

LOGISTICS IN TOURISM AND RECREATION

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Abstract: *Logistics in Tourism and Recreation.* The following article aims to analyze the problem of the use of logistics in tourism and recreation sector. It presents deliberations and conclusions regarding the basic foundations of logistics as well as emphasizes its wide application in both recreation and tourism.

Key words: tourism, recreation

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Nowadays, the science of logistics appears to be very helpful and applicable, especially in the tourist and recreation sector. Broad knowledge as well as practical experience in this field can bring a lot of support not only in the creation of the supply chain, its realization and monitoring processes but also in the efficiency analysis or even tendering procedures. It is beyond any question that the process of forming a supply chain in the tourist and recreation sector requires advanced and professional knowledge of both transportation systems: carriage of goods and passengers.

There is no need to emphasize the fact that, in the view of a very competitive and modern market of tourism and recreation, high quality of tenders is still a priority. However, there is one more factor that plays an important and decisive role in this very sector. Strange as it may seem, it is the costs rather than the prices that determine our choices when making important decisions. Therefore, in order to gain a strong market position, maintain it and leave the competition behind, it is crucial to pay close attention to the cost analysis in particular links of the supply chain as well as restructuring them.

One of the methods that can be applied in order to back up the implementation of the aforementioned policies is definitely benchmarking. According to the definition benchmarking is a process of comparing practices, procedures and performance of one company with specially selected benchmarking partners. In other words, benchmarking is a process not only of deriving quantifiable goals and targets, but more importantly, it is the process of investigating and documenting the best industry practices, which can help to achieve goals and targets. What is more, it gives the external references and the best practices on which to base the evaluations and to design the work processes. In the modern and competitive market of today, all the activities mentioned above are really helpful, especially that most of the companies are no longer evaluated in accordance with profits they make but more often they are compared to their rivals. Since benchmarking is the process of identifying "best practice" in relation to both products and the processes by

which those products are created and delivered, it seems to be a perfect tool for examining different strategies and general approaches as well as creation of supply chains and other logistics systems.

1. Logistics and supply chain management: Strategies for reducing cost and improving service. Polish Council of Logistics Management. Poznań 2000, p. 65-66

The market of tourist and recreational services is composed of the following:

- hospitality services;
- catering services;
- tour operating services;
- tourism oriented services;
- recreation oriented services.

Those segments of the market where many different firms, business entities or incorporated companies operate can easily and successfully adopt the premises of logistics. As a matter of fact the science of logistics combines both theoretical and practical issues. What is more, all its theories can be easily implemented and confronted with reality in order to verify whether they are efficient and applicable in real life.

If we took the hospitality services sector in consideration, we would find that there are quite a few areas where it is advisable or even necessary to fall back on the science of logistics. Furthermore, the efficiency and quality of hospitality services can be improved through effective logistics management of the following:

- hotel management;
- quality management;
- information management;
- marketing.

On the other hand, such an approach and division of hotel activities may seem a bit limited. Therefore, if we looked at the hospitality sector from more detailed point of view we could distinguish different processes that take place, such as:

- supply processes;
- service production processes;
- distribution processes;
- storage and warehousing processes;
- information transmission processes.

The areas listed above should be referred to in search for minimalization of costs and finding best solutions possible in order to gain a strong, competitive and leading position in the market.

2. R. Barcik, P.Gajewska: Poziom obsługi klienta jako element logistyki w przedsiębiorstwie hotelarskim. Polskie Hotelarstwo i Gastronomia w Unii Europejskiej. Gdańsk 2004, WSTiH w Gdańsku, p. 16-17

Speaking more precisely, all these processes should be thoroughly examined from the point of view of costs they generate and classified by genre and amount (e.g. 1 hotel guest, 1 room etc). This would allow us to calculate both total and unit logistics cost, which have become very important factors affecting the competitiveness of companies. What is more, total logistics costs analysis is the key to managing the logistics function. That is why it is crucial these days that the management consider the total of all logistics cost. Thus in the hotel industry the total logistics cost include the following:

- cost of supply activities;
- cost of information;
- cost of operation;
- cost of marketing;

- cost of distribution;
- cost of additional services;
- cost of insurance;
- cost of transport activities;
- cost of personnel;
- other financial costs.

The cost analysis performed in accordance with the above specification would help us to calculate the total logistics cost of a particular hotel as well as it would indicate which components generate the most costs and therefore should be minimized. Companies can easily enhance their market competitiveness by reducing their logistics costs which eventually results in lowering the total costs of goods and services. However, due to the fact that it is really difficult to determine which individual component of logistics costs should be reduced, companies should make attempts to integrate the logistics system instead in order to lower total logistics costs. This solution is much more safe especially that wrong diagnosis of individual costs may lead to an increase of total logistics costs. Therefore it is very important to remember that in hospitality business effective cost reduction and the ability to manage the total logistics costs in the right way is a very helpful tool in building a strong position in the market.

The issue of costs is definitely one of the most important problems and since its role in today's economy is still growing they should be brought up to everyone's attention, classified, diagnosed, analyzed and finally used in the decision making process. Unfortunately, most of the companies are fitted with basic financial and accounting systems that do not register the logistics costs which makes it difficult to diagnose and analyze them.

Keeping track of all logistics costs that are borne by companies from tourist and recreation sector would be easier if only:

- they were equipped with additional software aimed for logistics costs registration;
- they carried out regular research of their own initial costs.

Unfortunately, most of the aforementioned procedures would require extra expenses to be made and some hotels as well as other entities operating within the tourist and recreational sector cannot afford to bear them.

Generally speaking, in order for the hospitality sector to operate properly and with no objections, some of the following actions should be taken:

- modern logistics solutions should be updated and implemented;
- supply chain costs should be analyzed;
- wider spectrum of controlling system should be implemented;
- all decisions made should be consulted with professionals.

In order to better understand the full concept presented herein, let us have a look at the following example:

1. Hotel provides services to its clients. All services have to meet certain quality standards.
2. The customer is considered as merchandise /efficient consumer response (ECR). All costs that are borne have to be classified in accordance with logistics processes.
3. Controlling system of realization costs that are borne in logistics processes have to be implemented.
4. Accurate and prompt decisions have to be made with regards to logistics processes being executed.

Although the instructions listed above might be expensive and time-consuming, they also provide essential information for exact diagnosis of tourist and recreational sector. Last but not least, since nowadays logistics systems have the tendency to change dynamically, it is of a great importance to do research on them on a regular basis.