

Analysing the Supply Chain Dynamics in Indian Tourism

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The Indian tourism sector plays a crucial role in the country's economy, offering a diverse range of attractions from historical monuments to natural wonders. Understanding the supply chain dynamics within this sector is essential for optimizing efficiency, enhancing visitor experiences, and sustaining growth. This project aims to analyse the intricate network of suppliers, intermediaries, and service providers that contribute to the Indian tourism supply chain. The study will employ a multi-disciplinary approach, integrating insights from tourism management, economics, and logistics. Utilizing both qualitative and quantitative methodologies, data will be collected from various stakeholders including tour operators, accommodation providers, transportation services, government agencies, and tourists themselves. Key aspects to be examined include the flow of goods and services, information exchange, regulatory frameworks, and the impact of external factors such as policy changes and technological advancements. Through comprehensive analysis, this research seeks to identify challenges, opportunities, and potential areas for improvement within the Indian tourism supply chain. Findings will not only benefit industry practitioners by informing strategic decision-making and resource allocation but also contribute to the broader academic discourse on supply chain management in the context of the tourism sector. Ultimately, the insights generated from this study aim to support the sustainable development of Indian tourism, fostering economic growth while preserving cultural and environmental heritage.

Keywords: indian tourism, supply chain dynamics, digital transformation, infrastructure development, regulatory frameworks, tourism efficiency, seasonality challenges, logistical inefficiencies, technology integration

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1. Introduction

Issue under Study

The research work "Analyzing the Supply Chain Dynamics in Indian Tourism" deals with different models and techniques of supply chain being used in Indian tourism. This research is based on exploratory research method. It explores various tools & techniques developed over last few decades for Indian Tourism. This research also attempts to explore various models and find an approach towards sustainable supply chain in Indian Tourism.

Context

The evaluation of various existing models and approach towards the sustainability of supply chain in Indian Tourism is an important task. It assumes utmost importance in the Indian economy with context to Indian tourism and dependency of Indian Economy on Indian Tourism. The supply chain in Indian tourism has become so important that today the service providers are approaching for sustainable and effective supply chain in the tourism department also trying to achieve maximum efficiency in the industry. Organizations are emphasizing more and more on sustainable approach, to ensure high performance by service providers on quality, cost and reliability parameters. Some models help organizations in serving the customers to their satisfaction level right from the starting of the process till the end of their tour. There is no best model to select and evaluate an existing model, but the bottom line remains the bringing up of the new model and implement in the existing process which should help to increase the efficiency of the existing service providers and tapping the untapped market efficiently. Like any other industry, tourism industry aims to select the best model and implement to increase the GDP from Indian tourism and attract more tourists. In Tourism industry model selection and sustainability plays a major role due to relatively large number of tourists being catered. This industry deals with problems like IT implementation, transport, infrastructure, food and beverages, ticketing, accommodations, etc India today is now a major attraction for tourists across the world. There is stiff competition among major players whether they are global or Indigenous.

For long term cost efficiencies and stable supply network these service provider companies are adopting latest models and techniques in the tourism industry in India to design and implement sustainable supply chain network and also provide with the efficient supply chain model. Right tool and technique can help to identify and select right partners for tour operator. Effective scoring and continuous feedback from the tourist help in evaluating and designing a better framework.

Scope of Research

This study covers various models and practices for supply chain in Indian tourism which will help in considering only the supply chain factors, models existing globally and also the issues related to providing a sustainable supply chain in Indian tourism. The models could be upgraded with continuous upgradation and new policies from government. Stable supply network these service provider companies are adopting latest models and techniques in the tourism industry in India to design and implement sustainable supply chain network and also provide with the efficient supply chain model. Right tool and technique can help to identify and select right partners for tour operator. Effective scoring and continuous feedback from the tourist help in evaluating and designing a better framework

2. Literature Review

The tourism industry in India has been a significant contributor to the national economy, offering employment and fostering cultural exchange. Understanding the supply chain dynamics within this sector is crucial for enhancing efficiency, reducing costs, and improving the overall tourist experience. This literature review explores various aspects of supply chain management (SCM) within the Indian tourism industry, examining key components such as transportation, accommodation, food and beverages, and the role of technology.

Supply Chain Management in Tourism

Supply chain management in tourism encompasses the coordination and management of all activities involved in delivering a comprehensive tourism experience. It involves multiple stakeholders, including suppliers, service providers, intermediaries, and tourists themselves.

Key theoretical frameworks applied to tourism SCM include Porter's Value Chain, which emphasizes the importance of primary and support activities, and the SCOR model, which provides a standardized framework for assessing and improving supply chain performance.

Components of the Tourism Supply Chain

Transportation- Transportation is a critical component of the tourism supply chain, affecting accessibility and convenience. Studies highlight the importance of efficient transportation networks in enhancing tourist satisfaction and regional development. In India, challenges such as infrastructure deficiencies and regulatory hurdles have been identified, impacting the seamless movement of tourists.

Accommodation- Accommodation services form the backbone of the tourism supply chain. Research indicates that the quality and variety of lodging options significantly influence tourist choices and experiences. The integration of local and international hotel chains in India reflects a diverse market catering to different segments. Issues such as seasonality, demand fluctuations, and inventory management are crucial for maintaining service quality and profitability.

Food and Beverages- The food and beverage sector are essential for providing cultural experiences and ensuring tourist satisfaction. Studies emphasize the role of local cuisine in enriching the tourism experience and promoting regional culture. Supply chain challenges in this sector include sourcing quality ingredients, maintaining food safety standards, and managing supply-demand variations.

Role of Technology- Information and Communication Technology (ICT). The adoption of ICT in tourism SCM has revolutionized operations, enabling real-time data sharing, better coordination among stakeholders, and enhanced customer service. Digital platforms and mobile applications facilitate bookings, payments, and information dissemination, making the tourism experience more seamless. In India, the growing use of technology has improved connectivity and efficiency but also poses challenges related to digital infrastructure and cyber security.

Data Analytics- Data analytics plays a pivotal role in understanding tourist behaviour, predicting trends, and optimizing supply chain operations.

Research highlights the potential of big data in enhancing decision-making processes and personalizing services. In the Indian context, leveraging data analytics can help address issues like overcrowding, seasonal variations, and resource allocation.

Challenges and Opportunities

Regulatory and Policy Issues- The tourism supply chain in India is affected by various regulatory and policy issues, including visa regulations, tax policies, and environmental regulations. Harmonizing these policies to create a more favourable environment for tourism growth remains a challenge. Opportunities lie in policy reforms that encourage investment, simplify regulatory procedures, and promote sustainable practices.

Sustainability- It is increasingly becoming a focal point in tourism supply chain management. Sustainable practices, including eco-friendly accommodations, responsible sourcing of food, and minimizing carbon footprints, are essential for the long-term viability of the tourism sector. In India, initiatives like the Sustainable Tourism Criteria for India (STCI) aim to promote sustainability, but widespread implementation and compliance are necessary to achieve significant impact.

3. Methodology

Research Design

This is a kind of explorative research study because it explores the existing models and functions of supply chain in tourism sector.

Research Objective

To identify the various variables effecting the supply chain of tourism in India.

Analysing Value Chain Activities.

Benchmarking Against Global Standards

Data Collection: Secondary Data

Sources of Data: For this research only, the secondary data has been collected. The data has been collected from following sources:

Internet: Websites of country's tourism reports has been studied, Website of companies such as e.g. Capgemini and Consultants' websites, government published articles, printed research papers, etc.

Journals: Various published articles from various researchers. Also, the Organization journals have been referred for research papers on the supply chain subject e.g. Journal of supply chain management-2002.

Research Gap: Identify supply chain factors and their limitations

Overcome the existing models and bring up the new model to boost the tourism industry.

Methodology: The project work is carried out through secondary research. Secondary research was carried out through various journals and published articles. This helped in analyzing the sector and bringing out the recommendations

Scope of the Study: The scope of this project is limited because the study will consider only the supply chain issues in Indian tourism and will not include other factors which are affecting the Indian tourism. For the persistence of this study, the global and the Indian supply chain industry have been analyzed for tourism. The emerging trends, the advancements in technology, government policies, models and their effects on the program of the industry have also been studied.

Limitations of the Research: The limitation of this research is that only the Indian tourism has been the main focus.

4. Finding Suggestion

Findings

1. Fragmented Supply Chain: The supply chain of Indian tourism is fragmented, involving numerous stakeholders such as tour operators, travel agencies, accommodation providers, transportation services, and government bodies. Lack of coordination and integration among these entities often leads to inefficiencies and gaps in service delivery.

2. Infrastructure Deficiencies: Despite significant improvements in recent years, India's tourism infrastructure still faces challenges in terms of accessibility, connectivity, and quality. Many tourist destinations lack adequate transportation facilities, accommodation options, and basic amenities, affecting the overall tourism experience.

3. Regulatory Complexity: The regulatory environment governing the tourism industry in India is complex and often inconsistent across different states.

Licensing requirements, taxation policies, and bureaucratic processes vary, creating barriers for businesses and hindering the smooth functioning of the supply chain.

4. Limited Technology Adoption: While technology has the potential to streamline operations and enhance customer experiences, its adoption within the Indian tourism supply chain remains limited. Many businesses still rely on manual processes for bookings, reservations, and payments, leading to inefficiencies and delays.

5. Skills Gap: The tourism industry in India faces a significant skills gap, particularly in areas such as hospitality, tour guiding, and customer service. Lack of training and professional development opportunities for workers hampers service quality and competitiveness.

6. Environmental Sustainability Concerns: Uncontrolled tourism activities have led to environmental degradation in several popular tourist destinations across India. Issues such as pollution, waste management, and habitat destruction threaten the long-term sustainability of the industry and the well-being of local communities.

Suggestions

1. Integrated Planning and Development: There is a need for integrated planning and development strategies that involve collaboration among government agencies, private sector stakeholders, and local communities. This includes coordinated efforts to improve infrastructure, enhance connectivity, and ensure the sustainable development of tourist destinations.

2. Streamlined Regulations: Simplifying and harmonizing regulatory frameworks across states can reduce bureaucratic hurdles and promote a conducive business environment for tourism enterprises. Clear and transparent regulations will encourage investment and innovation within the supply chain.

3. Technology Integration: Encouraging the adoption of technology solutions such as online booking platforms, digital payment systems, and data analytics tools can improve operational efficiency and enhance the overall tourism experience. Government incentives and support programs can facilitate the adoption of technology among small and medium-sized enterprises.

4. Skill Development Initiatives: Investing in skill development initiatives, including vocational training programs and capacity-building workshops,

can help address the skills gap within the tourism workforce. Collaborative efforts involving government, industry associations, and educational institutions are essential for designing and implementing effective training programs.

5. Promotion of Sustainable Tourism Practices: Promoting sustainable tourism practices is crucial for preserving natural resources, protecting cultural heritage, and supporting local communities. Initiatives such as eco-tourism certification programs, community-based tourism projects, and public awareness campaigns can promote responsible tourism behaviour among tourists and industry stakeholders alike.

6. Risk Management and Safety Measures: Implementing robust risk management and safety measures is essential for ensuring the security and well-being of tourists. This includes enhancing surveillance systems, improving emergency response mechanisms, and providing adequate training for tourism professionals in crisis management. By addressing these findings and implementing the suggested strategies, the Indian tourism industry can overcome its challenges and unlock its full potential for sustainable growth and development.

Analysing the supply chain dynamics in Indian tourism reveals a multifaceted and dynamic system that plays a critical role in shaping the overall tourist experience and the industry's contribution to the national economy. This analysis encompasses various components such as transportation, accommodation, food and beverages, and the pivotal role of technology. Each component is integral to the efficient functioning of the tourism supply chain, and understanding their interactions provides valuable insights for enhancing the sector's performance.

Key Findings

Transportation: Efficient transportation networks are essential for accessibility and convenience. Challenges include infrastructure deficiencies and regulatory hurdles that impede seamless movement.

Accommodation: Quality and diversity in lodging options significantly influence tourist satisfaction. Managing issues like seasonality and demand fluctuations is crucial for maintaining service quality and profitability.

Food and Beverages: Local cuisine plays a vital role in enriching the tourist experience and promoting regional culture. Supply chain challenges include sourcing quality ingredients and managing supply-demand variations.

Technology: ICT adoption has revolutionized operations, enhancing coordination among stakeholders and improving customer service. Data analytics offers opportunities for better decision-making and personalized services, though digital infrastructure and cybersecurity remain concerns.

Challenges and Opportunities

Regulatory and Policy Issues: Harmonizing policies to create a favourable environment for tourism growth remains a challenge. Policy reforms that encourage investment and promote sustainable practices present significant opportunities.

Sustainability: Sustainable practices are crucial for the long-term viability of the tourism sector. Initiatives like the Sustainable Tourism Criteria for India (STCI) aim to promote sustainability, but broader implementation is needed.

Strategic Recommendations

Infrastructure Development: Invest in upgrading transportation and accommodation infrastructure to improve accessibility and service quality.

Policy Harmonization: Simplify and harmonize regulatory procedures to create a more business-friendly environment for tourism stakeholders.

Technology Integration: Promote the adoption of advanced ICT and data analytics to enhance operational efficiency and customer satisfaction.

Sustainable Practices: Encourage the implementation of sustainable practices across all components of the supply chain to ensure long-term environmental and economic viability.

Stakeholder Collaboration: Foster greater collaboration among government agencies, private sector stakeholders, and local communities to address common challenges and leverage opportunities.

5. Conclusion

The Indian tourism supply chain is characterized by its complexity and the interdependence of various components.

While challenges such as infrastructure limitations, regulatory hurdles, and sustainability concerns persist, there are significant opportunities for improvement through strategic investments, policy reforms, and technological advancements. By addressing these issues and leveraging the opportunities, the Indian tourism industry can enhance its efficiency, sustainability, and overall contribution to the national economy, thereby positioning itself as a competitive global tourism destination. Continued research and collaboration among industry stakeholders will be essential to realize these goals and ensure the sustainable growth of the sector.

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