

Supply Chain Management Perspectives on the Development Gap in the Indian Tourism Industry - with special reference to heritage tourism in Rajasthan

การจัดการห่วงโซ่อุปทาน กับโอกาสในการพัฒนาธุรกิจท่องเที่ยวของประเทศอินเดีย - การศึกษาบนพื้นฐานของการท่องเที่ยวแบบวัฒนธรรม เมืองราชาสถาน ประเทศอินเดีย

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Abstract

According to the UNESCO, the World Heritage and tourism is defined as stakeholders share responsibility for conservation of our common cultural and natural heritage of Outstanding Universal Value and for sustainable development through appropriate tourism management. Whereas, UNESCO has its aim to facilitate the management and development of sustainable tourism at World Heritage properties through fostering increased awareness, capacity and balanced participation of all stakeholders in order to protect the properties and their Outstanding Universal Value. (UNESCO, 2019)

Over the years tourism consumption patterns have changed dramatically. Richards (1996) said "Tourism has developed from an elite pursuit to a basic leisure need of the masses, and arguably the world's biggest source of employment. At the same time, consumption of all forms of culture has expanded, as the democratization of culture and the growth of the middle class have opened up 'high' culture to a wider audience.

Therefore, in the developing countries like India tourism has play the vital role as the major sectors of the economy, contributing to a large proportion of the national income and generating huge employment opportunities.

Despite a booming tourism sector, tourism in India is still besieged with a host of problems. To solve this, it has been suggested that the Indian tourism sector can benefit from borrowing ideas and tools from the business sector, in particular, the concept of Supply Chain Management (SCM).

The findings reveal that SCM is only utilized by the big multinationals. For small and medium-sized enterprises they do not have the understanding what SCM is all about let alone using this business tool. Despite much effort by Indian government to develop the tourism sector, the implementation of any policies lacks co-ordination and as such the result is patchy.

Keywords: Supply Chain Management, Heritage Tourism, Rajasthan, India

บทคัดย่อ

จากคำจำกัดความขององค์การยูเนสโก (UNESCO) การท่องเที่ยวเชิงวัฒนธรรม (Heritage and Tourism) คือ การร่วมกัน และการแบ่งปันความรับผิดชอบต่อศิลปวัฒนธรรม และมรดกทางวัฒนธรรมที่มีคุณค่าอย่างยิ่งต่อประวัติศาสตร์ เพื่อการพัฒนาอย่างยั่งยืนผ่านการบริหารจัดการที่เหมาะสม โดยมุ่งเน้นถึงการสร้างความตระหนักรู้ และการสร้างความสมดุลที่เหมาะสมระหว่างคุณค่าของศิลปวัฒนธรรมที่ควรค่าอย่างยิ่งแก่การอนุรักษ์ กับความคาดหวังของผู้ที่เกี่ยวข้อง

ประเทศอินเดียมีอุตสาหกรรมการท่องเที่ยวที่นับเป็นหนึ่งในภาคอุตสาหกรรมหลักที่สามารถนำเงินตราต่างประเทศได้เป็นอย่างมาก และสามารถส่งเสริมการเติบโตทางธุรกิจ และอุตสาหกรรมที่เกี่ยวข้องในด้านต่าง ๆ อาทิ การจ้างงาน การพัฒนาด้านทรัพยากรมนุษย์ ระบบสาธารณูปโภค ภาคอุตสาหกรรมระดับจุลภาค ไปถึงระดับมหภาค เป็นต้น

อนึ่ง ประเทศอินเดียยังมีข้อจำกัดอย่างมากในการบริหารจัดการ และการพัฒนาการท่องเที่ยวอย่างมาก ดังนั้นการนำแนวคิด และหลักการการบริหารธุรกิจ โดยเฉพาะการบริหารจัดการห่วงโซ่อุปทาน “Supply Chain Management (SCM)” ซึ่งหมายถึงแนวคิดในการทำงานแบบร่วมประสานงานกันทั้งระบบ เพื่อให้ได้ประสิทธิภาพสูงสุดในการทำงาน

อย่างไรก็ดี แม้ว่าในปัจจุบันการบริหารห่วงโซ่อุปทานนั้น เป็นแนวคิด และหลักปฏิบัติที่รู้จัก และยอมรับในการบริหารจัดการด้านการขนส่ง และการจัดเก็บสินค้าสำหรับธุรกิจขนาดใหญ่ในภาคเอกชนเท่านั้น แต่การบริหารห่วงโซ่อุปทานอาจสามารถนำมาปรับใช้ และประยุกต์ให้เข้ากับอุตสาหกรรมการท่องเที่ยวได้ ซึ่งรัฐบาลอาจต้องให้เวลาทำความเข้าใจกับระบบการจัดการดังกล่าว และปรับใช้ร่วมกับนโยบายพัฒนาการท่องเที่ยวเพื่อประโยชน์สูงสุดของประเทศ และสอดคล้องเท่าทันกับการเปลี่ยนแปลงของโลกในยุคโลกาภิวัตน์

คำสำคัญ : ห่วงโซ่อุปทาน การท่องเที่ยวเชิงอนุรักษ์ ราชอาณาจักร ราชาสถาน อินเดีย

Introduction

Modern tourism came to be in the late 19th Century, after the popularization of mass transportation tools such as the railway and steamship. However, travelling for pleasure or business, tourism was something as old as antiquity. As early as 4000 BC, Sumerians (Babylonians) started to travel for trade, the Greeks, Romans and Chinese all travel, but until the latter half of the 20th Century, travel for pleasure was primarily confined to wealthy classes (Walton, 2011).

However, what is tourism? According to the United Nations World Tourism Organization (UNWTO) of the United Nations, tourism is defined as people “travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure and not less than 24 hours, business and other purposes” (UNWTO 1995). According to Song (2012), it can be divided into four unique characteristics:

- Tourism requires substantial coordination where different products/services such as transportation, accommodation, guide etc. are bundled together to form a final product.
- Tourism is a service, and service cannot be stored for future use, tourism is a perishable product.
- Tourism can only be enjoyed when the tourist travels. Tourism cannot be sampled before they are purchased, which means that the sale of tourism is very much dependent upon good marketing.
- Tourism is highly complex, consisting of many different components such as accommodation, transportation, sight-seeing, dining and shopping and the competition among these service providers are very intense.

According to UNWTO, tourism represents 10% of the world GDP (Direct and Indirect), 1/10 jobs, US\$ 1.4 Trillion in export, 30% of the world export in services (UNWTO 2017). However, the tourism (especially in India) still had no clear management direction which led to some kind of development problems. To solve this, it has been suggested that the Indian tourism sector can benefit from borrowing ideas and tools from the business sector, in particular, the concept of Supply Chain Management (SCM), utilizing only in the big multinationals as a business tool. Despite much effort by Indian government to develop the tourism sector, the implementation of any policies lacks co-ordination and as such the result is patchy.

Objectives

The main objective of this study is to develop a sustainable heritage tourism industry, which is now growing with limited guidelines and control. With a belief in Supply Chain Management Concept, successfully implemented and developed in different industries, the heritage tourism industry should be also benefited from the management concept as well. As Rajasthan, India is considered as one of the popular tourism destination in terms of heritage and cultural interests; therefore, this paper uses the tourism industry of Rajasthan, India as its reference to understand the current situations of the SCM and the different levels of the locals' understanding and acceptance in order to identify the current gaps and the opportunities for development.

Scope of Research

This study is focusing on how a community (heritage city of Rajasthan of India) could be sustainably developed using the Supply Chain Management Concept (SCM).

This study would seek for firstly how to educate and also acknowledge all the stakeholders (may be called as participants or members in the SCM - including, but not limited to, hotels (both local and international chains), tour operators, tour guides/translators, government official and politicians) on the SCM concept; and how to implement the concept to help in the development processes in sustainable ways. The development may include how the community should be developed and how the community to integrate new technologies and knowledge to their life.

Conceptual Framework

As the current developments of most heritage sites (especially in Rajasthan, India) are business driven; which no clear guideline or control by government authorities, therefore, many heritage sites and their authenticity are ruined.

With Supply Chain Management Concept (SCM), the government or responsible authorities should be able to apply the concept to the heritage tourism industry. Therefore, those heritage sites should be better preserved and also develop the other related businesses around the sites at the same time. In the development process, the members in the supply chain (or called as participants or stakeholders) should deploy new technologies while still be able to keep their own values at the same time.

Literature Review

Tourism in India

India is a land of immigrants. For over a period of three-millennium, immigrants came to settle in the area what is today known as India. They came from many different tribes as well as races whose origins were outside that of the Indian sub-continent (Jandt, 2017). It was due to waves of migrations and settlements over the many millenniums that India began to acquire its unique blend of culture and religious diversity. Indian tourism as we know today was primarily developed by the British during the latter part of the British Raj (Sen, Wagner, and Howarth, 2013). The World Wars and later on civil commotion caused by the decolonization process means that tourists only returned to India in the mid-1950s. Starting from a trickle, the authority soon recognized that something needed to be done to support this. In order to promote the industry, the Indian government appointed several committees, starting with the Sargent Committee in the late 1940s, followed by the Jha committee in the early 1960s and the Yunas committee in the late 1980s all made numerous recommendations on how to develop tourism in India. Due to many reasons, not all of the recommendations made were acted on (Duhs 1998) and as such the overall development of tourism in India has been patchy.

Despite a political system based on British parliamentary democracy, India chose to manage its economy by adopting the socialistic approach. While this system may be highly methodical, it lacks flexibility, and in the long term, the overall development of tourism was held back by the highly inefficient and bureaucratic system. Sudheer (1992) studied on “Tourism in Kerala-Problems and Prospects” and highlighted some important limitations of tourism development in Kerala with several various problems confronting the tourism sector - such as government policies and investment initiatives. Despite the expansion of the touristic trade, the development of tourism was set back by years of inadequate investments into necessary infrastructures. To date, India still suffers from poor transportation and inadequate accommodations. Without the means of travel, there will not be a tourism industry. In the past decades, the country has seen considerable growth in tourism, and the civil aviation industry has been able to rise on this and expand at a breakneck speed. However, in the last decade and a half, the growth of Indian carriers has often been profitless (Livemint, 2018). While economic liberation in the early 1990s did give India a boost economically, many of the grandiose plans and targets all fell short of their intended goals

(Duhs 1998). However, this surge came too little too late, as we move towards the end of the 20th century, India's share of world tourist arrivals has been dramatically outpaced by more nimble latecomers such as Malaysia, Indonesia and Thailand.

Percentage of World International Tourist Arrivals

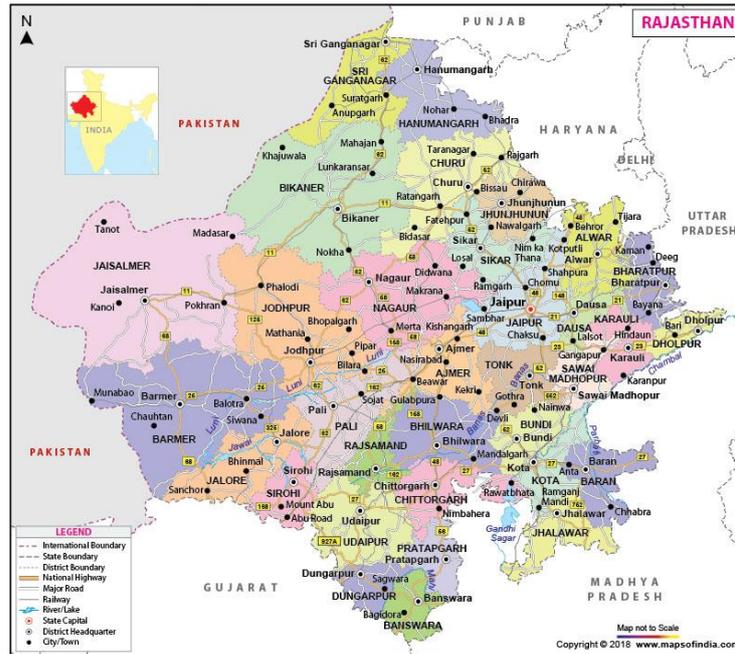
	India	Indonesia	Malaysia	Thailand	Asia Pacific
1950	0.07910	-	-	-	0.75152
1960	0.17743	-	0.12983	0.11680	1.05570
1970	0.16949	0.07781	0.46143	0.37940	3.21557
1980	0.41532	0.18331	0.73220	0.64660	7.29386
1990	0.37243	0.47520	1.62459	1.15610	11.61169
1996	0.38504	0.84716	1.20124	1.21030	14.60613

Source: Duhs 1998

Overzealous bureaucrats did more harm to tourism with their castle-in-the-cloud hotel rating scheme. However, despite these setbacks, today, the Indian hotel sector is booming. Flushed with overseas investment, brought about by generous tax holidays, India began to build hotels in earnest. With the increasing inroad made by international hotel groups, the competition between the Indian and foreign hotel chains has intensified, and this has led to the falling room rates.

Tourism and Rajasthan

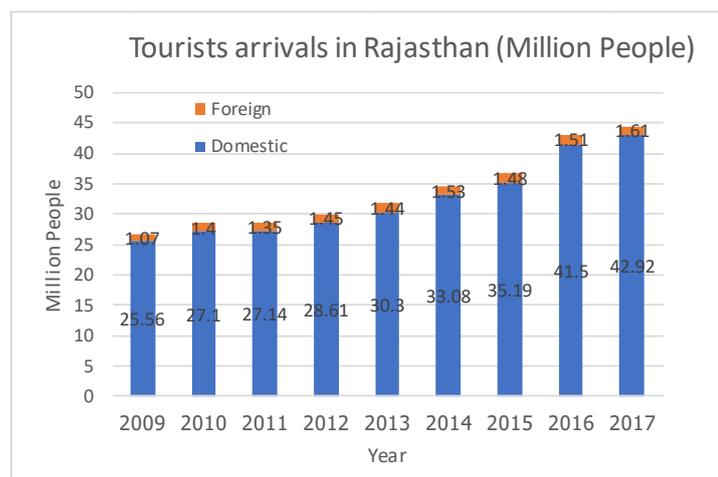
By the size, Rajasthan is the largest state, which is located in the north-western part of the subcontinent. The state is surrounded on the north and north-east by Punjab, Haryana and Uttar Pradesh; on the east and south-east by Uttar Pradesh and Madhya Pradesh and on the south-west by Gujarat. Jaisalmer, Udaipur, Jodhpur, Ajmer, Bikaner, Alwar, Amber and Chittorgarh are the main cities in the state; which the most commonly spoken language of the state is Hindi. Marwari, Jaipuri (Dhundhari), Mewari and Malvi are the other dialects popular in the state. English is the medium of education in most schools.



Map of Rajasthan

Rajasthan, in northeast India, is one of the key destinations for tourists, for both domestic and international tourists.

Rajasthan attracted a total of 47.53 million tourists in 2017 which consisted of 45.92 million domestic and 1.61 million foreigners. These people visited mostly historic palaces, especially those in Jaipur and Udaipur, which led to the expansion of the opportunities in the luxury tourism segment. This also affected the increase in the number of tourists visiting wild life sanctuaries and desert locations (IBEF, 2017).



Source: IBEF 2017

This is the tenth highest in terms of local visitors and fifth highest in foreign tourists arriving in India (Tourism.gov.in 2018, Indian Tourism Statistic). The reputation as the “Land of the Kings” because of the Princes who once ruled this land drew visitors who wanted to taste of Royalty through the many castles and palaces now turn heritage hotels. Tourism is big money to Rajasthan and is responsible for shoring up 16% of the state’s GDP.

Despite the potential, Indian tourism is besieged with problems. Poor management and uncoordinated planning stifle Indian tourism from reaching its maximum potential. The question is can SCM a business tool that had transform manufacturing industry rescue the tourism sector in India? This thesis aims to ascertain if this management tool can be implemented successfully in the Indian tourism industry.

Supply Chain Management (SCM)

In 1982, Keith Oliver, a consultant at Booz Allen Hamilton introduced the term “SCM” to the public through in an interview for the Financial Times of London (Handfield and Nicols 1999). So, what is SCM? According to Rouse (2018), “SCM is the broad range of activities required to plan, control and execute a product's flow, from acquiring raw materials and production through distribution to the final customer, in the most streamlined and cost-effective way possible”. SCM, as defined by Harland (1996), would describe it as an interconnected or interlinked network, channels and node businesses combine in the provision of products and services required by end customers in a supply chain. However, the definition of SCM was to evolve. In 2004, Hines (2014) introduced a more customer-centric definition what supply chain means: “Supply chain strategies require a whole system view of the links in the chain that work together efficiently to create customer satisfaction at the end point of delivery to the consumer”. Hines added, “cost reduction”, “value addition” and “greater efficiency” as the core objective of SCM. This is what separates SCM from logistic. It is customer focus and not item focus (Rouse, 2018).

However, much of today’s SCM research centered on the manufacturing industry. How is SCM applicable to the service sector, in particular, the tourism industry? First, we must know that there is no single definition for industrial SCM and service SCM globally according to Chowdhury (2017). Furthermore, the trio concluded that the use of SCM, generally in business, and especially in the services industry is not mature yet globally.

From an SCM point of view, how does the service industry differ from the manufacturing industry? According to Song (2012), there are seven parts to the tourism supply chain. These can be managed accordingly as an entity on its own or in unison. These issues:

- Complex management of demand, supply and inventory needs
- Complicated relationship between multiple parties that required strong coordination
- Tourism industry is heavy on the information technology

Song (2012) defines tourism supply chain as a network of tourism organizations supplying different components of tourism products/services for the distribution. Also, it involves the marketing of the final tourism products at a specific destination and involves a wide range of participants.

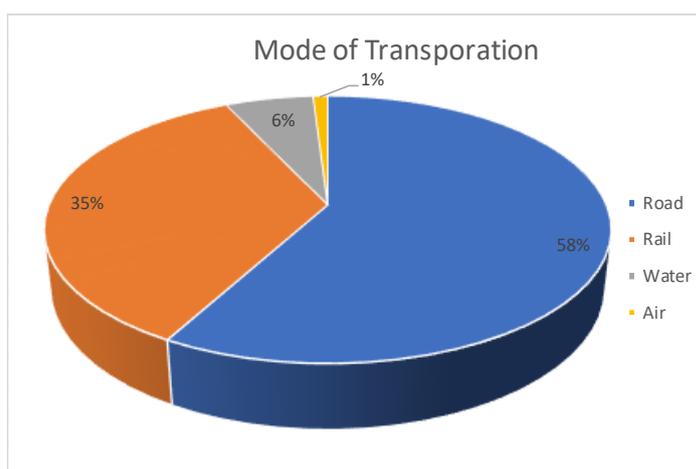
Welford al et. (1999), SCM concept was firstly partly applied to the tourism industry by a recommendation to the government to look at the essential requirements of both demand (tourists' requirements) and supply (operators' demands and supply) sides. In another word, the concept is supported by one of their researches that tourism industry consists of various operators and tourism requirements; which can be; therefore, the implementation of SCM should lead to the improvement of performance.

Towards the end of the 20th Century, tourism is increasingly linked to the idea of sustainability. Sadly, as Tapper and Font (2004) pointed out, most of the studies on sustainability narrowly define sustainability as “environment protection”, and “social impact”. However, Yilmaz and Bititci (2006) see sustainability as a healthy development of the whole industry. To do this practitioner must be developed base on a correct understanding of the entire industrial system, and improvement of efficiency and performance can only be met by joint efforts of the operators and tourists.

However, as Mills and Morrison (2002) discovered that not all operators in the tourism sector understood what SCM is? In small general operators cannot find the proper balance of the strategies and developing partners in value chain due to the lack of knowledge of what constitutes SCM. According to Sethu (2007), many see SCM as purely a cost reduction exercise. Tigu, G., Calaretu, B. (2013) pointed out that for SCM to truly work, we need to integrate the supply chain with the demand and as Dubreuil (2014) pointed out sharing of information between suppliers and buyers is critical to making SCM work.

Status of Tourism in India

Core to the success of tourism is the ability to travel, and despite the extensive network of roads, many of the means of carriage in India, the road, rail and air system is creaking at the seams due to the excessive usage. Road transport accounts for 58% of the freight moved, followed by rail which accounts for 35% of cargo with 6% by water and less than 1% by air.



Source: RSM 2019

Despite the higher cost of road transportation, the trend is towards road transport, due to the inefficient railway network (RSM Consultancy, 2019). Comparing with other countries, Indian road transport is more expensive due to the lack of scale. Approximately 80% of the truck operators are with less than five trucks. Moreover, about 75% of the Indian goods vehicles are two axles vehicles with average 9 MT weight capacity, whereas in European countries majority of goods vehicle falls into five axles, with average 40 MT weight capacity. The inefficient Indian supply chain accounts for a 40% loss in agriculture products compare with 25% by other developing countries, while losses in OECD countries, is as little as 2% to 3%. Although the government has vowed to double the length of highway (Gadkari 2016), but as of April 2019, the planned construction of 15,000 km of roads has fallen short by 33%. While National Highways constitute 1.8% of Indian roads, they carry 40% of the traffic (Indian Highway authority 2016).

According to Ali Singh and Singh (2018), Indian Railways has suffered from chronic and significant underinvestment which resulted in the erosion of the freight and passenger traffic. It is also highly dangerous. According to the Report of High-Level Safety Review Committee, in the four years from 2007, train accidents accounted for 16,000 plus deaths, and this does not include 1,600 railway staff were killed, and a further 8,700 was injured (Railway Ministry 2012).

The truth is that the Indian Railways system is and had been poorly funded for years and inadequately managed. Indian Railway carries an annual debt of over US\$ 2.8 billion. The passenger division lost US\$ 4.2 billion in FY 2013–2014, at the same time, Indian Railway holds a cash surplus of US\$ 96 million. Given the size of the country, air travel is the best means to travel across India. About 90% of over 6.5 million tourists arriving in India do so via air travel. However, the Indian civil aviation network is suffering from over competition, and many airlines are on the verge of bankruptcy. In fact, by the end of 2018, 1 in 7 of all aeroplanes in India is grounded (Sridharan 2019). Besides from the cut-throat competition, high tax on aviation fuel is also a factor. This makes flying internationally cheaper than domestically, on a per liter basis. While much government effort goes to keeping airfares down, but no one question the high cost of maintaining aircraft because of airport monopolies, lack of secondary airfields and poor transport planning, according to Sridharan (2019).

During the year 2017, 10.04 million overseas tourists visited India and spent US\$ 27,310 million while 23.4 million Indian travels overseas. This figure is expected to rise. (Tourism.gov.in 2018, Indian Tourism Statistic). However, despite the tremendous growth of foreign visitors to India, the domestic tourism market (1652.49 million) is much more substantial and contributes more to the economy.

Rajasthan attracted 35.18 million domestic visitors (close to 3% of the nation's total) as well as 1.47 million from overseas (approx. 15% of all overseas tourists to India) in 2015. While Rajasthan is popular with foreigners, domestic travellers do not rank Rajasthan very high on the popularity list. According to (IBEF 2018) during the peak tourism season, the population in Rajasthan increased by 35 million expanding the population by 50%, but increase in tourist numbers also bring about increased environmental burden such as waste disposal, traffic, air pollution, Given the importance of tourism to Rajasthan (16% of GDP) as well as to India (8.6% of total national GDP is from tourism); why does Rajasthan allocate a mere US\$ 23.65 million to the tourism (2016-17 state budget)? This is equal to assigning only 0.66 US\$ per visitor to Rajasthan!

The lack of tourist security especially on women travelers (rape and sexual harassments) gives India a bad reputation. Begging, cheating, touting and poor hygiene as well as fake products turn off many potential visitors coming to India. Despite investment in hotels, hotel capacity is still lacking. As of today, only 97,000 hotel rooms are available in all of India, which is less than the Bangkok hotel capacity.

As a result of India infatuation with socialism in the 1950s, India is still saddled with a host of state-run enterprises covering all sectors of industries. In the national level, the state-owned ITDC, India Tourism Development Corporation, manages and operates a host of tourism related business. At the regional level, for example in Rajasthan, the Rajasthan Tourism Development Corporation (RTDC), Rajasthan Tourism Development Corporation runs hotels, restaurants, tour operators on a provincial level. Their services are famously poor, ratcheting a series of poor reviews in all primary tourism websites. The number speaks for itself. In 2006-07, the room occupancy in RTDC hotels was 41.94% whereas, in 2016-17, it had come down to 22.69% (Rakhee 2017) and the Indian Tourism Development Corporation (ITDC) is no better. According to Sukanya's (2015), the average ITDC room occupancy last year hovers around the 25 to 35 % mark while the national average is 45 to 50 %.

Despite tremendous growth in visitors' numbers, both domestic and international tourist, as we can see the Indian tourist industry is still besieged with problems. Poor infrastructure development, inadequate financial support, uncoordinated activities, quantity-driven growth rather than quality growth are issues that continued to dominate the Indian tourism industry.

Research Method/ Research Methodology

Due to this study would deal with different people and organizations amount the stakeholders within Rajasthan of India, therefore, the study must deploy different approaches for each group of people and organizations. The approaches could be categorized as follows:

1. Documentation Study/Search:

This documentation study is to search for general information regarding the site of study focusing on both primary and secondary information. This study would cover all the relevant information of all the heritage sites in the focusing area and also related businesses (stakeholders) and all available relationship and links among those stakeholders.

The documentation study would be expected to give foundation of knowledge, understanding, and also scope of both study and focusing site. The final conclusion of this process should give some guideline on the list of stakeholders and related businesses in the focusing area - especially in the heritage tourism industry.

2. Field Study and Observation:

After the first documentation study, giving basic knowledge and understanding of the focusing site, the scope of study would be better identified. The field study and

observation are to visit the focusing area to have better pictures and to conduct first talk (general interview) to the local people and some stakeholders; which the expectations to gain more and better understanding of the local people there.

3. In-Depth Interview:

With a certain knowledge and understanding of the focusing area and information of the main stakeholders within the heritage tourism industry, the key stakeholders, main related business, and organizations should be able to be confided and spotted. Therefore, the in-depth interview can be designed and conducted.

The expectation of this interview process is to gain all information regarding their knowledge and mainly the perception of the SCM concept; which should lead to the deployment of SCM to help the sustainable development of the heritage tourism industry of Rajasthan.

The Research/ Conclusion/ Discussion

Despite the impressive growth in quantity, the Indian tourism industry has failed to grow in quality-wise. Problems besiege the sector, from lack of investment to uncoordinated development, the industry as a whole was unable to “sing to the same tune”. This study aims to take a microscope to examine the issues and problems of tourism using Rajasthan as a sample. The primary method of gathering data is through a series of in-depth interviews conducted over a period of 18 months.

These in-depth interviews (total of 12 interviews) can be grouped into four sections. First were the hoteliers. These ranges from multinational hotels such as Raddison Blu City Centre in Jaipur, Rajasthan, the mother of all heritage hotel, Rambagh Palace, also in Jaipur, internet sensation OYO Rooms, Orchard Tents & Tranquility of Pushkar, Rajasthan, a luxury tented resort as well as Kesar Bhawan Palace at Mount Abu, Rajasthan, a mid-price stand-alone heritage hotel. The second major group are tour operators. Two tour operators were interviewed. They are Curio Tour & Travel Company, of Bangkok Thailand. Curio Tour is a key Thailand base tour operator that focuses on India. The second of the tour operator category is Eastbound tour, an India based tour operator. The next category is the tour guides. Usually, they work as individuals and not part of any company. Interviewees from this cohort include Avino, and Helena Ashe were two sisters that work as freelancers for tour operators, hotels or bespoke clientele; and Rajesh Mahala, an entrepreneur freelance tour guide. The final cohort of interviewees comes

from the government. First an Indian politician, senior member of the government, the Hon'ble Mr. Nienu Kuzholuzo, Party leader of Naga People's Front (NPF), Member of Legislative Assembly (MLA) of Nagaland and Minister of State for Home affairs Nagaland; and second representative of the government voice is Mr. Tharadol Thongruang, the commercial attaché/ minister-counsellor, of the Thai Embassy in New Delhi, India.

The findings from these interviews are quite common and similar, we can ascertain that although SCM is not a new concept, but it is only being practiced by large organizations such as large hotel conglomerate. Large companies can use their considerable buying power not only to press for low prices but gain the upper hand in the vis-à-vis supplier-buyer relationship. By consolidating needs reducing the number of stock-keeping-units (SKUs) should lead to cost saving. However, smaller hotels, as well as tour operators, generally do not have a fundamental understanding of what constitutes SCM. For many, SCM involves nothing more than just buying at the lowest possible price and often logistic and purchasing are still run separately.

In the smaller business model, the function of tour operators like Curio Tour & Travel is to feed customers to hotels. While they are not part of the hotel's supply chain, they are in fact part of the hotel distribution channels (DC). Entrepreneurs like Mahala and the Ashe sisters operate within the tourist industry chain as sub-suppliers. Like tours operators, they are part of the hotel's DC. There are a supplier and buyer relationship that is being sustained, a partnership relationship which ultimately is what SCM preaches, long term supplier and buyer relationship to the mutual benefits of both parties.

According to Fitch Solution (2019), the forecast for India's tourism in the next five year is bright. International arrivals are expected to rise from 11.86 to 15.59 million. However, while the demand is souring tourism the supply is not keeping up. This is where the planners in New Delhi are failing. According to Duhs (1998), the British EIU's India's Country report stated that India tends to make the right noise, but practical actions are lacking. Progress on reform remains slow, even though reform enjoys near-universal consent. Twenty years later, this comment about India remains true. Political and government competency varies from place to place which leads to developmental gaps across the tourism value chain. So, what are the sources of the problems? Overcomplicated management structure, overlapping responsibilities, unclear jurisdiction is three major reasons often quoted. Another is plan were made without reference to the bigger picture; therefore, it merely addresses issues in one part of the tourism value chain.

Same as the SCM concept, it is important that in order to achieve better cooperation companies must be willing to share information with its vendor. With the widespread usage of 4G technology, it is possible for a major hotel chain to develop a vendor APP that can link buyers and vendor, giving seamless communications. 5G communication couple with automation via “Internet of Things (IOT)” will allow the entire supply chain to be operated with minimal human intervention. However, to make supply truly adapted to customers’ need is to integrate the supply-chain with the distribution channel and the management of the distribution channel requires a new approach to build customer into the company network through a system known as Customer Relationship Management (CRM). What is CRM? CRM is a customer-oriented, multi-faceted, and dynamic process relative to the traditional marketing approach. Its goal is to construct a bond between tourism businesses and their customers. It is this “extra” in the customer relationship that often gives the edge over the competition.

As the summary of the above interviews, the collaboration between entities along the tourism supply chain is easier said than done. This is because each entity in the supply chain has very different objectives and motivations (Song, 2012). Mesa, Barranco and Gómez (2014) also conclude similarly: “Profits generated when working together and the damages that cause operating in isolation or individually.”

Recommendations

No matter how big or small the business is SCM should be implemented. SCM is more than just purchasing, buying product or services at the lowest possible price. SCM is about working with your suppliers, preferably on a long-term basis to resolved issues. If the business relationship is a long term one, the supplier will be interested in partnering with the buyer to create a win-win relationship.

The Indian government knows full well what is needed to resolve the problems. Anyone who knows India knows that the system of administration is highly bureaucratic and inefficient. Furthermore, petty corruptions degrade what is already a very inefficiency operation. Cutting red tapes with speed up implementation immensely, but if the reform can only yield result couple with overhauling the administration system.

Future Researches

Finally, the emerging literature on the tourism supply chain has mostly concentrated one aspect of the tourism value chain rather than on the whole tourism value chain. For the

future, more researches are needed in the development of the total tourism system, supply chain and distribution channels.

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