

---

**CUSTOMER PERSPECTIVE IN CLOSED LOOP - SUSTAINABLE  
TOURISM SUPPLY CHAIN MANAGEMENT: ISSUES AND CONCERNS**

Adarsh Kumar Aggarwal<sup>1</sup>

Dr. Sudhanshu Joshi<sup>2</sup>

**Introduction**

With the emergence of Service Supply Chain in the recent past as a research domain, Various research conducted are indulged into identification of the factors that facilitate or penetration customers involvement in identifying, analyzing and purchasing the sustainable Products. Involvement of customers in purchase function of highly market focused product is in very infant state ( Young et al. 2009). The research study shall explore the possibility of future research framework to evaluate the customer(Tourist) contribution towards benchmarked supply chain processes and overall supply chain.

**Research Motivation/ Objectives:** The overall objective of the research is to interrogate the potential involvement of Customer in the sustainable value chain proposition of tourist product.

**Research Question:**

1. “Which factors motivate customers to contribute ideas related to sustainable service design and which inhibit such contributions?”
2. “Can all customers contribute to sustainable service design?” “How can firms select and involve the most appropriate customers in sustainable service design and production?”
3. “How can firms enhance the customers’ creativity or customers’ productivity in designing or producing sustainable services?”

---

<sup>1</sup> Research Scholar, Singhania University, Jhunjhunu, Rajasthan (India)

<sup>2</sup> Assistant Professor, School of Management, Doon University

### **Research Methodology**

Many studies (e.g., Allenby and Fullerton 1991; Frei 1998) highlight the need to integrate ecodesign into development processes for products and services, because product design

can have great influences throughout the product life cycle (Cronin et al. 2011; Sheth, Sethia, and Srinivas 2011). The factors that are found to affect the success of ecodesign and

sustainable design are similar to the factors affecting the performance of new products, including management support and commitment, supplier relations, sustainable development processes, and customers' knowledge and competencies (e.g., Stevels 1997). Indeed, customer education and awareness in designing and demanding sustainable services can force firms to adopt such sustainable services (Mair 2011; McKercher and Prideaux 2011).

Closing the supply loop through remanufacturing, remarketing, and recycling for increasing the sustainability of supply chain is gaining attention from researchers (Cronin et al. 2011). To that end, firms invest in reverse supply chain processes through which a product returns to the selling company (e.g., for recycling, reuse, or repair), with the idea that the cycle is complete when the company recovers the product's maximum possible value. As service firms represent production systems that process people and not products, the outputs of service systems mainly represent people who have satisfied their needs and improved their physical, mental, and cognitive well-being. Closing a loop in the service supply chain should involve bringing back customers who have already experienced the service as new inputs to the supply chain—thereby restarting the process, presumably with greater efficiency and lower resource use. Such closed-loop supply chain management in services should aim to develop customers with appropriate sustainable behavior and attitudes, who will return to this or other service production systems and (with their sustainable mind-set) further improve them. Many service firms have realized the importance of creating responsible citizens who

---

alter their consumption, use fewer inputs, and offer a return to firm and society. Firms can, for example, encourage customers to recycle and save energy while at home, and then to do the same when staying at a hotel. Thus, the firms' responsibility for influencing customers' behavior does not stop in the property. Instead, hospitality and tourism firms should think in terms of "recycling" sustainable customers into society and the service ecosystem of their own and other firms' supply chains. In this view, managing a closed loop supply chain in services should emphasize educating and persuading the customers to replicate and expand their sustainable behavior from single transactions to their daily lifestyle.

In the present study, 50 random tourists have been involved in order to investigate the possibility of their involvement in redesigning of the Tourism Value chain of Kedarnath Temple, Uttarakhand.

**Research findings:**

50 Tourist Customers has been evaluated to know their perception in managing a sustainable hospitality and tourism supply chain.. A research framework has been involved that incorporate customers and their social communities towards a sustainable supply chain management in various stages including namely, service design, production, procurement, distribution, promotion, and marketing, as well as loop-closing supply chain processes that feed back into the supply chain. The framework is structured according to the processes in which the customer is involved and the purpose, intensity, and methods of customer involvement. The framework includes issues relating to the factors that motivate customers' sustainability actions and the management and outcomes of the customer involvement in each supply chain process. The framework blend customers' behavior, attitude, and values are not alone in determining the customers' contributions in sustainable service supply chain management. The influence of online social networks is continually increasing. Consequently, researchers in sustainable supply chain management need to consider the inputs not only of the customer as a stakeholder but also of the customers' social networks. As various customers and communities may have different (and sometimes conflicting) values, interests, and priorities, future research should also investigate the governance forms

and mechanisms that firms can use for managing their relations, collaborations, and interactions with the various customer groups (Vermeulen and Seuring 2009).

The research findings show that tourism firms can adopt different strategies and approaches for collaborating and dealing with additional stakeholders, such as create their own sustainable initiatives or social networks, join and collaborate with existing customers' sustainable initiatives and social networks, and create the platforms that would allow customers to develop and operate their own sustainable communities.

The future research can lead to investigating the advantages, disadvantages, and effectiveness of each of these strategies for governing and managing customers and their social networks. Researches should also examine the effectiveness of each governance mechanism to coordinate, support, and motivate the collaboration and the contributions of customers toward sustainability in different situations and contexts.

---

## REFERENCES

- Allenby, B., and A. Fullerton. 1991. Design for environment: A new strategy for environmental management. *Pollution Prevention Review* Winter:51-61.
- Association of British Travel Agents and Tour operators Initiative. 2002. *Improving tour operator performance: The role of corporate social responsibility and reporting*. London: Tour operators Initiative.
- Biel, A., and U. Dahlstrand. 2005. Values and habits: A dualprocess model. In *Environment, information and consumer behavior*, ed. S. Krarup and C. S. Russell, 33-50. Cheltenham, UK: Elgar.
- Boons, F., and F. Ludeke-Freund. 2013. Business models for sustainable innovation: State-of-the-art and steps towards a research agenda. *Journal of Cleaner Production* 45:9-19.
- Boons, F., C. Montalvo, J. Quist, and M. Wagner. 2013. Sustainable innovation, business models and economic performance: an overview. *Journal of Cleaner Production* 45:1-8.
- Budeanu, A. 2005. Impacts and responsibilities for sustainable tourism: A tour operator's perspective. *Journal of Cleaner Production* 13 (2): 89-97.
- Carlsen, J., and D. Edwards. 2008. BEST EN case studies: Innovation for sustainable tourism. *Tourism and Hospitality Research* 8 (1): 44-55.
- Henriques, I. Y., and P. Sadorsky. 1999. The relationship between environmental commitment and managerial perceptions of stakeholder importance. *Academy of Management Journal* 42 (1): 87-99.

- Houdré, H. 2008. Sustainable hospitality©: Sustainable development in the hotel industry. *Cornell Hospitality Industry Perspectives* 1 (2): Cornell Center for Hospitality Research.
- Kassinis, G., and A. Soteriou. 2003. Greening the service profit chain: The impact of environmental management practices. *Production and Operations Management* 12 (3): 386-403.
- Kolk, A., D. Levy, and J. Pinkse. 2008. Corporate responses in an emerging climate regime: The institutionalization and commensuration of carbon disclosure. *European Accounting Review* 17 (4): 719-45.
- Lee, J.-S., L.-T. Hsu, H. Han, and Y. Kim. 2010. Understanding how consumers view green hotels: How a hotel's green image can influence behavioral intentions. *Journal of Sustainable Tourism* 18 (7): 901-14.