The tourism value chain. Where everyone is connected.

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How are providers of tourism products and services connected? Are they even connected, especially if they don’t know about each other? Well, that’s a good and very important question in the pursuit of narrowing the green purchasing gap. In order to master this topic we first have to look at the bigger picture. Within this post I therefore share some research on the tourism value chain in order to set each and every tourism facilitator in perspective of one another. Future posts will tackle the burning question of how to identify and narrow the green purchasing gap along the tourism value chain. Stay tuned!

Research Summary

An effective and efficient organisation of the tourism industry is important since the tourism industry exists out of various interdependent, on each other relying companies, for example tour operators, transportation companies and hotels (Evans et al. 2003). The value chain model aims to organise companies to work together as a value chain, in order to add value and deliver tourism products and services to customers (Yılmaz & Bititci, 2006).

In tourism service packages define a tourist’s unique travel experience and therefore, impact on the quality and satisfaction evaluated by the tourist (Bieger & Caspar, 2004). In order to facilitate value creation for the tourist, value creating activities from different industries form service packages. The service packages then need to be connected to one another, creating a chain of values according to the customer’s wishes. Hence value chains determine the production of goods and services (Smith & Colgat, 2007). Value chains differ in respect to the different industries.

Ashley and Mitchell (2008) explain that the tourism value chain differs from value chains for agricultural or manufactured commodities due to the nature of the tourism product. They argue, as tourism is a complex set of complementary services, which include transport, accommodation, food, cultural heritage, entertainment as well as shopping, services cannot be stored for a later point in time. Meaning, services are produced and consumed simultaneously. As a result they take place at specific locations.
also known as the tourist destination. This shows that in contrary to other industries the consumer, the tourist, moves to the product/service of tourism (Ashley & Mitchell, 2008). Corresponding to Bieger (2001) and Weiermair (2001) eight stages can be identified in the tourism value chain. The first stage can be defined as the provision of travel information, reservation and booking. The second one deals with transport to the destination. The provision of information in the destination follows the second stage and the fourth continues with accommodation and food. The fifth stage is concerned with the transport within one destination for example transportation by cable cars. The provision of man-made tourist attractions forms the sixth stage. The seventh stage consists out of the return transport to the sending region and the eighth stage addresses after sales services (Bieger 2001; Weiermaier 2001).

In order for the specific tourism value chain stage to be offered to the customer, as a certain set of values, a supply chain for the respective tourism value chain stage is needed (Bieger & Caspar, 2004). For example a restaurant meal is offered to the customer after different suppliers delivered the ingredients needed, sold by farmers or the food industry and a meal prepared by a chef.

What does this mean for the tourism industry?

First of all, it is important to notice that one tourism provider never facilitates a tourist’s experience alone, as the customer “walks” from one stage to the next until all of her or his individual stages are walked along the individual tourism value chain. The stages along the tourism value chain impact on the customer’s tourism experience and each stage specific experience adds up to an overall tourism experience. Since we as tourism providers seek to provide our customers with products and service that help them create an excellent tourism experience knowing about the tourism value chain is essential. Therefore, identify your place along the tourism value chain. Are you somehow a supplier of goods and services to the tourism industry or are you interacting with tourists directly at one of the eight stages along the tourism value chain? Where are you placed along the tourism value chain and is that the right place you want to be identified with?

Now that the framework of your specific tourism product or service is settled the question remains, where is the green purchasing gap? Can anyone see it? In previous posts we introduced the green purchasing gap as a mismatch between tourists’ green attitudes and
values and the ability for them to engage in their green values while being on vacation. Therefore, the green purchasing gap exists wherever tourists engage with the tourism industry. Simply put, the gap exists throughout all of the eight stages of the tourism value chain. But what does that mean and how can you measure the gap? Are you curious about the latest research on that topic? Let’s find out more on how research describes the green purchasing gap along the tourism value chain in our next post.

References: