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REGAINING TOURISM IN NEW NORMAL SCENARIO:

INTRODUCING THE TOURISM LOGISTICS CONCEPT



PROF (DR) LALITH EDIRISINGHE

Tourism sector contributes a considerable share to the GDP in many countries. The impact of Covid pandemic to this industry is plainly visible when comparing the pre and post pandemic performance. Most concerning point is that the world cannot expect a Covid free world in the current scenario. In other words, the experts need to transform the new normal scenario favorable to the tourism industry. It may need innovative thinking based on theory. This paper makes a conceptual approach regarding the future of travel and tourism industry from the logistics perspectives taking the current Covid pandemic as an important turning point.



THE NEW NORMAL

A new normal is a state to which an economy, society, etc. settles following a crisis. When it differs from the situation that prevailed prior to the start of the crisis it leads to change in the social activities etc. Humans in general, are opposed to changes so does with this new scenario that would come into play. It was reported that the term has been employed in relation to World War I and II, September 11 attacks, financial crisis of 2007–2008, the aftermath of the 2008–2012 global recession, and now the COVID-19 pandemic. The latest has caused a massive change to our daily lives, and do not know how long it will continue. Changes have happened rapidly and abruptly, and no country was able to be free from its impact. Education has been severely affected and its repercussions are yet to be realized. People are compelled to wait and see without any solution to their problems whatsoever. While getting isolated from the society you like to live with, a lot of people struggle to find a distraction-free space at home that is conducive to do productive and effective work. Indefinite delays to the lifelong plans, social isolation, financial constraints and other unexpected situation caused depression for many. Travel and tourism sector has been one of worst hit industry due to the Covid pandemic and even the recovery seems very challenging.



TRAVEL AND TOURISM

All tourists are travelers, but not all travelers are tourists (Hasa, 2016). The words, travel and tourism are commonly used interchangeably. However, each of these words has specific meanings (Edirisinghe, Silva, & Siriwardena, 2021). When people spend few days for leisure and experience new environment, foods a new location, it is called tourism. Further, peoples' travelling activities based on purposes such as business or pleasure and stay in their destination for at least one night, and then returning is considered as tourism industry.

The purpose of their trip can be for business, leisure, or personal reasons, other than to be employed by a resident entity in the country or place visited (Visitbritain.org, 2021). Britannica Dictionary defines tourism, as the act and process of spending time away from home in pursuit of recreation, relaxation, and pleasure, while making use of the commercial provision of services. It generally refers to the activity of going on a long journey. By contrast, the travel industry has a wider scope. It covers specific and more travel purposes and durations. As tourism refers to the activity of traveling to a place mainly for leisure, the person

we called a tourist may stay at a place for several days to achieve many objectives including to work, study, see places, explore cultures and cuisines, attend family, variety of pleasure etc. The United Nations World Tourism Organization (UNWTO) defines tourists as people who "travel to and stay in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (UNWTO, 2021). Travel means to make a journey by an individual's movement between two points, not essentially a long journey. Simply put it, going to the supermarket to buy some weekly essentials it is not termed as traveling. Tourism is a product of modern social arrangements, beginning in western Europe in the 17th century, although it has antecedents in Classical antiquity (Walton, 2021). According to the UNWTO, tourism entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. From last few years, there has been a great surge in international tourism, culminates to 7% share of World's total exports

in 2016 (Rasool, Maqbool, & Tarique, 2021). For the world's forty poorest countries, tourism is the second-most important source of foreign exchange after oil (Rasool, Maqbool, & Tarique, 2021). While an explicit relationship cannot be found in the below table from the face of it (it may need descriptive statistical analysis beyond the simple percentage comparison), tourist attraction (Most Visited countries), Travel & Tourism Competitiveness Index (TCI), and Logistics Performance Index (LPI) show some relevance between their world rankings. For example, ten (10) countries out of top twenty tourist performers are among the top twenty logistics performers as well. Eight (08) are within top fifty logistics performers out of 160 countries according the Connecting to Compete report published by the World Bank. Accordingly, only two countries namely, Russia and Mexico are within top twenty most visited country while their LPI ranks are 85 and 53. This paradox may be due to other factors such as land area and being a land locked country etc. For example, Russia is the biggest country by total land area while Mexico is the 14th (Worldometers, 2021). This provides an insight about the impact of logistics in tourism.

Top twenty Tourist Countries and Number of visitors (In ML)	Most Visited countries World Ranking	Out of 140 countries	Out of 160 countries
		Travel & Tourism Competitiveness Index (TCI)	Logistics Performance Index (LPI)
1. France — 89.4	1	2	15
2. Spain — 82.7	2	1	18
3. United States — 79.6	3	5	10
4. China — 62.9	4	13	27
5. Italy — 62.1	5	8	21
6. Turkey — 45.7	6	43	37
7. Mexico — 41.4	7	19	53
8. Germany — 38.8	8	3	1
9. Thailand — 38.2	9	31	34
10. United Kingdom — 36.3	10	6	6
11. Japan — 31.1	11	4	7
12. Austria — 30.8	12	11	8
13. Greece — 30.1	13	25	44
14. Hong Kong — 29.2	14	14	9
15. Malaysia — 25.8	15	29	35
16. Russia — 24.5	16	39	85
17. Portugal — 22.8	17	12	28
18. Canada — 21.1	18	9	17
19. Poland — 19.6	19	42	31
20. Netherlands — 19	20	15	2

Table 01: Comparison of tourism performance, tourism competitiveness and logistics performance
Sources: (Poirot , 2021); (WEF, 2019); (Arvis, et al., 2018)

TOURISM FROM MARKETING PERSPECTIVE

Tourism is well suited in the supply chain because the product, service or experience that is consumed is assembled and comprises a wide range of suppliers (University of Pretroria). The supply of tourism products basically involves how various components of the tourist product are placed at the disposal of tourists. For example, a car manufacturer may assemble hundreds of different parts to manufacture a car. Until all components are fixed to make it a complete product it will not be made available at the showroom. Once it is in the showroom the customer takes the buying decision after verifying all tangible parts are intact. However, neither the service provider nor the

customer in tourism industry have such assurance before the product is being offered/consumed. Therefore, in commercial perspectives, there is an increasing concern about logistics in tourist services. Logistics performance is based largely on reliable supply chains and predictable service delivery for traders. Global supply chains are becoming more and more complex (Arvis, et al., 2018). Logistics is, in a very wider meaning, the detailed organization and implementation of a complex operation. Tourism is undoubtedly a highly complex industry thus incorporating logistics in this operation has a strategic importance. Improved logistics systems helps to

cater to the customers’ needs and wants as explained under the marketing theory in previous chapter. Logistics ensures greater output strategically derived from minimum resources. The integration of tourism logistics enables to always deliver best services and delight the tourists. On the other hand, using minimum input resources in the process of producing the tourism services (product offer) will reduce the cost-of-service provider. It is a win-win situation,

Logistics, in business terms, is the management of the flow of things between the point of origin and the point of consumption to meet the requirements of customers or corporations. Considering above explanation about marketing the tourism industry, delivery of products and services demanded by the customer in compliance with his/her interests and requirements needs strong foundation of very effective and efficient logistics system (Edirisinghe, Silva, & Siriwardena, 2021). In military operations logistics make

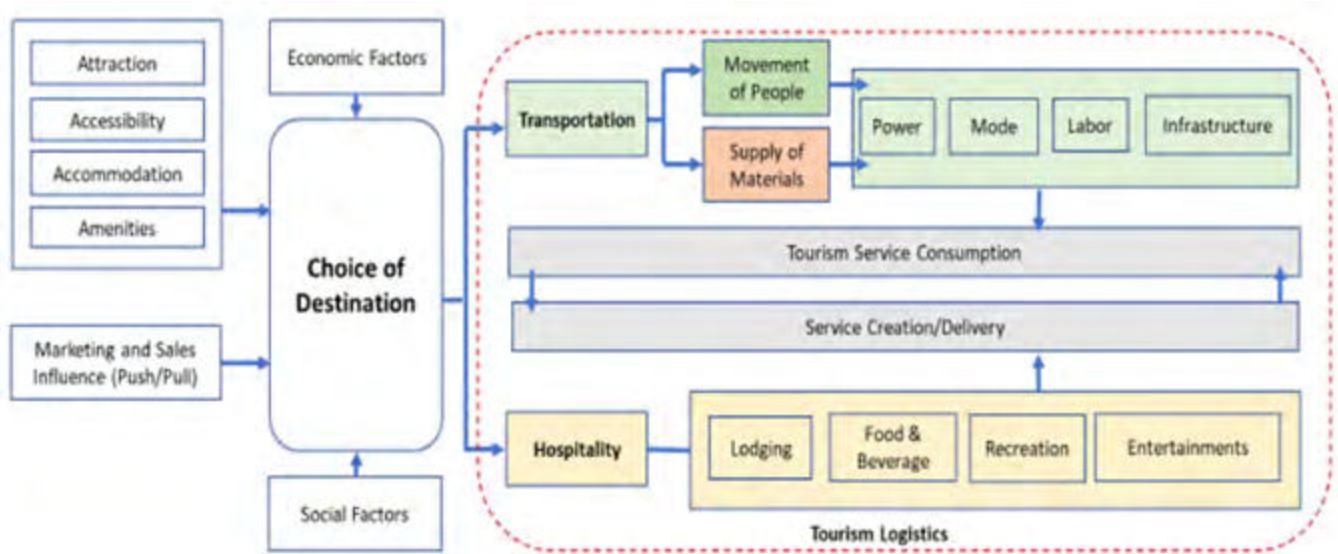


Fig.03: The Conceptual Model of Tourism Logistics (Source: (Edirisinghe, Silva, & Sriwardena, 2021))

an indispensable contribution to win a war. According to Professor J.B. Dissanayake, logistics is the way to do something right. Provide directions to implement large, difficult, and complex project. There are few alternative words used for this. Methods, task organization, methodology, strategy, performance, process are interchangeably used to explain the purpose of logistics (Edirisinghe, 2021). All these words express the meaning of managing complex and difficult tasks strategically. The tourism business deals with many service providers to deliver its products to respective consumers more effectively and efficiently. This is only possible when the logistics nodes in the physical supply chain are managed strategically.

CONCEPTUAL APPROACH IN TOURISM LOGISTICS

Logistics plays a role in every trade, business, field, operation etc. Mostly, the contribution of logistics is implicit and unnoticed. Many people realized the indispensable nature of logistics only when the shelves in supermarkets were seen empty. It has several connotations and subtle nuances of meaning when applied to commercial and economic activities. In commercial terms,

logistics is explained as the strategic management of the flow of goods and services from the production floor to the consumers. Tourism logistics may refer to the science of planning, control and management of activities pertaining to travel and tourism (Kochadze, Dangadze, & Zaqareish, 2013). Logistics presence is seen in every node in the tourism supply chain too as in any other supply chain. It is a common factor that transport, manufacturing, and warehousing (TMW) are key drivers in logistics. The acquired meaning of logistics in the commercial world is ambiguous. It mainly refers to cargo movement, but its original meaning is more wider and comprehensive. The word 'logistics' is derived from *logistique* in French and from *loger* to lodge in the 19th century. It was originally used in the military. Later it was borrowed by the commercial philosophers as the business of managing warehousing, manufacturing and delivering goods.

Accordingly, it entails two key functions namely, transportation and warehousing in which the supply network works in a sequence of processes, including procurement, production and distribution of goods and services. As explained elsewhere, the nodes in tourism supply chain are very crucial in providing the overall service. For

example, on one side the passenger transport needs to function efficiently while hospitality services should actively contribute and complement the service promise given by the tourism service provider.

Logistics Sinhalen book introduces four transport fundamentals namely, power, mode, labor, and infrastructure. The movement of people and supply of materials requires efficient transport system. These components need to be carefully evaluated regarding the tourism sector and the importance of each node should be evaluated. Hospitality sector that include lodging, food and beverage, recreation, and entertainments also depends on logistics in their respective activities. This conceptual approach is more critical in the current scenario. All transport modes are faced with many challenges due to Covid 19 pandemic. Managing supply of materials and passenger movements in a prearrange schedule (highly time bound) has become almost impossible. Therefore, identifying solutions for problems in tourism sector in the new normal scenario (NNS) from logistics perspectives will help all stakeholders to regain their regular business. Logistics is the most indispensable factor to win wars. Overcoming and fighting the challenges created by covid-19 may need more strategies than fighting a war

THE WAY FORWARD FOR TOURISM

Health authorities warn about new varieties of virus every other week despite huge vaccination efforts. Therefore, identifying the challenges and recommending way forward in the NNS from tourism perspectives is vital (Edirisinghe, Silva, & Siriwardena, 2021). In a post-COVID-19 period, the global logistics market size is estimated to increase due to an increase in the supply of essential commodities, and supply chain stabilization initiatives. It would help regain the tourism sector greatly.

"A lot of firsts are happening' according to Harvard experts. "It's even easy to reduce road congestion if you just sabotage the local economy." (Powell, 2020) NNS changed the economic approach of every country especially those of at developing stage. Globally,

we have been experiencing a shift from supply chain management to supply network management (SNM). People cannot wait or depend only on one service provider sometimes. A supply chain involves a series of steps arranged in a standard frequency to get a product or service to the customer. If one step is delayed unexpectedly all the subsequent steps will be delayed. Therefore, the third generation of logistics management is now in operation. The supply network resolves such delays that may cause in between. The global supply network should find ways and means to cater to the needs and wants of tourism consumers throughout the world in the NNS. This cannot be done without efficient and effective foundation of logistics management.

New problem is an opportunity for a new business. Even in existing businesses, rather than seeing

problems as burdensome forces of opposition, entrepreneurs see problems as opportunities to learn, grow, improve, or adjust in a way that leaves the business better off than before the problem existed. Tourism sector is badly hit due to covid 19 pandemic as it left its footprint all over the world and it is the mostly impacted business as well until to date. Jobs related to tourism in Sri Lanka alone declined by 24 percent from 2019 to 2020. Change in GDP in travel and tourism has been over 55 percent during this period. Cruise tourism provides a good bio bubble to its travelers. The more the distance and duration is long between origin and destination it is easy to maintain the bio bubble. Even in shore visits in transit could be organized maintain the same bio bubble as the multimodal transport can be minimized. Traveler usage of common terminal such as airports, train and bus terminals can be avoided.

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