang Mai University
MSc in Logistics and Supply Chain Management
Mae Fah Luang University, Chiang Rai
16-17 March 2013
The World Tourism

International tourist arrival (million)

The Tourism Supply Chains

I. Before the trip

II. During the trip
Benefits of Supply Chain Management in Tourism

- **Short-term: Cost saving**
  - Inventory cost
  - Transport
  - Obsolescence

- **Long-term: Value creation**
  - Customer satisfaction
  - Competitiveness
  - Sustainability

Literature review

- 44 studies found in Scopus, Proquest, EBSCO, ScienceDirect and Google Scholar.

- Keywords:

  Hospitality supply chain

  Tourism supply chain

  Travel supply chain

Trend in TSC research

Focuses in TSC research

- Tourism and Hospitality: 64%
- Operations, Logistics and Supply Chains: 11%
- Management Science: 11%
- Development and Sustainability: 7%
- Performance management: 5%
- Marketing: 2%

Where is the TSC research?

1. Defining the tourism industry

2. Specify special characteristics of tourism

- **Demand**: High seasonality & volatility

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3. Specify special characteristics of tourism

- **Supply**
  - Consists of various parties
    (Foods, Passenger transport, Tour Agencies, etc.)
  - Mixtures of Goods & Service
  - Continuous consumption (during the trip)

### 3. Identify TSC components

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**Note:**
- * Critical correlation between TSC components (Tapper and Font 2004, p. 4)
- ● Additional critical correlation between TSC components (the authors)
- ▲ Moderate correlation between TSC components (the authors)
4. Outlining flow & processes

I. Before the trip
   - Trip arrangement
     - Direct access via website
     - Via Tour operator
     - Via Travel agency

II. During the trip
   - Service delivery
     - Customer (Tourist)
     - Service Operations
       - Input providers
         - Foods and Beverage
         - Foods and Beverage
         - Equipment
         - Water & Energy
       - Freight Transport
       - Tourism service providers
         - Lodging
         - Transport
         - Attractions

III. After trip
   - Passenger Flow
     - Passenger Transport (air)
     - Passenger Transport
     - Passenger Transport (land)
     - Passenger Transport (air)
Conceptual Framework

I. Designs

- Customer value
- Inventory
- Strategies
- Processes
- Distribution

- Competitive advantage
- Transport
- Sourcing
- Facilities
- Pricing

II. Relationships

Quartet relationships

- Service Providers
- Input Providers
- Tour Agencies
- Tourists

Collaborations

Plan Source Make Deliver Return

III. Performance measurements

1. External
   - Customer satisfaction
   - Revisit rate

2. Financial
   - Margin
   - Profitability
   - P/E ratio

3. Operational
   - Effectiveness
   - Efficiency
   - Responsiveness

4. Development
   - Sustainable

Supply chain redesign
Research Opportunities

1. Design
   • What is the right tourism supply chain to a particular situation?
   • How can we identify it?

2. Collaboration
   • What type of collaborations existing in TSCs?
   • What are the antecedents and the benefits of collaboration in TSCs?

3. Performance measurement
   • Which aspect that we should consider when measuring TSCM performance?
   • How can we measure supply chain performance in tourism?

Research Opportunities

4. Managing risk and uncertainty
   • What are risks and uncertainties of TSCs?
   • How can we measure and mitigate risks in TSCs?

5. ICT and E-commerce
   • How can we design ICT systems in TSCs?
   • How can we identify the right E-business model for a particular TSC?

Acknowledgement

Chiang Mai University
Commission on Higher Education Royal Thai Government
Logistics Systems Dynamics Group
Cardiff University

Thank you for your attentions
Back-up Slides
Input providers i.e.,
(2nd Tier suppliers)
- F&B
- Equipment
- Waste mgmt.
- Furniture
- Water & Energy

Freight transports &
Distribution systems

Information flows
- Via tour operators
- Via travel agencies

Service providers i.e.,
(1st Tier suppliers)
- Service operations
- Service operations
- Service operations

Downstream
- Services delivery

Customer flow
- Passenger Transport (air)
- Passenger Transport (land)

I. Before the trip
II. During the trip
III. After the trip
Intermediaries in the holiday supply chains

Source: Adapted from Johnston and Clark (2008, p. 161)
## Summary of TSCM research (2009)

<table>
<thead>
<tr>
<th>Authors</th>
<th>Main focus</th>
<th>Paper type</th>
<th>Methods</th>
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