

Operations Management in the Travel Industry

2nd Edition

Edited by Peter Robinson, Paul Fallon,
Harry Cameron and John Crofts



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A catalogue record for this book is available from the British Library, London, UK.

Library of Congress Cataloging-in-Publication Data

Operations management in the travel industry / edited by Peter Robinson, Principal Lecturer and Head of Leisure, University of Wolverhampton, UK, Paul Fallon, Senior Lecturer, Sheffield Hallam University, UK, Harry Cameron, Visiting Lecturer, University of Wolverhampton, UK, John Crotts, Professor and Chair of the Department of Hospitality and Tourism Management, School of Business, College of Charleston, USA. -- Second Edition.

pages cm

Includes index.

ISBN 978-1-78064-610-7 (Hardback : alk. paper) -- ISBN 978-1-78064-611-4 (Paperback : alk. paper) 1. Tourism--Management. I. Robinson, Peter, 1979-

G155.A1M2615 2016
910.68--dc23

2015029484

ISBN-13: 978 1 78064 610 7 (hbk)
978 1 78064 611 4 (pbk)

Commissioning editor: Claire Parfitt
Associate editor: Alexandra Lainsbury
Production editor: Tim Kapp

Typeset by SPi, Pondicherry, India
Printed and bound in the UK by CPI Group (UK) Ltd, Croydon, CR0 4YY

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Preface

As well as being one of the largest and fastest growing global industries, travel and tourism is a thriving, dynamic business sector full of opportunity. There are few other sectors that afford such diverse and exciting careers in today's global landscape, as well as the opportunity to interact with different destinations and cultures. From business and leisure travel to tour operations, travel technology, cruise and online, there are a myriad of different types of careers and organizations to choose from.

This is why it is so crucial for industry and education to work closely together to ensure that future generations are developed with the knowledge and skills that are necessary to succeed and help grow the sector in an ever-changing global landscape. Businesses in the travel sector are multifaceted organizations, and each of the subject areas covered in this book will help the learner to develop the critical business disciplines required by all successful travel organizations.

The Institute of Travel and Tourism and the Global Travel & Tourism Partnership are dedicated to helping promote careers and develop professionalism in our sector, and our partnerships with academia are a vital part of this.

It is, therefore, fantastic to read a book that not only helps to promote employment opportunities and details the skills needed to be successful in a career in travel and tourism, but also recognizes the role that everyone working in travel plays in the cultural and social impact of the sector. Travel and tourism must continue to be a force for good, providing sustainable growth and development around the world, and ensuring that all destinations benefit from the travel trade, both business and leisure, as well as the travel companies themselves.

I congratulate the authors on producing a first-class educational book, which will help develop the future generations of talent for the travel and tourism industry and introduce them to the wealth of opportunities for a successful career in this dynamic sector.

Claire Steiner F.Inst.TT

Director and Chair of Education and Training at the Institute of Travel and Tourism, the professional membership organization for individuals employed in the travel and tourism industry and UK Director for the Global Travel & Tourism Partnership, an industry philanthropic initiative helping to foster future talent and tackle the global skills shortage

Editors

Peter Robinson is Head of Department for Marketing, Innovation, Leisure and Enterprise at the University of Wolverhampton, UK, where he is an award-winning lecturer, with a passion for teaching and a flair for inspiring and motivating students. Prior to entering academia Peter gained experience in the public, private and voluntary sectors within tourism, hospitality and events management, including management roles with the National Trust and Derby University. Peter has also worked as a freelance Tourism and Events Consultant and has gained experience developing businesses in the tourism, events and ICT sectors. He has presented his research at international conferences and been widely published in both journals and books; he is also the editor of the first higher education level travel industry textbook – *Operations Management in the Travel Industry* – the first edition of this book, which was published by CABI in 2009. He is currently working towards completing his PhD.

Paul Fallon is a Senior Lecturer in Tourism at Sheffield Business School, Sheffield Hallam University, UK, and holds a PhD. While his main interests relate to tourism, his academic and professional backgrounds mean that he is a generalist with a broad knowledge of the leisure area. In a 'previous life', before returning to academia in 1996, he worked in a range of service operations roles, including in both hospitality and tourism contexts. For his PhD research, Paul essentially investigated operations management at a destination level – considering how destination features influence visitor satisfaction, and how these differ between visitor groups. Paul's role is currently mainly a teaching one, but he is an active researcher and reviewer, and also one of the coordinators of the Network of Tourism Academics (a support network for tourism researchers in the UK). His main research interests relate to consumer behaviour within the tourism sector.

Harry Cameron is currently a visiting lecturer at the University of Wolverhampton, UK, lecturing in tourism and operations management and research methods. He is also an associate lecturer at Cardiff Metropolitan University, UK, working on MBA research methods. Harry has a background of working in leisure, sport management, tourism planning, tourism transport and tourism destination management, and he has been conducting doctoral research into power and politics at UK seaside resorts. He contributed to the *Encyclopedia of Leisure and Outdoor Recreation* (eds J. Jenkins and J. Pigram; Routledge, London) in 2003 and to *Tourism: the Key Concepts* (ed. P. Robinson; Routledge, Abingdon, UK) in 2012, and has recently been researching a new book on the history of coach travel. Harry has worked on many overseas tourism destination management projects and has taught tourism in the Maldives, Hong Kong and Macau.

John C. Crotts, PhD, is a Professor and former founding director and then chair of the Department of Hospitality and Tourism Management in the School of Business at the College of Charleston in South Carolina. Before this, he lectured in the Advanced Business Programme on tourism subjects at Otago University, Dunedin, New Zealand and was Director of the Center for Tourism Research and Development at the University of Florida. His research encompasses the areas of economic psychology, tourism marketing and sales strategy, and the management of cooperative alliances. In 2011, he was ranked 33rd in research productivity worldwide in the top six hospitality and tourism management journals between 2001 and 2009 by Park, Phillips, Cantor and Abbott, and was recognized by Pearce as one of the ten most influential scholars in tourism, marketing and psychology. He also serves on the editorial boards of 12 tourism research journals, including the *Journal of Travel Research*, the *Journal of Business Research* and the *Journal of Travel and Tourism Marketing*.

Contributors

Crispin Dale is a Principal Lecturer in the Faculty of Arts at the University of Wolverhampton, UK, and holds a PhD. In addition to lecturing, he has responsibility for learning and teaching. Before he went into academia, Crispin worked in a number of supervisory and management positions in the hospitality industry. He has taught strategic management in the hospitality, tourism, sport and events industries at undergraduate and postgraduate level, in both the UK and overseas. Crispin has published widely in peer-reviewed journals and in book chapters. His research has focused on strategic management and business development in the tourism, hospitality, sport and events industries. Crispin has published books on business development and facilities management and chapters on business planning and strategy for sports, hospitality and events organizations. He has also researched the impact of contemporary strategic management issues on small tourism enterprises in the expanding European Union. Crispin has also conducted extensive research on the pedagogic use of social media technologies.

Jan Firth is currently a Principal Lecturer and Head of Human Resources and Leadership at the University of Wolverhampton Business School, UK, from which she holds a PhD. She has worked in the Education Sector for over 30 years and began teaching Politics, Law and HR in the further education sector before moving to the University of Wolverhampton School as a Senior Lecturer in HR. She took 2 years out of teaching in 1999 to become a Director of a management development consultancy. Jan is a course leader and HRM/HRD (Human Resource Management/Development) lecturer who specializes in cross-cultural knowledge transfer. Her PhD was on developing concepts of knowledge transfer in a cross-cultural context. She travels extensively in her role, visiting Asia and Europe frequently, and has led several EU projects relating to HRM and developing competencies for border guard professionals. She also teaches action learning, HR, change management, leadership and organization development. She is a Fellow member of the Chartered Institute of Personnel and Development and has been an external examiner for several universities.

Steve Gelder is a Senior Lecturer in the Faculty of Social Sciences at the University of Wolverhampton, UK, and has worked as a Principal Local Government Officer within the Sport Leisure and Community Department of Wolverhampton City Council. Steve has a Master's degree in Business Administration and focuses his teaching in sport business, policy and planning. He has been general manager of several flagship sport/leisure centres and his expertise in organizing regional and national sport events is utilized on the BA (Hons) Event and Venue Management programme. His research focus surrounds social inclusion objectives that enhance community cohesion. Steve has worked on consultancy projects across the public, private and voluntary sectors with high profile organizations in the UK such as the National Trust and the Heritage Motor Centre, and the Black Country Local authorities.

Whyeda Gill-McLure (BA Keele; LLB Cantab; PhD Keele) is a Senior Lecturer at the University of Wolverhampton, UK. She has taught at the universities of Keele, Manchester Metropolitan, Sheffield Hallam and Derby. Her teaching specialisms include employment relations and employment law, critical HRM in the contemporary workplace and public sector HRM. She is currently also teaching at Paris X1. Her PhD examined the impact of marketization on local government industrial relations. Her recent research projects include a survey of the impact of government reform on black workers in local government with colleagues at Keele for the trade union UNISON, and on the impact of austerity on local authority museums. She has just given expert evidence at the EUROFOUND seminar on current and future trends in comparative industrial relations (Brussels) and is currently writing a history of the Local Government Employers' Organisation in the UK 1946–present. Her professional services also include book and article reviews; she is currently on the Editorial Board of *Capital & Class* and has published in a range of peer-reviewed journals.

Sine Heitmann, after graduating from university (MBA in tourism) and working within the public and private tourism/hospitality industry, taught tourism and leisure students at both undergraduate and postgraduate level for several years. Her research areas and teaching included human resource management, sustainable tourism, the relationship between tourism and media, tourism and accessibility, and cultural tourism – the latter has been the subject of papers presented in conferences. After leaving the UK higher education environment, Sine worked with Volunteer Services Overseas (VSO) as a Tourism Training Development Advisor for an NGO in Zanzibar (Tanzania) for 2 years. She currently lives in Zanzibar and works as a hotel manager.

Sammy Li has a track record of successful and innovative ideas for travel operations for which he has received awards and recognitions in the travel trade. He has developed a number of best-selling tour products, and his product stories have also been featured in newspapers and international travel magazines. Sammy's previous work experience has given him grounded operational and managerial exposure in the industry and tourism bureau. Having been educated in world-leading universities for tourism and business management in Hong Kong and the UK, and with a PhD from the University of Surrey, he is currently a Lecturer of Tourism at the University of Wolverhampton, UK. His research area includes destination image, trade marketing and tourism development. Sammy's international background enables him to be involved with a range of tourism projects spanning from the Asia Pacific to the EMEA (Europe, the Middle East and Africa) region. His work in travel operations has been adapted by destination management offices, international agencies and the United Nations World Tourism Organization. Sammy is a keen traveller who has visited around 50 countries. He has a travel resolution of visiting at least one new country every year. His knowledge, insights and sensitivity, which are essentials in delivering smooth travel operations in the commercial sector, were inspired by the journeys he has made.

Ade Oriade is Senior Lecturer in Tourism and Postgraduate Course Leader for the MA in International Hospitality Management and the MA in Event and Venue Management at the University of Wolverhampton, UK, and holds a PhD from Salford University. Ade teaches the Tourism, Hospitality and Research Methods modules in the Department of Marketing, Innovation, Leisure and Enterprise. Having worked in the hospitality industry, in particular within hotels, Ade brings his industry experience

into play in his teaching. Apart from his academic roles, Ade has worked on a number of travel and tourism consultancy projects such as the Economic Impact Assessment of Lichfield Cathedral and First Rate's Holiday Confidence Index. His work continues to contribute to policy/decision making in the industry and to the socio-economic development of destinations.

Adesola Osinaike is a lecturer in tourism, leisure and events at Canterbury Christ Church University (CCCU) in New Zealand, teaching account, finance and management modules. Her research interest is in revenue and performance management in the industry. Before her appointment with CCCU, she worked as a visiting lecturer at the University of Wolverhampton, UK, for 4 years teaching in the employability, business operations and tourism management modules. Adesola also contributed to the analysis of the First Rate Exchange Services Holiday Confidence Index (HCI). She has a degree in accounting from the University of Ilorin, Nigeria, and a Master's degree in hospitality management from the University of Wolverhampton with research on the adoption of revenue management systems in the hospitality industry using small and medium hotels as case studies. The research focused on pricing strategies, customer segmentation and overbooking management in such hotels. Adesola has experience as an operations and finance manager of fast food outlets and restaurants for over 15 years. Her experience in the hospitality industry enhances the contextualization of her teaching and research.

Ghislaine Povey has worked and researched in tourism and hospitality for a number of years, following a career in industry which included managing restaurants, hotel marketing, tour operations and working as a consultant to restaurateurs and hoteliers worldwide. She has been based at the University of Wolverhampton, UK, since 1992 and has been involved in a range of food-related projects, from supervising a 'Knowledge Transfer Project' at an award winning sandwich factory, to delivering taste workshops for 'Slow Food'. She has made numerous appearances on TV (including *Tough at the Top* and *Don Roamin*) and on the radio discussing regional food.

Samantha Prior is a Visiting Lecturer for the Faculty of Social Sciences at the University of Wolverhampton, UK, and teaches international hospitality management at all levels of the undergraduate programme. She has a portfolio of industry experience to underpin her teaching, having held positions in the hospitality industry. Her expertise has been honed within the private sector working for international brands such as the Intercontinental Group as well as other well-known high street brands, where she has worked in front office roles and within their restaurants. She is currently working within the information technology sector for a hotel management and distribution software company, working in a first-line support role helping their clients with software-related operational issues. She manages key accounts for international branded hotels with a focus on their OTA (Online Travel Agencies) and GDS (Global Distribution System) management.

Roya Rahimi completed her PhD in Tourism and Hospitality Management in 2013 and joined the University of Wolverhampton Business School, UK, as a lecturer in September 2014, where she teaches across the tourism, hospitality, leisure and events subject areas. While undertaking her PhD studies, she was a Research Assistant at the Management Department of Izmir University in Turkey (2009–2010) and in broadening her knowledge and academic experience, she became a PhD Visiting Scholar at the

University of Wolverhampton (2010–2011). From February 2013 to August 2014 she worked as Visiting Lecturer in Hospitality Management at the University of Sunderland. Her research interests are Customer Relationship Management (CRM), Organizational Culture and Human Resource Management in the Hospitality Industry. She has expertise in quantitative research methods and her work has been presented at different international conferences and published in a variety of journals and books. Her industry experience includes 7 years of working experience in the hotel industry in a number of international hotels in various countries.

Lucy Robinson is a Visiting Lecturer for the Faculty of Social Sciences at the University of Wolverhampton, UK, teaching events management and employability and undertaking a number of business engagement projects in the Department of Marketing, Innovation, Leisure and Enterprise. She has previously held positions with organizations such as the National Trust, and in public sector tourism departments, tourist information centres and destination management organizations. Her research interests include provision for taking pets on holiday and the effect of weather on last-minute accommodation bookings. She also works as a freelance tourism consultant, providing advice to a range of businesses from social enterprise projects to major attractions and country estates (including one featured on Channel 4's *Country House Rescue*) wishing to develop their events portfolio.

Debra Wale is Principal Lecturer in Quality for the Faculty of Social Sciences at the University of Wolverhampton, UK. She has a portfolio of industry experience to underpin her teaching and related publications, having held senior management positions across the leisure subject areas. She is a Senior Fellow of the Higher Education Academy. Her expertise in marketing was honed in the public, private and voluntary sectors where in brand management, her work included a repositioning strategy and national communications for Café Rouge Restaurants.

Sarah Williams is a senior lecturer in marketing at the University of Wolverhampton, UK, and previously worked at Manchester Metropolitan University where she was senior lecturer in public relations. Before moving into academia, Sarah worked in the PR industry for 11 years for international and regional PR agencies, including McCann Erickson. Her PR industry expertise spans the retail and leisure industries, where she previously represented clients such as Sainsbury's and Drayton Manor Theme Park. She currently teaches on undergraduate and postgraduate marketing modules, specializing in digital and social media and marketing communications and PR. She is a senior examiner for the Chartered Institute of Marketing, looking after the postgraduate unit in Managing Corporate Reputation. Sarah's research focuses on public relations professionalism and the impact of digital technologies on PR practice and identity. She is one of the founding members of the PR research hub, 'The Network for PR and Society', which is based at London College of Communication.

Caroline A. Wiscombe is Director of Phoenix Research and Consultancy. She was formerly Principal Lecturer in the University of Cumbria Business School, UK, with specific responsibilities for 'quality' and 'learning and teaching'. Before this she was Senior Lecturer in Hospitality and Retail Management at Leeds Metropolitan University and had worked for 10 years at the University of Wolverhampton where she became Head of Department for Leisure, Tourism, Hospitality and Events. Her research interests now include pedagogic practice, leadership and social enterprise,

but they began with in-depth studies of the licensed retail sector. Specialist teaching areas have included business development, applied financial management, research methods and strategic management. Preceding her academic career, Caroline was a well-respected entrepreneur within the hospitality and tourism industry and worked with government to develop the first national apprenticeships and traineeships for the sector.

Introduction: Travel and Operations Management

PAUL FALLON, PETER ROBINSON AND HARRY CAMERON

Objectives of the Chapter

- Explain the fundamental and pivotal role of operations management for the travel organization.
- Introduce the 'input–transformation–output' process as a means of understanding the operations function within its wider organizational context.
- Explain the nature and scope of the travel industry.
- Explain the structure and approach of the book.

This introduction is divided into three sections – Parts A, B and C. The first two parts (A and B) provide the contextual background for the discussion which takes place in the remainder of this book. Part A defines and describes operations management, emphasizing its fundamental, pivotal role. While operations management is a fundamental component of all organizations – manufacturing and services – the focus here will be restricted to services given the nature of the travel industry, and the discussion will be contextualized with specific examples explaining how operations function in travel service organizations. Part B explains the nature and scope of the travel industry, acknowledging that it represents a 'broad church' of sub-sectors that share inherent characteristics and which, although they may not always appreciate it, are inter-dependent. Finally, Part C outlines the structure of the book and provides a guide for how you, the reader, can work through the content in order to get the best out of it – hence it explains the 'operations' of the book. A common challenge for introductory chapters is balancing the need to provide a 'taster' of the ideas which follow in later chapters with the requirement for brevity; consequently, some content will be initially referred to here with a full accompanying explanation and a more in-depth discussion to follow in later chapters.

PART A: OPERATIONS MANAGEMENT

Understanding Service Operations

Service operations are all around us, and we usually interact with a range of them on a daily basis. In our role as consumers of services, the operations function of a service organization is the one with which we come into contact during the service encounter. Using a simple example that will probably be familiar to all of us, irrespective of where

we are in the world, think about the act of dining in a restaurant. It is the restaurant's operations staff serving us the food we order, in addition to preparing and cooking the food, taking our order and payment, and maintaining the cleanliness, comfort and safety of the restaurant facilities and its equipment. In this, as in most contexts, operations rely on a team of people providing the overall service, not all of whom we actually get to see or meet – and not all of whom may be working at exactly the same time as each other. In service cases such as this, it is, therefore, common to distinguish between 'front of house' and 'back of house' activities, with the former being those that are more directly visible to us. The provision of a takeaway or home delivery service by the restaurant – including the taking of the order via phone or the Internet – would add a further dimension to the operations function, although the amount and type of direct interaction between the provider and customer would be different.

Providing – or creating – services such as the above example is also usually how many of us earn that memorable 'first pay packet'. In the role of service provider, and especially if we have more managerial responsibilities, we will interact with a wider range of resources and activities within the organization that are necessary for the creation of the service than if we are the customer. In the restaurant example, these include purchasing, deliveries, storage, information systems, HR (human resources) and marketing. Consequently, a 'bigger picture' of the operations function starts to emerge – one emphasizing the significance of interrelationships between activities and processes – and it is this 'bigger picture' of operations management that will be presented in this book.

What is Operations Management?

Based on the example already given, operations management can be introduced as the activity of managing the resources and processes that create and deliver services and products to meet the needs of the organization's customers. Admittedly, not all organizations will either formally use the term 'operations' to describe this function or give managers the title of 'Operations Manager'. In some cases, the function is absorbed into wider responsibilities (see the closing case study of Kelham Island Museum at the end of this Introduction), and roles are usually contextualized within the services offered to customers, with terms such as front desk manager and duty manager being far more common. Needle (2000, p. 296) identifies that operations management is 'concerned with the transformation of a variety of inputs such as information, people, material, finance and methods into a variety of outputs such as goods, services, profit, customer and employee satisfaction ... the centrality of the function means that operations has a significant influence on costs and revenue as well as organizational structure'. Within the more specific context of visitor attractions, Swarbrooke (2002, p. 239) associates the operations management function as 'marshalling the attractions resources, notably the staff and physical equipment such as machinery to provide a satisfactory service for the customer, and an acceptable rate of return on the use of these resources ... the goal ... is the smooth and efficient operation of the site'. Both these descriptions add further colour to the 'bigger picture' of operations management previously alluded to, emphasizing how it pulls together other aspects of the organization, including those that may not seem directly related to operations.

In conceptual terms, the operations function creates services and products via the transformation of inputs into outputs – see Fig. I.1 – and this process is known as an ‘input–transformation–output’ process (Slack *et al.*, 2011). While the basic principle is essentially ubiquitous, the nature of the input, transformation and output variables will vary between organizations and industry sectors. So, returning to the restaurant example given above, inputs will include staff and customers, kitchen and dining areas, ingredients, recipes, menus, tills, and cooking and cleaning equipment. The transformation process consists of menu creation, food preparation and cooking, serving of meals and beverages, and billing; in this case, these individual activities are arranged in a sequential order. Subsequent outputs will include the meal (and drink) and the accompanying customer service, with the ultimate intended results of a satisfied diner (who both returns in the future and also recommends), a content group of employees and a profitable service encounter.

Inputs can be further delineated into those which are ‘transformed’ and those which are ‘transforming’ (Slack *et al.*, 2011). Transformed resources include raw materials and information – services are created from these. Transforming resources represent the agents of change – the two main ‘transformers’ are physical facilities, such as buildings and equipment, and employees. Comparing a luxury hotel and a budget hotel, there would be very significant differences between the scope and scale of their facilities and staff, although both would still perform the transforming role. For example, the luxury hotel would provide a spa, a bellboy and butler service that are not available in the budget accommodation. In the more complex case of a resort, the physical facilities will also include the natural settings, and these also have to be maintained in a consistent manner with the buildings. For example, at luxury island resorts such as Maalifushi (<http://www.comohotels.com/maalifushi/>) in the Maldives that provide accommodation such as beach villas (with a private beach) and water villas (with open access to the Indian Ocean), the beach, the sea and local flora and fauna are all fundamental parts of the resort product.

The role of transforming resources represents one of the main differences between operations management within the service and manufacturing contexts – in most manufacturing contexts, ‘transformers’ are separated in time and space from the customer, whereas in services, the customer comes into direct contact with them. Within the travel industry, facilities and workers generally have significant, and sometimes very complex, roles to play in operations. For example, airports process customers through a series of designated areas and utilize a range of equipment within a sequential operation, including: car park; arrivals; check-in; baggage drop; passport control;



Fig. I.1. Conceptualizing the operations function. Adapted from Mullins, 1999; Needle, 2000; Swarbrooke, 2002; Slack *et al.*, 2011.

'duty free' and retail services; departure lounge; and embarkation. These areas are designed in different ways to, and kept separate from, each other in order to facilitate their role. While some are designed to be welcoming and reassuring (think especially about the dining and retail areas in Terminal 5 at Heathrow Airport (<http://www.heathrowairport.com/heathrow-airport-guide/terminal-5>), others such as security checks are sparse and functional. Workers perform different roles at each of these stages – including 'meet and greet', passport control, security and retail sales – and a different skill set is required for each. Furthermore, in most cases they are working for separate individual businesses – ranging from border agencies to retailers – which, together, facilitate the overall operation of the airport. There is also a separate process for other customers, for example, airlines and freight companies, of the airport. As such, airports represent one of the most complex operational systems, with some of the largest facilities, most sophisticated equipment and widest range of workers within the travel industry (hardly surprisingly, therefore, they will be used to exemplify specific operations management issues in subsequent chapters).

Question

Think of the following travel operations and try to distinguish between 'inputs', 'transformations' and 'output/s' in terms of how they provide services for their customers: guided European coach tour, Disney theme park, political party conference, budget airline, bed and breakfast accommodation, boutique hotel, 'pop-up' restaurant, white water-rafting excursion, and ski resort.

Note: In some cases, it may be difficult to distinguish exactly between 'inputs', 'transformations' and 'output/s' due to the dynamic nature of the service operations process.

Having completed this task, you will now start to appreciate the significant role of operations within all travel industry organizations, irrespective of their nature and size, and recognize that travel operations can be very complex, and possibly comprise a number of smaller sub-operations. You may also have identified that individual organizations do not operate in isolation, i.e. they are dependent upon other organizations in order to function. You should also now recognize the generic value of the 'input–transformation–output' process in terms of capturing how operations actually function. Like many services management theories and concepts, the 'input–transformation–output' process has its origins in manufacturing and production, where the activity of transforming raw materials into a fit-for-purpose product is relatively straightforward to follow. Services, and particularly those relating to travel, provide different contexts and characteristics which potentially make the application of the concept more challenging. However, the reality is that these differences make the concept more relevant, notwithstanding that adaptations have to be made, first, in order to understand the mechanics of the service operations process, and, subsequently, to identify how and why problems may be caused and suggest appropriate correcting interventions.

Characteristics that are commonly identified as differentiating services from manufactured goods are:

- simultaneous production and consumption (the producer and consumer meet in space and/or in time);

- heterogeneity (challenge in creating homogeneous service experiences due to potential inconsistencies between different service providers and different customers);
- intangibility (the service ‘product’ is an experience rather than a tangible good);
- perishability (services cannot be stored).

These characteristics have implications in terms of operations management – for which they can represent both opportunities and threats for the organization. For example, perishability is usually seen as a challenge: a bed night or a flight seat is ‘lost’ if not sold in time; or a dissatisfying service experience is one that the customer may not give the organization the opportunity to repeat and improve on, and may also lead to further negative ‘output’ via word of mouth comment (either verbally or online via social media). Conversely, the perishability of an event – as in the case of a one-off festival or ‘pop-up’ restaurant – might increase its exclusivity and attractiveness.

Within the travel context, these characteristics can be further extended to acknowledge that experiences are co-created within a multidimensional and ‘open’ environment. For example, Binkhorst and Den Dekker (2009, p. 312) propose that travel represents ‘the greatest and ever growing source of experiences with which people construct [co-create] their own unique narratives’. As such, travellers represent part of the ‘transformation’ process, and it is argued that there is a growing demand on their part for deeper personal experiences. Consequently, this puts further pressure on managers to design and develop more satisfying experience ‘outputs’ for their customers, which essentially means rethinking ‘inputs’ and ‘transformations’. Furthermore, social media increasingly enables customers to co-create ‘Consumer to Consumer’ (C2C) experiences within their holidays.

Travel is also multidimensional – holidays represent extended experiences made up of different stages and services, mainly, but not exclusively, transport, accommodation, food and beverages. These ‘inputs’ are not necessarily combined as part of a package, and the individual organizations producing them may not identify themselves as members of the travel industry and/or acknowledge that they contribute to a wider overall travel experience than the one they are offering the customer. A simple example of this would be the taxi driver taking the traveller from the airport or train station to the hotel; in some cases, this may be the traveller’s first critical encounter with the destination on the ‘visitor journey’, and it could have a significant positive or negative impact on the rest of his/her experience (Lane, 2007). It is hardly surprising, therefore, that organizations responsible for operations at destination level, i.e. destination management/marketing organizations, create initiatives such as ‘Glasgow Welcomes’ (<http://glasgowwelcomes.com/>) to increase customer awareness among organizations providing a range of direct and indirect services, including waste disposal, and their staff.

Significantly, given that travellers are away from home, the ‘input–transformation–output’ process/es can straddle a number of different geographic and cultural environments, including the generating region, the transit route and the destination (Leiper, 1979). As such, an ‘open’ perspective is required that takes into account the provision of other related services as well as the various other external factors which can affect the process. These wider external factors are commonly categorized as ‘Political’, ‘Economic’, ‘Sociocultural’, ‘Technological’ (and sometimes also ‘Environmental’ and ‘Legislative’), and summarized using the acronym PESTEL or LEPEST (after Robinson, 2012). Arguably, technology has become the most influential and fast-moving environmental