SUSTAINABLE SUPPLY CHAIN MANAGEMENT IN TOURISM

Case: Safartica Oy

Nguyen, Ngoc Quynh Nhu

Bachelor's Thesis
Degree Programme in Tourism
Bachelor of Hospitality Management

2020
Sustainable supply chain management (SSCM) has been increasingly adopted by organizations within different industries, including tourism, as an approach to gain sustainable development goals. The integration of sustainability into tourism supply chain management (TSCM) facilitates the sustainable tourism development at a destination owing to the potentiality to mitigate the negative social and environmental impacts. These impacts derive from business operations of entities included in the tourism supply chain (TSC) in which Destination Management Companies (DMCs) play an instrumental role in promoting sustainability along the chain. In this research, the case of analysis was Safartica – the second leading DMC in Lapland, Finland.

The aim of the thesis is to assess the current SSCM situation at the DMC Safartica and then propose practices to improve the company’s SSCM. The research is based on the theoretical framework focusing on sustainable development, TSC, and SSCM in tourism. A qualitative approach was adopted along with several methods consisting of theme interviews and content analysis. Five semi-structured interviews were conducted to gather data and analysis directed by the conceptual framework was performed using the content analysis method.

Results revealed that Safartica is aware of the significance of including sustainability in supply chain management (SCM) from the viewpoint of a leading DMC to support sustainable tourism development in the destination. Several sustainable SCM actions have been implemented by the company. However, the lack of training and guidelines pertaining to SSCM is visible. There exists no systematic approach fostering the incorporation of sustainability in SCM to advance tourism sustainability. The recommendations based on the literature would enable the DMC to identify areas of SSCM where improvements are required. Precisely, Safartica is suggested to adopt and implement multiple practices in the following areas: engaging business in sustainability, creating an SSCM policy and code of conduct, promoting suppliers’ baseline sustainability assessment, developing an SSCM plan to prioritize actions, and monitoring and evaluating performance.

Keywords sustainability, destination management company, tourism supply chain, sustainable supply chain management, sustainable tourism development
## CONTENTS

1 INTRODUCTION .............................................................................................................6

2 SUSTAINABLE SUPPLY CHAIN MANAGEMENT .........................................................8
   2.1 Understanding Supply Chain Management ..........................................................8
   2.2 Sustainability and Triple Bottom Line ..................................................................9
   2.3 Integrating Sustainability into Supply Chain Management ...............................12

3 SUSTAINABLE SUPPLY CHAIN MANAGEMENT IN TOURISM ..............................15
   3.1 Tourism Supply Chain and Role of DMCs ..........................................................15
   3.2 Sustainable Tourism Supply Chain Management from DMCs’ Perspective ..........19
      3.2.1 Sustainable Tourism Development ...............................................................19
      3.2.2 Role of DMCs in Sustainable Supply Chain Management to Foster Sustainable Tourism ..............................................................20
   3.3 Drivers for Adopting Sustainable Supply Chain Management .......................22
      3.3.1 Internal Drivers .............................................................................................22
      3.3.2 External Drivers ...........................................................................................23
   3.4 Framework of Tourism Sustainable Supply Chain Management .....................25
      3.4.1 Engage Business in Sustainability .................................................................25
      3.4.2 Integrate Sustainable Supply Chain Management into Business .............25
      3.4.3 Conduct Baseline Assessment of Suppliers ..................................................26
      3.4.4 Implement Sustainable Supply Chain Management Program and Actions 27
      3.4.5 Monitor and Evaluate the Program and Report on Progress ......................28
   3.5 Sustainable Supply Chain Management Development .......................................29

4 THESIS PROCESS AND METHODOLOGY .................................................................32
   4.1 Thesis Process ......................................................................................................32
   4.2 Qualitative Methodology ....................................................................................33
   4.3 Semi-structured Interview ................................................................................34
   4.4 Content Analysis ................................................................................................35
   4.5 Trustworthiness of Qualitative Research ...........................................................36
   4.6 Limitation .............................................................................................................37

5 ANALYSIS OF FINDINGS OF COMMISSIONER .......................................................38
   5.1 Background of Safartica ....................................................................................38
   5.2 Sustainable Supply Chain Management Situation at Safartica .......................39
5.2.1 Supply Chain Management at Safartica
5.2.2 Engagement in Sustainability
5.2.3 Drivers for Adopting Sustainable Supply Chain Management
5.2.4 Engagement in Sustainable Supply Chain Management
5.2.5 Sustainable Supply Chain Management Actions
5.2.6 Performance Monitoring and Evaluation
5.3 Summary of Analysis
6 IMPROVEMENT SUGGESTIONS OF SUSTAINABLE SUPPLY CHAIN MANAGEMENT FOR SAFARTICA
6.1 Engage Business in Sustainability
6.2 Integrate Sustainable Supply Chain Management into Business
6.3 Conduct Baseline Sustainability Assessment of Suppliers
6.4 Prepare and Implement Sustainable Supply Chain Management Action Plan
6.5 Monitor and Evaluate Performance
6.6 Summary of Recommendations
7 DISCUSSION
BIBLIOGRAPHY
APPENDIX
**SYMBOLS AND ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCM</td>
<td>Supply Chain Management</td>
</tr>
<tr>
<td>SSC</td>
<td>Sustainable Supply Chain</td>
</tr>
<tr>
<td>SSCM</td>
<td>Sustainable Supply Chain Management</td>
</tr>
<tr>
<td>TSC</td>
<td>Tourism Supply Chain</td>
</tr>
<tr>
<td>TSCM</td>
<td>Tourism Supply Chain Management</td>
</tr>
<tr>
<td>DMC</td>
<td>Destination Management Company</td>
</tr>
</tbody>
</table>
1 INTRODUCTION

There has been a demand for sustainable tourism development with the goal of ensuring meaningful experiences to the tourists in an environmentally responsible, socially fair and economically viable manner so that customers can have their needs fulfilled without compromising the capacity of future generations (UNWTO 2001). The academic literature views tourism experience as a collection of many components delivered by a variety of suppliers involved in a tourism supply chain (TSC), within which Destination Management Companies (DMCs) play a central role (Spasić & Pavlović 2015). In light of these issues, the integration of sustainability into supply chain management (SCM) of DMCs is imperative to the sustainable growth of tourism at the destination (Swarbrooke 2005, 235).

However, there has not been much research effort, especially in the last decade, devoted to extensively examining the supply chains in tourism and understanding the effect of adopting sustainable TSCM on sustainable development of tourism. Noticing the triggered need for research on such topics, the author gave the focus of this thesis on the concept of sustainable supply chain management (SSCM) in the tourism industry through a case study of a DMC and its relevance to tourism sustainability.

SCM encompassing business processes and operations including procurement, production, and distribution has experienced rapid growth since the late 20th century (Handfield, Sroufe & Walton 2005). The field has also proved its significance in various industries including tourism in which it was referred to as tourism value chains (Kaukal, Hopken & Werthner 2000) or tourism distribution channels (Buhalis & Laws 2001). The development of SCM, on the other hand, has been negatively reflected by environmental, social, and economic concerns which are underpinnings of sustainability. Taking such environmental and social responsibilities into consideration, many companies have been acknowledging the concept of SSCM and starting to adopt proactive SSCM practices to operate in a way that mitigates adverse impacts on the environment and society (Giunipero, Hooker, Joseph-Matthews, Yoon & Brudvig 2008.)
The thesis was designed to achieve two main objectives: firstly, to examine the current SCM status of the commissioner company through the lens of sustainability and, secondly, to propose practices to improve SSCM at Safartica, contributing to sustainable tourism development. Safartica has been prioritized as the commissioner since it is located in Lapland which would facilitate the research process. Besides, Safartica appears to be one of the reputed DMCs in the region so it is believed to have an extensive network with local suppliers. That demonstrates a connection with the research topic.

Safartica, established in 2002, is located and operating in Rovaniemi and Ylläs Finland. The DMC with its professional team having profound knowledge and experience of the destination promises to create and deliver indelible experiences, extraordinary services, and ever-improving tourism products to customers. It is the partnership with flexible, reliable, and proactive partners and suppliers that makes Safartica a reliable DMC for tourists' stay in Rovaniemi and Ylläs. (Safartica 2020.)

A qualitative research methodology was employed along with different methods. Semi-structure interviews and content analysis helped to identify the DMC’s supply chain structure, motivators for implementing SSCM practices, and current SSCM situation. Results achieved will facilitate the formulation of suggestions concerning SSCM for the case company.

Researching on SSCM in tourism based on a case study involved some limitations that may challenge the transferability of the thesis. The findings might not be generalizable to all DMCs and other types of companies in the tourism industry with or without a sustainability approach since the chosen commissioner is a regional DMC about to embracing the concept of SSCM. Additionally, the improvement recommendations are founded on the theoretical framework was aimed to address the focal company, specifically the DMC within its tourism supply chain (TSC) without considering other types of businesses in different industries. Moreover, the applied qualitative methodology may trigger the researcher’s bias towards constraining the interpretation of data within the scope of the theoretical premise.
2 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

2.1 Understanding Supply Chain Management

Fierce global competition in the 21st century has indicated that companies should not only focus on their operations but also engage in the business of their suppliers and customers. Businesses are enforced to be aware of the flow of raw materials, designing and packing of suppliers’ products/services, distribution, and actual expectations of customers in order to fulfil consumers’ needs concerning products/services. (Babu, Kaur & Rajendran 2018.) From this perspective, it can be simply understood that, taken into account solely the physical side of it, a supply chain is an integrated process where raw materials are processed and converted into final products, then delivered to customers via distribution, retail, or both (Beamon 1999, 275).

A closer approach to the sophisticated reality of supply chain is the definition by Harrison and Hoek (2008, 55), indicating that a supply chain is a network of partners who collectively convert a basic commodity upstream into a finished product downstream that is valued by end-customers, and who manage returns at each stage. Generally, a supply chain, conceptually encompassing the whole physical process from purchasing raw materials through processing phases till the final product, explicitly or implicitly approaches the user as well as the associated information flow. Most supply chains are constituted by different companies interlinked by their role in satisfying the need of the end customer. Within the scope, identifying the company at the centre of the supply chain, usually known as a focal point for a supply chain, is critical. A focal company that rules the supply chain offers direct interaction with customers and develops the product or service provided. (Lambert & Enz 2017.)

SCM is a complex and interdisciplinary field that has constantly evolved over a descriptive topic into an independent discipline (Ellram & Cooper 2013). SCM has been predominantly used in the manufacturing field to improve effectiveness throughout the value chain, including the efficiency of logistics, planning activities and inventory, and information management, both internally and externally, between companies (Christopher 2011, 21). It is argued by Mentzer et al. (2001)
that SCM is the systematic and strategic coordination of internal functions of an organization, as well as the collaboration of businesses within the supply chain itself with the vision to improve the performance of not only the focal company but also the performance of every company of the chain. Meanwhile, research by Lambert and Cooper (2000) indicate that SCM is to manage relationships within the network of organizations, from initial suppliers to final customers, by utilizing multifunctional business processes to create value for customers and other stakeholders. In general, SCM aims to make the entire supply chain that is centred on the collaboration and business activities of three main members that are supplier, the focal company, and customer efficient and cost-effective (Waters 2013, 3).

SCM, according to the literature, encompasses four key activities which are purchasing, production, distribution, and financial affairs. The business operations of the core members within a supply chain are either indirectly or directly associated with these activities, which accentuates establishing a contractual relationship between these parties, leading to a win-win situation for all. (Bratic 2011.) The effectiveness and overall success of a supply chain are determined by the way suppliers, the focal company and other partners undertake and manage key activities to provide the highest level of service while maximizing profit and total value (Lambert & Enz 2017). On that basis, efficient SCM leading to decreasing inventory, reduced costs, and mutually beneficial supplier collaboration can create competitive advantage for businesses (Kozma 2017). Besides, the benefits will render the supply chain competitive as a whole rather than come at the cost of a company’s partners. (Chicksand, Watson, Walker, Radnor & Johnston 2012.)

2.2 Sustainability and Triple Bottom Line

Having discussed the theoretical background of SCM necessary to establish the foundation of the research phenomenon, it is next discussed how the focus of this concept has shifted towards sustainability, setting up the SSCM topic. Reviewing the literature reveals several definitions of sustainability; although they are slightly different based on the source, the gist remains the same. The most widely accepted definition of sustainability was put forward in the Brundtland report
issued by the World Commission on Environment and Development (WCED) in 1987. In the report, sustainable development is defined as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987).

It was later noted by Dylick and Hokerts (2002) that sustainability reflects social development and evolution to a wealthier and more comfortable world in which the natural surroundings and cultural achievements, value and financial gains are reserved for the future generations. In essence, sustainability composes of three elements: the natural environment, society, and economic performance (Aras & Crowther 2009). This perspective is in accordance with the idea of the TBL—a concept proposed by Elkington (1997), which simultaneously addresses economic, environmental, and social goals from a microeconomic viewpoint when considering sustainability (Carter & Rogers 2008). TBL expresses the enhancement of environmental programs based on integrative economic and social directions (Elkington 1997).

Increasingly, there have been public expectations for organizations to take responsibility for their non-financial impacts, including impacts on the community and the environment. In response, business, government, academics, and non-government organizations (NGOs) have begun developing frameworks addressing these concerns. The need for business change brought on by the looming environmental imperative and calls for greater social involvement by companies has seen the development of conceptual frameworks for the conduct of business and in particular the notion of TBL. TBL can be used as a process for integrating sustainability into the business environment, creating a new measure of corporate performance of balancing traditional economic goals with social and environmental issues. (Liburd & Edwards 2010, 131.)

Carter and Rogers (2008) believe that the intersection of three dimensions of the TBL contains various activities that companies can engage in to not only positively affect the natural environment and society, but also gain long-term economic benefits and competitive advantage in the market. Given that, the TBL of sustainability is a tool to measure the impact of business activities concerning the simultaneous pursuit of economic prosperity, social equity, and environmental
quality (Carter & Rogers 2008). Besides, TBL is not merely about measuring and reporting performance but it is also about the adoption of ideas that are reflected in the idea of sustainable development (Liburd & Edwards 2010, 133). The foundation of sustainability is at the intersection of three dimensions environment, society, and economics, which is depicted as three concentric circles in Figure 1.

Figure 1. Sustainability as Defined by The Triple Bottom Line (Elkington 1997, 10)

Environmental sustainability involves decisions and actions taken that impose the least impact on the environment as possible (Blewitt 2014, 12). It prompts the conservation and protection of natural and non-renewable resources, on which the economy and society depend (Carter & Rogers 2008) so that natural systems continually generate and preserve natural resources for future generations. Possible environmental performance indicators include energy consumption, waste disposal, utilization of natural/local resources, use of land/ hazardous materials, air/noise pollution, and destruction level of habitats (Peeters & Landré 2011).

Social sustainability is about encouraging the company’s responsible operations and activities to yield social and ethical values (Zhu et al. 2013). To be socially sustainable, companies are required to offer equal opportunities, promote social interaction within society, and act in favor of the workforce and community
(Rogers, Jalal & Boyd 2007, 42). In light of that, social sustainability often involves society-related activities such as labor rights, social equity, corporate social responsibility (CSR), human rights, health equity, social support, quality of life, and community development. The organization’s social reputation and social performance can be elevated through immersing in such social activities. (Blewitt 2014, 30.)

The concept of economic sustainability is straightforward and is about ensuring that business operations are not imposing any detriment to society and the environment while still functioning lucratively (Rogers et al. 2007, 66). Economic sustainability takes into consideration the social and ecological implications adherent to conventional economic objectives (Carter & Rogers 2008). Additionally, it also promotes the optimal way of exploiting and deploying resources in a responsible and sustainable manner to eventually achieve long-term profitability (Barbier & Burgess 2017).

2.3 Integrating Sustainability into Supply Chain Management

It is the need for socially responsible and environmentally friendly products and services that makes sustainability pivotal in business operations. Academics and practitioners in SCM have been accordingly extensively taking the impacts and implications of sustainability into consideration. (Gimenez, Sierra & Rodon 2012.)

Sustainability integrated to SCM has resulted in the concept of SSCM, proposed by Linton, Klassen and Jayaraman (2007). Research shows that SSCM is a shift to managing a closed-loop supply chain grounded in the TBL encompassing economic, environmental, and social performance (Liu, Bai, Liu & Wei 2017). This is congruent with the view held by Pagella and Wu (2009) that SSCM involves managerial actions taken to ensure the performance of a supply chain is in line with all elements of the TBL, creating a genuinely sustainable supply chain. In essence, Carter and Rogers (2008), based on the complementary definition of SCM and extensive review of literature on sustainability, claims that SSCM is the strategic, transparent integration and achievement of an organization’s social, environmental, and economic goals in the systemic coordination of key inter-organizational business processes for improving
the long-term economic performance of the individual company and its supply chains.

Transparency is crucial for defining features of corporate sustainability in SCM. It is imperative for companies to be committed to sustainability throughout the value chains and transparently report it to stakeholders. (Trienekens, Wognum, Beulens & van der Vorst 2012.) There are four types of transparency in SSCM: management transparency, regulatory transparency, consumer transparency, and public transparency (Mol 2015). Sustainability is elevated by supply chain transparency that can be enhanced through vertical coordination of actors from different levels/stages, such as between agents and suppliers, as well as through horizontal collaboration among homogenous players operating in the same echelon, such as between competing hotel chains (Trienekens et al. 2012).

In the last few decades, companies have been adherent to an approach that simultaneously handles the economic, social, and environmental challenges associated with their supply chains (Carter & Easton 2011). Codes of conduct addressing environmental issues, human rights, and working conditions have been progressively implemented by many companies in the sectors of automobiles, services, and electronics, for not only their internal staff but also for subcontractors and vendors (BSR 2010). Such initiatives fall into the concept of SSCM. The incorporation of TBL into SCM has been perceived as a good business practice for today as well as contributing to the more distant goal of sustainable development, and not as merely adding to the regulatory burden on business (Liburd & Edwards 2010, 138). The SSCM approach is more importantly regarded to be the key to compete in today’s dynamic market (Seungri & Muller 2008).

The initial focus of SSCM research was on environmental impacts. Nevertheless, the concern for corporate social responsibility imposes pressure on having equal awareness of socio-economic aspects in managing the supply chain. (De Brito & Van der Laan 2010.) SSCM theories are based on the idea that companies, are impelled to engage in the upstream chain towards suppliers in order to guarantee each component of their services or products purchased from suppliers is sustainable, ensuring the sustainability feature of their final products or services.
This implies that SSCM fundamentally relies on the collaboration between organizations and their suppliers. (Carter & Easton 2011.)

The literature review indicated that the process of exploring approaches to achieve SSCM accentuate the role of the focal company. The focal company is responsible for including sustainability in SCM by responsibly managing the use of its internal resources and capabilities, as well as selecting, assessing, and cooperating with sustainable suppliers. (Frostenson & Prenkert 2015; Pohlmann, Scavarda, Alves & Korzenowski 2020.) With the support of vendors, businesses in the centre point of supply chains can develop more high-quality ecological goods and services through joint research and development (Font, Tapper, Schwart & Kornilaki 2008). They should also carry on more of a sustainability compliance approach by specifying standards and targets, depending largely on the external market to promote competitiveness among producers, enforcing legal agreements or penalization. It is noticed that factors including company types and sizes, and competition and buyer-supplier influence levels may affect the nature of the strategy adopted (collaborative or coerced compliant). (Krause & Scannell 2002.) The first and foremost step that a focal company can take is to produce its own sustainability policy, then develop assessment standards or system and monitor the compliance progress (Font et al. 2008). That is extensively to say the adoption of a TBL perspective in SCM can begin with a simple shift in defining the objectives of management, as dictated by the board of directors to produce codes as facilitators of TBL development; then staff internalizing the requisite attitudes and behaviors; identifying and selecting appropriate indicators; and adopting an appropriate framework for accounting and monitoring performance of the supply chain (Liburd & Edwards 2010, 139–141).
3 SUSTAINABLE SUPPLY CHAIN MANAGEMENT IN TOURISM

3.1 Tourism Supply Chain and Role of DMCs

It is a prerequisite to first comprehend the idea of Tourism Supply Chain (TSC) prior to understanding the concept of SSCM in tourism. TSC is among those that are managed by business-to-business so that the implementation of SCM can enable the enhancement of sustainability performance alongside financial performance (Jaremen & Nawrocka 2015). However, much of the SCM literature has been focused on the manufacturing sector with little reference to the service industry in general and the tourism field in particular (Song 2012, 5). Zhang, Song and Huang (2008) emphasize that limited attention paid by the academic community to TSC is not commensurate with the rapid development of the industry. Only some authors have alluded to or touched on the concept of TSC or its equivalents, such as tourism value chains (Kaukal, Hopken & Werthner 2000) or tourism industry chains (Song 2012, 5).

Bitner, Ostrom & Morgan (2007) claim that a TSC is a form of service supply chain by nature, referring to activities that facilitate the effective function of service. Page (2003, 106) argues that the procurement of tourism products and services requires a broad range of relevant tourism providers, establishing a tourism supply chain structure. As Chen and Yi (2010) state, the TSC consists of a whole range of activities that share resources, reduce cost and create customer value throughout tourism operations, including goods, money, and information flows which affect tourism products and tourism experiences. Wang (2012) points out that as a network constituted by suppliers, operators, tourists, and other interrelated organizations, the TSC acquires various required resources and transfers to core service and support, which will be eventually offered to tourists. Comprehensively, TSC is defined as

a network of tourism organizations engaged in different activities ranging from the supply of different components of tourism products/services such as flights and accommodation to the distribution and marketing of the final tourism product at a specific tourism destination and involves a wide range of participants in both the private and public sectors (Song 2012, 6).
The nature of TSCM depends on the nature of the tourism industry and the nature of overall tourism offerings. The tourism offering is a “series of experiences” achieved through a combination of diverse array of products and services; an amalgam of multiple components supplied by a range of companies involved in a collaborative relationship (Gursoy, Saayman & Sotiriadis 2015, 3). Such supply chain collaboration is referred to by Ling (2015) as an action to implement resource sharing between partners, with the aim of reducing costs, as well as enhancing customer values in all tourism activities including product, finance, and information flows that affect product quality and tourists’ experience. In a larger perspective, theoretical analysis and research from Kozicka, Kot and Riana (2019) indicated that a tourist-oriented supply chain comprises many entities, the engagement of which could have an influence on the effectiveness of managing the entire chain, as well as on the overall customer satisfaction. Thus, successful SCM in general or TSCM in particular requires an integration of all the organizations involved in a combination of business processes within and across organizations (Berhanu 2017). Figure 2 depicts the network configuration of a TSC. This model is considered relevant for this thesis because it acknowledges that tourism sustainability is embedded in TSC.

Figure 2. A Typical TSC Within a Destination (Song 2012, 20)
The TSC model demonstrates the networking operations conducted by various tourism organizations and the complexity of their relationships, which are established by commercial contracts to deliver services or products to customers (Quattrociocchi, Mercuri, Perano & Calabrese 2017). Suppliers providing products or services constitute parts of a TSC and are further classified as direct and indirect suppliers of which the former is typically known as first-tier suppliers and the latter is referred to as second-tier suppliers (Ślusarczyk, Smolag & Kot 2016). The service flow is initiated by second-tier suppliers moving to first-tier suppliers and finally to consumers while the information flow takes an inverse way. The downstream end of the TSC depicts tourists from the target market. The travel agents are retailers selling products on behalf of the tour operators. Travel agents and tour operators can be the same or separate business entities and are partners of the DMCs (Schaumann 2005, 19).

However, the typical TSC model (Figure 2) proposed by Song (2012) does not include the element DMC. The TSC model depicting the position of DMC is Figure 3.

Figure 3. Traditional Tourism Value Chain (CEDEFOP 2005)
DMCs operate in the distribution chain of tourism products as intermediaries between suppliers and tour operators/travel agencies who further sell products or services to tourists, or in many cases as intermediaries between services providers and direct customers (altexsoft 2020). Suppliers can work directly or indirectly with a DMC or a tour operator. DMCs could operate as wholesalers incoming operators selling products for tour operators, thus saving their time of contacting suppliers. (Buhalis & Laws 2001, 101.) In other words, a DMC links the supply and the demand sides and thus is able to facilitate the circulation of information and products between those two. Further to this, within the TSC, the specialized knowledge about destinations, connections with diverse suppliers, and cognizance of service quality of a DMC enable it to create and proffer high-quality tourism products adapting the diverse needs and desires of contemporary consumers with preferential rates. (Spasić & Pavlović 2015.)

Moreover, owing to possessing first-hand knowledge of destinations, as well as local purchasing power (ISMP 2020), DMCs are among the prominent lead companies having a major influence over the TSC as they shape how the chain is organized (Jack & Gary 2017). These companies generate cohesive travel experiences through assembling and packaging separate services to foster the design and implementation of events, activities, tours, and logistics programs (Marsh 2011). TSCs involve many entities directly or indirectly managed and coordinated by contract with DMCs (Spasić & Pavlović 2015). Thus, a DMC is a focal company that links all the supply chain members, from upstream tourism service providers to downstream tourists of a chain (Leslie 2015, 32). In this respect, DMCs have significant power in selecting, planning, and combining suppliers in a holiday package, as well as in influencing consumer's choices with respect to destinations, accommodations, and additional services (Mosselaer, Duim & Wijk 2012). In a nutshell, DMCs together with their value chain are key role players in facilitating tourist demand and in tourism destination development (Batinić 2018).
3.2 Sustainable Tourism Supply Chain Management from DMCs’ Perspective

3.2.1 Sustainable Tourism Development

Since the postulate of sustainable development by the World Commission on Environment and Development in 1987 as meeting our needs today without compromising the ability of people in the future to meet their needs, there has been extensive use of the concept of sustainable development in various areas of development including tourism.

The debate about sustainable tourism is partly influenced by the general concept of sustainable development. It is implied by Buckley (2012) that pathways to sustainable tourism is to take the ecological and social limits of living on a finite planet into consideration as promoting tourism growth. Higgins-Desbiolles (2018) states that sustainable tourism is centered on the viability of tourism and its moderate impacts on the environment, culture and society, which should be kept in an unimpaired state for present and future generations. Sustaining tourism implies that management of the productive value of the ‘natural’ capital is calculated in order to implement compensating resource replacement and substitution strategies (Higgins-Desbiolles 2018). Sustainable tourism is hereby reduced to maintaining a ‘natural’ equilibrium as a measurable state toward which intervention strategies can be applied as an economic trade-off between present utilization and presumed future needs (Liburd & Edwards 2010). Essentially, The World Tourism Organization (UNWTO) (2001) defines sustainable tourism as

Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment, and host communities.

It can be interpreted that this definition highlights the balance of three-dimensional growth of tourism which concerns 1) current and future development opportunity; 2) economic, social, and environmental impacts; 3) the impact to all stakeholders in the TSC (Vongsaroj 2013). In other words, sustainable tourism development prudently considers the economic, social, and environmental effects today and in the future, as well as take into account the needs of the entire industry, the environment, visitors, and destinations/host communities. The act of
incorporating sustainable practices in the formation and implementation of tourism services entails a change in the mindset of stakeholders towards sustainable operations for the sake of not only their long-term benefit but also the sustainability of tourism. (OECD 2018.)

3.2.2 Role of DMCs in Sustainable Supply Chain Management to Foster Sustainable Tourism

Tourism is one of the fastest-growing industries globally and this growth has resulted in tremendous environmental and social violations comprising but not limited to resource depletion, pollution, waste generation and community degradation (Vongsaroj 2013). DMCs, in order to align with the shift towards sustainable tourism development, are expected to progressively perform more roles in aspects of tourism policy, strategy, and environmental changes at the destination (Singh 2014). Acting as an intermediary, a DMC is a critical link between other suppliers and tourists, so that it represents a tremendous persuasive force for sustainability in tourism (Swarbrooke 2005, 272).

DMCs’ main function is also to act as incoming specialized tour operators (Jafari, Solá & Matos de Silva 2012, 236). When discussing tour operators’ operations in the context of sustainable tourism, the emerging of Tour Operators’ Initiative (TOI) is an empirical evidence denoting the awareness of the role of leading companies with clear strategy and actions in promoting sustainable development (TOI 2003). The TOI has increasingly exerted attempts to foster the commitment of tour operators to sustainable tourism development through the adoption of sustainability in SCM. The rationale lies in their strategic role in vertical integration operation of the supply chain structure. (TOI 2004.)

Literature also suggests that an organization’s sustainable approach will indeed trigger beneficial impact only when it is extensively adopted along the supply chain from upstream suppliers to downstream suppliers (Silvestre 2016). Moreover, several studies confirm that companies that adopt comprehensive solutions and collaborate closely with their partners in the chain to manage operations under three aspects of sustainability would be most likely to yield business effectiveness. An individual organization encounters limits to what it can do in practice, hence sustainability must be integrated into the entire supply chain,
and pushed by secondary stakeholders such as government, non-government organizations, and media rather than being implemented by a separate entity (Closs, Speicer & Meacham 2011). Working along the same line, Welford, Ytterhus & Eligh (1999), in an overview of potential sustainable tourism approaches, identified the need for environmental initiatives on both the supply and demand sides of the tourism market. Therefore, DMCs, performing the role of intermediaries with purchasing power towards their suppliers, have a great capability and responsibility for making substantial improvements to suppliers’ and customers’ perceptions and behaviors towards more sustainable tourism practices.

Albeit SSCM is a comparatively new concept in the tourism sector, sustainability in TSC is progressively considered crucial to manage materials, products, services, and cooperation and coordination among relevant organizations that positively reflect on the environment and society (Hussain, Khan & Al-Aomar 2015). There are several studies that examine, adopt, and show the value of applying SSCM practices into tourism (CELB & TOI 2004) through major activities of tour operators/DMCs including purchasing, developing, promoting, distributing products, and facilitating information sharing in a chain (Sigala 2008). The SSCM approach derives from the concept of sustainable development and complies with the core dimensions of the TBL, addressing environmental, economic, and social issues throughout the supply chain (Liu et al. 2017). Therefore, it offers a more clearly delineated context and framework for tour operators/DMCs to pursue sustainable policies and practices taken into account the environment, society, and economy along their supply chain (Mosselaer et al. 2012).

Liburd and Edwards (2010) state that the inclusion of sustainable TSCM into the full picture of what makes tourism sustainable is imperative, though attention paid to this issue is not rising to prominence. Yet SSCM is reliant on tour operators/DMCs operating practices, as their unique role as a focal company in the chain, such that their contribution to sustainable tourism will be more efficient through the implementation of policies and practices that acknowledge responsible impacts of suppliers (Vongsaroj 2013). For the realization of responsibility towards sustainable tourism development in a destination, a tour operator/DMC needs to, in the process of contracting with suppliers of certain
services, integrate the goal of achieving economic, environmental and social sustainability as an essential characteristic of services at a destination (CELB & TOI 2004).

3.3 Drivers for Adopting Sustainable Supply Chain Management

3.3.1 Internal Drivers

Drivers for SSCM can be defined as motivators that exhort or push companies to undertake sustainability initiatives throughout the supply chain (Saeed & Kersten 2019). Hence, adopting sustainability practices are collectively influenced by different internal and external factors (Schrettle, Hinz, Scherrer-Rathje & Friedli 2014).

An internal inducement is the company’s ability to manage risk to avoid unexpected threats (Faisal 2010) through implementing sustainable policies and practices in the supply chain (Brammer, Hoejmose & Millington 2011). Risk management is of paramount importance to companies that have values attributed to customers and brand recognition. Corporate reputation can be adversely affected by unethical or non-environmentally friendly practices in operations, reflected by negative customer behavior such as product boycotting. (Mont, Kogg & Leire 2010.)

Stockholders, owners of shares in a corporate (Karra & Affes 2014), are another internal driving force group that forces companies to embark on the adoption of SSCM practices. The adoption of sustainable practices along the supply chain is decisively depending on commitment and support from the company internal hierarchy (Seuring & Muller 2008). Stockholders are capable of promoting the adoption of SSCM practices by placing pressure on the top-level management of a company to commit to sustainability agenda by integrating to the mission statement and goals of the company (Green, Zelbst, Meacham & Bhadauria 2012). Apart from the economic performance, stockholders also pay attention to the social and environmental performance of the organization (Walker, DiSisto & McBain 2008). In this respect, pressures from stockholders extensively concern with the company’s environmental image and social acceptance (Paloviita & Luomaaho 2010), which critically affect the corporate reputation and profit (Hsu,
Tan, Zailani & Jayaraman 2013). Essentially, stockholders’ pressures are considered a major driving force towards adopting SSCM practices due to the capability of yielding internal commitment and support within the company.

A study by Dummett (2006) divulges that financial performance is also an internal motivator for embracing SSCM. Diminishing cost is an aspiration of every business in order to augment financial gain. Therefore, incorporating sustainability into SCM is of all assured strategies for companies to improve financial standing in the long term. (Studer, Welford & Hill 2005.) A virtuous cycle created indirectly via implementing green or socially responsible actions allows companies to attract capital and develop better interactions with stakeholders (Assaf, Josiassen & Cvelbar 2012). Moreover, businesses’ financial performance could enable them to offer better services and higher quality products, which fosters improved customer loyalty (Gursoy, Saayman & Sotiридis 2015, 307).

Competitive advantage is another driver associated with SSCM (Seuring & Muller 2008) that is linked to many factors including cost reduction, customer fulfillment, and innovation (Whitehouse 2006). This driving force accentuates the need for improvement in suppliers’ performance, increasingly compliant with responsible policies, innovative sources, and green production processes (Mollenkopf, Stolze, Tate & Ueltschy 2010).

3.3.2 External Drivers

Governments are responsible for exerting coercive pressures on companies in the form of stringent environmental legislation, with the view to facilitate the transition to a more sustainable society. Such governmental coercive influence exerted by those who have the authoritative capacity, are regarded as the most powerful driving force for the adoption of environmental practices. (Sarkis, Gonzalez-Torre & Adenso-Diaz 2010.) Organizations involved in supply chains must conform to environmental regulations and laws enacted by governments for the purpose of ensuring their long-term success and boosting their financial bottom lines (Esfabohdi 2016). Besides their coercive role, governments also exert motivating forces to encourage the undertaking of environmental practices by offering financial incentives by means of subsidies and tax reductions. In this
matter, many companies have been persuaded to play a voluntary role in environmental protection (Boström et al. 2015). Generally, environmental regulations associated with their compliance issues have proved their significance in directing many firms to pursue SSCM practices, which in turn allows the development of environmentally friendly products or services (Esfabohdi 2016).

One of the key goals of SCM activities is to fulfill customers’ demands. Customers, therefore, play a key role in the SCM structure, since they influence the adoption of supply chain practices, incorporated in the final products and services. (Handfield et al. 2005.) As environmental awareness has been promoted, customers have the propensity for requiring more environmentally friendly products and services that are developed under high environmental and social standards (Seuring & Muller 2008). Due to their significant role in the supply chain and their environment-oriented demand for products and services, customers are referred to as a trigger for the adoption of SSCM (Hsu et al. 2013). With such high environmental awareness and an increasing need for products developed through an environmentally sustainable process, customers are unwilling to engage with companies that are notorious for environmental or social issues reported in their supply chain (Taylor & Taylor 2013).

It is claimed by Christopher (2011) that competition in the market is “no longer between companies, but between supply chains”. Companies today encounter a statement “a successful company has a supply chain that aligns with the corporate strategy while being flexible and responsive to external pressures” (Fastener News Desk 2020), and competitors represent external pressures. Leading organizations in any field have been introducing sustainable practices to their supply chains in order to meet customers’ expectations and dominate the industry, gaining a greater competitive advantage (Zhu, Hashimoto, Fujita & Geng 2010). Pressures from successful competitors with sustainable products or services motivate companies to adopt SSCM practices. In other words, leading companies are instrumental in stimulating their opponents to mimic and follow them to integrate sustainability into SCM with the view to replicate their success path (Sarkis, Zhu & Lai 2011).
3.4 Framework of Tourism Sustainable Supply Chain Management

3.4.1 Engage Business in Sustainability

The first step is to ensure the management team’s awareness of sustainability and engaging in devising sustainability strategy for the company. This is because the concept of SSCM exists within the sustainability management context. After committing to sustainability, it is imperative for the executive-level to establish SSCM goals, which can later be cascaded down the company. Support from the top-level is built by presenting the business case, fostering the sharing of ideas, developing an organizational culture centered on the responsible way of doing business, and instilling a sense of ownership in an SSCM strategy. (Epstein 2008.)

To ensure that decision-making is supported by interdepartmental operating processes and capacities, a cross-management team should be established (Tapper 2001). Raising internal awareness is a priority for tourism companies to cultivate information leading to engagement and to provide training at all levels within the company in the long term. In particular, commitment at the level of directors is of paramount importance to render the implementation of initiatives possible. To attain this, though, robust evidence of the business case for sustainability is of necessity. Business associations have a vital role in facilitating the implementation of sustainability initiatives and engaging the industry and set targets for performance by developing knowledge and expertise. (Schwartz, Tapper & Font 2008.)

3.4.2 Integrate Sustainable Supply Chain Management into Business

The most basic action taken is to create a policy in which values and strategic direction are outlined (Edgell, Allen, Smith & Swanson 2008). The policy also ensures to specify standards to which all suppliers and employees are expected to comply with. SSCM practices are systematically guided by the company policy for sustainability and ethics with clear goals for SSCM. Goals will vary according to each company’s sustainability targets, scale and resource, product
characteristics and destinations, its focused impacts, and capacities to address impacts. (Preuss 2005.)

Policies may cover working procedures, product development, communication tools, or activities aiming to communicate expectations to suppliers in terms of managing socio-cultural, environmental, or economic aspects of operations (Tapper 2001). Most of the tourism organizations have lacked statements dedicated to SSCM so that it is important not to overlook the primary role of policy in defining organizational priorities and guiding the environmental and socio-economic initiatives (Preuss 2005).

Furthermore, SSCM requires a detailed outlining of responsibilities across the company to establish a sustainable supply chain management system, along with associated new business processes and training requirements. There should be distinct departmental roles and job specifications and provide training formally. The implementation of SSCM may entail the establishment of programs such as communication tools, reward systems, and training to create internal awareness and commitment at all levels. (Tapper 2001.)

3.4.3 Conduct Baseline Assessment of Suppliers

The next approach is to conduct an assessment of suppliers’ current sustainability status in order to make cooperative decisions and later to measure progress (Prahinski & Benton 2004). Because of the variety of suppliers in different destinations, assessments will be tailored based on destinations, main impacts, product or providers categories, and will need to be progressively incorporating into the company. Accommodation and restaurant suppliers are among key components to tour packages and tangible, so they are commonly easier to address and measure. Excursion providers including wildlife and animal-related activities, or attractions are next prioritized owing to adverse effects on the animals and natural habitats. (Tapper 2001.)

Many tourism companies have either developed their assessment systems such as EMS along with the ISO 14001 methodology (Harremans, Reid & Wilson 2005) or adopted standards produced by government or trade associations. Numerous
operators have utilized the Travelife self-completed assessment test website or distributed codes of practices to suppliers while conducting suppliers' baseline assessments. An advantage of the web-based tool lies in the electronic storage and reviewing capabilities which means supplies receive instant automated feedback on the results and also materials for improvements. (Schwartz, Tapper & Font 2008.) Additionally, the EU-Ecolabel, Nordic Ecolabel, TripAdvisor GreenLeaders, and Green Key offer a set of criteria for restaurant and accommodation services whereas ECEAT certification aims at any kind of tourism company operating in rural areas (MEAE 2017).

In addition to international standard certificates, national sustainability assessment certificates used in Finland have been developed according to the needs of tourism companies. Green Start is a responsibility training developed by Visit Finland and Haaga-Perho for the tourism industry. European Centre for Ecological and Agricultural Tourism (ECEAT Finland) proffer certificate for tourism enterprises meeting certain criteria. Furthermore, the Green Tourism of Finland® (GTF) Ecolabel are designed for companies that adhere to the sustainability principles and operations improving regarding environmental issues. (MEAE 2017.) On the other hand, assessments can be carried out by well-trained auditing staff or by qualified third parties although formal assessment and certificates would be effective for the smallest scale companies and can be selectively approached (Prahinski & Benton 2004). The point, on the whole, is whether companies more engage in feedback procedures with suppliers to build commitment, understanding and collaboration (Schwartz, Tapper & Font 2008).

### 3.4.4 Implement Sustainable Supply Chain Management Program and Actions

An SSCM program, based on the information gathered from supplier assessments (step 3), outlines activities and resources to work with suppliers in order to attain goals established in step 2. There should be actions for every member group of the supply chain consisting of accommodation, transport, activities, and inbound agents. (Schwartz, Tapper & Font 2008.) Certain tasks then can be allocated upon implementing actions encompassing awareness raising, support on sustainability improvements, integration of sustainability
criteria into contracting, and recognition for sustainable suppliers (McDonald & Nijkhof 1999).

The performance of sustainability actions can be in alignment with the nature of both the focal company and supplier businesses that are accommodation, ground agent, transportation, excursion, food, and crafts. In most cases, suppliers may require support and training when it comes to implementing sustainability actions. Some large companies already provide this, and industry associations and destinations can provide additional support. The term actions represent various types of involvement in managing the supply chain to improve sustainability performance including but not limited to site visits, investment, information sharing, supplier encouragement, training, and self-improvement, yet it primarily relies more on suppliers to proactively implement change. (Schwartz, Tapper & Font 2008.)

3.4.5 Monitor and Evaluate the Program and Report on Progress

Monitoring and evaluation of performance and the degree to which results have been achieved is essential to manage the SSC. Font and Cochrane (2005) claim that anything that cannot be measured cannot be managed. Thus, sustainability performance should be monitored and documented to gain reflection on progress to better identify and comprehend the factors that support or impede the implementation of sustainability actions and to integrate these into future decisions. Monitoring and evaluating can appear as annual surveys, environmental checklists, standard metrics, and in the form of reporting to transparently exchange information with suppliers, sometimes accompanied by brief recommendations for enhancing the suppliers’ performance. (Schwartz, Tapper & Font 2008.)

The Travelife system has developed a form for accommodations to fill in to assess performance and detect areas that need improving. On the other hand, the sustainability report is suggested to follow the GRI guidelines (Global Reporting Initiative) which have been the most reputed international standard for reporting environmental, social, and economic performance. GRI has strategic partnerships with the UN Global Compact, ISO and the Organization for
Economic Cooperation and Development to establish principles and performance indicators that tourism companies can employ to measure and report sustainability performance. In the report, along with evaluation, incentives and recognition for suppliers’ contribution and attainment are also essential. (GRI 2002.)

On the other hand, some experts may prefer more informal evaluations through internal discussion than full reporting since it is a resource-intensive activity. Companies may also organize meetings with suppliers aiming to exchange information, assess and give feedback on their performance in view of integrating sustainability concerns into business procedures. Regardless of the form of monitoring and assessment taken, the emphasis puts on identifying successes and problems to raise awareness of the need for tourism entities to engage in sustainability among stakeholders, and to plan future initiatives. (Tapper 2001.)

3.5 Sustainable Supply Chain Management Development

SCM has been recognized to be an increasingly dynamic and global phenomenon that sustaining resilient supply chains is a crucial success factor in this constantly evolving world for businesses. Supply chain specialists have long been concentrated on quality, cost, delivery, and efficiency, but just since the last decade has sustainability been added to SCM for many companies. Through improving environmental, social, and governance (ESG) performance within the supply chains, companies can “enhance processes, reduce costs, develop product innovation, increase labor productivity, achieve market differentiation and have a significant impact on society”. (UNGC 2016, 4.)

Drawing on one of the objectives of the thesis is to examine and assess the current SCM status of the company through the lens of sustainability, the use of international standards and codes is a complementary approach to measure, monitor and assess a company’s progress towards sustainability in general, and sustainability in SCM in specific. The SSC Maturity Levels Model (Figure 4) adopted from UNGC (2016) was applied to facilitate the process of evaluating.
Many companies have not had a comprehensive interpretation of the performance and sustainability impacts of their supply chains. Depending on varied approaches to supply chain sustainability taken by businesses, different development phases are identified and categorized into basic, improving, established, mature, and leading.

On the basic level, companies have limited knowledge of supplier risks and basic sustainability development regarding energy use and pollution management, employee management system (health and safety, training), and the existence of supplier code of conduct with minimal guidelines. On the improving level, standards and developing programs are introduced but with a low level of concern and expectations, with attention on compliance and risk, and basic internal audits and active external evaluation for upstream and downstream partners/suppliers.

As progressing to the established level, programs become well-established in which companies implement more standards and set clear expectations to screen, select, and manage suppliers. Employees are trained on policies and
procedures concerning health and safety, child labor, and human rights. At the mature stage, companies strive for more mature programs, so suppliers are requested to cascade the standards and requirements down in the supply chain to improve performance. Companies spend more money on integrating practices with product design and development to enhance sustainability. Firms reaching the leading level create shared value with their suppliers, fully assimilate economic, environmental and social aspects into supply chain activities, integrate sustainability in business DNA, launch innovative initiatives in pollution and energy management among suppliers/partners, regularly review and update lifelong training programs and gain higher net profit due to sustainability practices. (UNGC 2016, 4.)
4  THESIS PROCESS AND METHODOLOGY

4.1  Thesis Process

The development of tourism depends on the operations of tourism partners and the collaborative products offered to customers. This process refers to the concept of supply chain in the tourism industry in which DMCs are in the central position of the chain, acting as a critical link between other suppliers and tourists in the destination. Tourism in a remarkably large sector in Rovaniemi, Finland involving numerous interrelated companies in coordination with DMCs. Therefore, the integration of sustainability throughout DMCs’ supply chains is imperative to the sustainable growth of the tourism industry in the destination.

The purpose of this paper is to assess the SSCM situation at the DMC Safartica. Further, the aim is to propose improvement practices within the SSCM framework for the company in order to enhance tourism sustainability on a destination level. The qualitative method was utilized with different techniques to gather relevant data and information, facilitating the research process to attain its objectives. Phases of the thesis and the corresponding employed methods are illustrated in Table 1.

Table 1. Thesis Process

<table>
<thead>
<tr>
<th>Period of time</th>
<th>Tasks</th>
<th>Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2020</td>
<td>✓ Filter and decide topic ✓ Select commissioner ✓ Prepare and read relevant theories</td>
<td>Research Literature review</td>
</tr>
<tr>
<td>February 2020</td>
<td>✓ Present poster idea ✓ Complete thesis project plan ✓ Meetings with the commissioner ✓ Select methodologies ✓ Write the theoretical framework</td>
<td>Literature analysis</td>
</tr>
<tr>
<td>March 2020</td>
<td>✓ Conduct interviews with the commissioner ✓ Transcribe interviews ✓ Perform the content analysis</td>
<td>Qualitative method Content analysis</td>
</tr>
<tr>
<td>April 2020</td>
<td>✓ Analyze results ✓ Propose applicable practices ✓ Finalize the preliminary version of the thesis</td>
<td>Qualitative method Content analysis</td>
</tr>
<tr>
<td>May 2020</td>
<td>✓ Polish the thesis ✓ Thesis presentation</td>
<td></td>
</tr>
</tbody>
</table>
The research began with comprehending the definition of SCM, then its implementation in the tourism industry. This is followed by scrutinizing the theoretical background of sustainability based on the TBL along with the integration of this notion into the field of SCM. Thereafter, discuss the theoretical understanding of the framework of tourism SSCM, laying the foundation for suggestions of enhancement SSCM practices for the commissioner with the purpose of advancing sustainable tourism development. The research idea is illustrated in Figure 5.

![Diagram of Sustaintibility, SSCM, and Sustainable Tourism Development](Image)

Figure 5. Thesis Idea

4.2 Qualitative Methodology

Qualitative research focuses on understanding the attitudes that respondents have and the underlying causes for this. This relates not only to what respondents do and feel but particularly also why. This type of methodology can be used during research to obtain more in-depth information. (Saunders, Lewis, & Thornhill 2016, 25.)

Considering that the purpose of this thesis is to gain insight into the current SSCM situation at Safartica and subsequently make improvement recommendations on SSCM practices, it is strongly put that qualitative methodology would provide the
necessary nuance level to understand such problem and obtain desired results. As Durbarry (2018, 16) states, the purpose of this type of research is to explore, interpret, and understand rather than to develop and test hypotheses.

Qualitative research typically involves fewer subjects but gathers a wealth of information from those subjects in an attempt to explore the reasons and background for their behavior. It is an attempt to learn what is happening, and the goal is to explore, discover and investigate phenomena where there is little previous research allowing scholars to keep an open mind to nuances of information and threads of inquiry that might produce new insights. (Mayo 2014, 14). In light of that, the methodology proves to be appropriate to acquire different perspectives towards how effective the company’s SCM is through the lens of sustainability, what forces Safartica to be inclined to sustainable SCM, and the envisioned developing directions in the future.

4.3 Semi-structured Interview

The semi-structured interview can be useful when it comes to exploratory studies. Semi-structured interviews would provide insights that may not be prompted by structured questions alone. The free-flowing conversation of a semi-structured interview can reveal additional useful information that could not have been planned. (Mayo 2014, 90.)

The interview has a list of themes and questions given a specific organizational context that is encountered in relation to the research topic. The order of questions could vary depending on the conversation flow and additional questions would be flexibly added to explore research objectives given the nature of events within the company. The interviewer also affords each interviewee to hear themselves ‘thinking aloud’ about problems that have not previously pondered. The achieved result would be a rich and detailed set of data. (Saunders et al. 2016, 32.)

The interviews were mostly conducted face-by-face and by Skype with those participants whose schedules were not aligned with the interviewer’s to meet physically. The duration of these interviews ranged from 25 to 40 minutes.
covering different theme questions in the interview template dependent on their roles and responsibilities including the owner, the sales, and the marketing managers. The main utilized language was English due to dissimilar native languages of the interviewer and interviewees. All the interviews were recorded with mutual consent and knowledge for the using purpose of the recordings, and were subsequently, transcribed in English.

The interview template consists of themes pertinent to the research topic. To be specific, questions are classified into topics that are SCM status based on the sustainable perspective, drivers for adopting SSCM initiatives and expectations for sustainable practices regarding SCM to facilitate improvement. The general content of interviews was explicitly mentioned in the invitation email sent to the interviewees for the by virtue of transparency and discreet preparation. The employed method was significantly helpful to gain in-depth information through capturing individuals’ perceptions favorable for attaining the final objective of the research.

4.4 Content Analysis

Content analysis is a type of qualitative research in which images and words are perceived and analyzed in ways different from their traditional use. The purpose of content analysis is to elicit meaning from data and enable researchers to draw inferences from it. (Bengtsson 2016.) The method can be used in a number of tourism contexts such as analyzing marketing material for certain discourses or ideas, government policy documents, and interview transcripts (Mayo 2014, 94).

Considering that the main focus of the thesis is to propose SSCM practices for Safartica to ensure tourism sustainability in the destination, data analysis allowed the researcher to handle and get an insight of collected data. Most of Safartica’s data on SSCM are provided by interviewees’ wording so that the analysis and interpretation of their expressions proved to be necessary for gaining a holistic view of the company’s current status as well as future needs and envisaged developing approach. Additionally, the tone of voice, facial expressions, and other reactions of the interviewees during the interviews were also noticed to reveal possible thoughts.
Given that qualitative data can be generated in various ways and takes different forms which range from detailed focus group transcriptions to recorded interviews to the content in marketing materials. Conducting content analysis based on transcribed text allows the researcher to get the sense of the data. (Durbarry 2018, 160.) The transcribed text was coded in a template to identify emergent themes and patterns, enabling early assessments of the data and providing an indication of the direction and the analysis form. Content analysis was an employed method to not merely counting words or extract objective content from texts to examine meanings, themes and patterns manifest or latent in the study (Zhang & Wildemuth 2017, 318), but rather to allow facilitate the author’s subjective but scientific understanding manner towards main keywords and concepts.

4.5 Trustworthiness of Qualitative Research

Trustworthiness has been an important concept in research, especially in the field of qualitative research lacking scientific rigor (Gunawan 2015). As the qualitative approach was selected as the research method for this thesis, the criteria of trustworthiness are the credibility and transferability rather than reliability and validity (Silverman 2012).

Credibility indicates the confidence level of the truth of the research findings whether denoting plausible information extracted from participants’ data and exact interpretation of participants’ perceptions (Korstjens & Moser 2017). Data of the research was gathered through content analysis method and augmented by semi-structured interviews with diverse directors and stakeholders of Safartica. Several questions of topics related to research were asked and participants were encouraged to support their answers with examples paving the way for follow-up questions. Then the author studied and interpreted original data to draw corresponding findings rather than skewed them to fit the personal narrative. Moreover, participation in the interview completely occurred on a voluntary basis and the participant had the right to conform to or repel participation and discontinue at any time.

Transferability, on the other hand, concerns the applicability aspect implying to which degree the results can be generalized or transferred to other contexts.
(Korstjens & Moser 2017). Albeit the research put the emphasis on suggesting SSCM practices for the DMO Safartica in Rovaniemi, various features and characteristics of the tourism industry and SCM concept have been taken into account in the process. Furthermore, as the final result was partly contingent on accredited and reliable theories from journals and scientific studies, this set of practices can probably be adopted and implemented by DMCs in different destinations.

4.6 Limitation

Albeit the goal of this thesis has been reached, there are some limitations that need mentioning. Firstly, the selected company is a regional DMC with a sustainability mind but comparatively young in such area. Therefore, the findings might be not generalizable to all DMCs and other types of companies in the tourism industry with or without a sustainability approach to SCM. It is critical to consider the qualitative approach of the research prior to any taken generalization due to the bias nature of the author’s interpretation of data.

Secondly, improvement suggestions made based on the theoretical framework was aimed to address the focal firm, specifically the DMC and its supply chain. Thus, the research result might not be extendable to other types of businesses in different industries without considering any potential modification.

Thirdly, the improving practices recommended are deemed to bring benefits to the company, though the implementation of them might entail challenges mentioned in the thesis. Barriers are but not limited to resources constraint, influencing power towards suppliers, consistency of approach within the company and along the supply chain, and communication processes. Safartica should identify solutions to these barriers while adopting the research suggestions to drive SSCM to its full capacities. Lastly, the deductive method could constrain the researcher’s attention on practices in the scope of the theoretical framework triggering personal bias.
5 ANALYSIS OF FINDINGS OF COMMISSIONER

5.1 Background of Safartica

Safartica is a privately-owned Destination Management Company (DMC) located in two destinations in Lapland, Finland which are Rovaniemi – the heart of culture and entertainment of Lapland, and Yllas – Finland’s best ski resort bordered to Sweden (Safartica 2020). The company was established in 2002 under the name Snow & River Adventures in Rovaniemi and primarily offered forestry services, river rafting, and paddling. However, in 2006, with the introduction of a new business strategy, the company started focusing on more travel-related services that later became its main source of revenue. The company has been known by the brand name Safartica since 2008 owing to a business acquisition. Another significant addition to Safartica’s development is its acquiring Yllas Adventures Ltd. in 2013 with an eye towards stimulating growth and increasing market share. (Kuru 2020.) As of today, Safartica is the second biggest and leading DMC in Rovaniemi and is in the top 4 tourism companies of Lapland (Antikainen 2020).

The company’s business activities are seasonally organized as the tourism industry in Lapland is winter-based. Safartica provides customers with a variety of accommodation choices, logistics planning and supplying, and safaris. As being a seasonal business, Safartica does not employ many permanent employees but mostly contracts with seasonal workers and trainees. Core staff total in only 22 people from both affiliates while the number of temporary staff and trainees are around 70 and 20 respectively (Antikainen 2020).

In terms of customers, Safartica works with three main groups of customers which are individual, leisure, and incentive. The company, by providing thousands of holidays during peak season, statistically generated a gross turnover of 9 million euros in 2019 of which 48% are from tour operators, 20% from charters, and 32% from retail sales. Currently, the DMC is planning on expanding its operations to different regions of Lapland. The strategy until 2022 is to focus on the main customer group and extensively establish strategic partnerships with different suppliers and partners in the region to grow its customer base, access to new products, and block competitors. (Kuru 2020.)
5.2 Sustainable Supply Chain Management Situation at Safartica

5.2.1 Supply Chain Management at Safartica

For the purpose of examining the SCM situation at Safarica, it is a prerequisite to be aware of how SCM is perceived at the organization. Respondents of the interviews, in accordance with the literature, stated that SCM is to manage the process of organizing, producing, and delivering products or services, which is assembled from various resources from different suppliers to customers. Safartica focuses on the collaboration with suppliers/partners to address issues inherent to SCM. Besides, selecting suppliers to collaborate is considered as being crucial to customer satisfaction.

That is a collaboration to design and create, sell packages [...] When one supplier fails the customer sees our entire product faulty. (S3)

We make use of resources from different suppliers that we are coordinating [...] relationships with tour operators or travel agents and with suppliers. (S2)

It is to manage the designing and delivering of services to create customer value through stable relationship [...] each supplier has its different ability to respond to the required quality and time span, and dissimilar quantity of input materials and supply capacity, so a good collaboration helps to easily detect these issues and offer support when needed. (S1)

Furthermore, supply chain collaboration helps Safartica to improve its position in the process of negotiating and selecting partners and distributors as referred to by most of the interview participants. Besides, the timely and accurate sharing of information among the parties involved in the cooperation with Safartica would support the company to understand the market needs and fluctuations to accordingly plan and manage its operating activities. To be more precise, participating in the chain renders a substantial reduction of capital investment in market research, new product development, and demand management.
Safartica appears to be the region second leading DMC and is recommended by creditable tourism websites such as TripAdvisor and customers as providing various excellent tourism products and services so that proactively establishing relationships and actively foster collaboration with suppliers to optimize added value for customers through effective sharing of information is necessary. (S3)

[…] the variation in what customer need forces us to collaborate with suppliers to satisfy them during peak season […] Forecasts from international hotel chain like Scandic would be helpful […] (S4)

The well-established relationship between us and service providers not only facilitates the knowledge and information sharing, but also helps improve business efficiency and increase customer satisfaction level. (S1)

[…] together forecast demand, manage inventory, and develop tour products. If it fails, we lose the client and our credibility to the eyes of clients, thus lose business value. (S5)

Despite a being season-oriented DMC, Safartica is reputed for offering a wide range of tourism products constituted by the resources of numerous suppliers. Thus, the company has established relationships with many local service providers forming its extensive supply chain network of entities. The network is centered on vertical collaborations from upstream suppliers to downstream partners. Overall, Safartica does not directly operate or own any of these suppliers, although some hotels are part of the DMC.

As a provider of various services such as safaris, snowmobile, accommodation, logistics, etc. We coordinate vertically with more than one hundred of suppliers such as hotels, restaurants, husky and reindeer farms, etc. and have partners like inbound tour operators. (S2)

We have few well-established suppliers and case by case we make new arrangement when needed […] If we include local partners, local suppliers, foreign tour operators, for sure more than one hundred […] (S3)
I have more than 60 suppliers on my hand that I work with on a daily basis [...] they might supply 90% of the package content leaving us sometimes as a re-seller. (S4)

Safartica coordinates with upstream suppliers responding to the criteria of products or services in order to develop standard products and ensure the authenticity and quality of them. With regards to downstream partners, the company cooperates with tour operators/travel agencies to indirectly sell their packages to customers because of their effective marketing and sales capabilities.

[...] as much as possible local and authentic suppliers [...] (S2)

[...] Local partners and in general tour operators/tour agents [...] they bring customers and give visibility to our company products. (S5)

The interviewees were also asked about how the supply chain is managed and how systematic this management is in this regard. The findings indicate that in spite of the complexity of the company’s supply networks and the crucial role of collaboration among businesses in the supply chain in the development of product and the continuity the company’s incoming revenue streams, Safartica’s supply chain is not officially controlled and monitored by a specific and specialized person or department in a company but partly managed by the sales and marketing managers. Furthermore, what came out from the interviews was that the company does not have a clear strategy when it comes to SCM.

At the moment it’s still unsystematic, to be honest. From my perspective, we are lacking in having one person in charge and dedicated to supplier management. There’s no systematic process in place. We look at the sales figures, then it triggers new orders at the supplier. It’s mostly me managing this. (S3)

[...] stress the importance of flexibility when it comes to managing the SC [...] like flexibility in choosing to collaborate and contract with suitable suppliers. (S1)
It would be good to have something like a guideline or a strategy for everyone [...] but our cooperation culture is to gain mutual benefit and satisfy tourists. (S4)

On the other hand, in terms of SCM, the company expects to create robust strategic partnerships with suppliers in which businesses work together to share resources, capabilities, and reduce risks when working together on common goals such as expanding market share or product mix.

[...] with Raitola and Lakkapää we have regular meetings where we think how to go forward together but with other suppliers, we don’t have that much of the influence [...] hope to have with other suppliers to expand market probably. (S2).

We have a shared partnership with one supplier (50/50). But not much investment in others [...] in the prospect of having a stronger strategic relationship as we are planning on expanding our business. (S1)

We have bought ownership in husky and reindeer farm to ensure our clients are served in the quality we need [...] not sharing finance with mostly hotels and restaurants [...] looking forward to that from the owner to maybe enhance collaboration efficiency. (S3)

To encapsulate, it was discerned that the company is committing to working through all problems inherent to TSC together with its suppliers and partners through close collaboration. Safartica is also, as being indicated by many respondents, expecting to develop an approach of stronger strategic partnerships with its suppliers and considering investing in the suppliers’ operations. Such actions and plans are perceived by the author to raise the purchasing power and organizational influence of Safartica in its relationships with suppliers, thus potentially to suggest and implement any sustainability-related practices within its supply chain since it is asserted by the literature that the value of close partnership and collaboration is a facilitator of SSCM.
5.2.2 Engagement in Sustainability

Drawing on the literature, sustainability is underpinned by three dimensions of the TBL and sustainability is a business approach to create long-term value by taking into account how to simultaneously operates in an environmental, social, and economic way. Perceptions held by most of the interviewees showed a congruence with the definition, yet with a preference for environmental and social aspects. It is believed that sustainability is the company’s orientation in the long run as integrating sustainability has been an indispensable requirement of demand, and tourism is not an exception.

Sustainability is the ability to maintain a certain level and to preserve the economic, ecological, and social balance through the years. Sustainability is a trend already and it is an assumption that developing such strategies foster company longevity. (S1)

Sustainability is a way that our company can decide to follow to ensure environmental and social correctness in long term planning as a DMC. (S3)

My point of view goes more for social sustainability, and there I see that we need sustainability. Sustainability is on high demand in the tourism industry as its biggest influence on our ability to push our business to be steady in the long term in the market. (S2)

Prior to the implementation of sustainability to SCM, the top-down internal awareness and engagement to sustainability is a prerequisite as reasoned in the literature. The significance of sustainability has been acknowledged by the executive level of the company and gradually integrated into business operations. It can be said that the board directors have a vision to embed sustainability in the company and sustainability strategy is being developed and managed at the very top.

We have been aware of responsibility especially towards social and environmental issues in our company. For example, concerning social welfare, we constantly try to get more around the year contracts for employees, more tax income for the municipality, bigger investments for the
program locations which helps to spread customer flow on a wider area. (S2)

We have been on the way to operate our business in a responsible manner, like mutually decrease the use of water and resources and also comply with PAM regulations with regards to managing employees. (S4)

Our company has been adapting to this sustainability trend and seen it as our future company direction [...] respect human rights, create a great working environment where employees feel valued and follow Finnish law on sustainability for tourism businesses, also mention that on the company’s website are starting steps. (S3)

We have worked on a strategic plan on sustainable business and would engage the whole company [...] believe that sustainability will be in daily work discussion after a clear plan being worked out and promoted. (S1)

When asked perception towards integrating sustainability in SCM, the respondents affirmed that it is an essential action to strengthen the supply chain collaboration owing to having a similar operating direction. Furthermore, it was divulged that as the tourism industry at the destination is driven by many entities engaged in the TSC from upstream to downstream under the form of cooperation, Safartica deems that the incorporation of sustainability into the entire chain would promote sustainable tourism at the destination.

Concerning its application in SCM, we are a chain and our company coordinates with other suppliers and partners [...] so it is necessary for us to work together to enhance it. (S2)

[…] on a macro level, sustainability in supply chain cooperation process facilitate sustainable development of tourism as all tourism companies act responsibly. (S4)

[…] a mutual sustainable plan among our vertical or horizontal partnerships will help us to run more effectively and together contribute to the development of the tourism industry in Lapland in a socially and environmentally effective way [...] (S3)
We are living in a resource depleting world and so...we need to live with what we have today and should not borrow from the future. And in order to make a sustainable future, I believe we should make our supply chain sustainable today as sustainability in SCM helps to reduce risks in all aspects I mean for profit, environment, and the community. (S1)

It was also divulged by the interviewees that the company acknowledges its position in fostering sustainable initiatives along its SC. As one of the leading tourism groups and as a focal company in the TSC at the destination, Safartica considers its activities in collaboration with its suppliers and partners to be critical to establish an SSC and has goals for SSCM, though they have not written down. Generally, the engagement level of Safartica towards SSCM considers activities of itself and those undertaken to create opportunities for discussion and information exchange between the company and mostly the first-tier supply chain.

As the second leading DMC and have strong relationships with multiple suppliers, we are aware of sustainability issues and trying to integrate it into managing our SC. We also conceive goals for SSCM in three aspects, yet they have not been officially on paper, they can be described as

Economic: long-term profitability of the company and also the value chain, and support customers to purchase responsibly.

Social and environmental: responsible products, employee wellbeing and ensure responsibility in the supply chain

Animal health & welfare: responsibility in choices for and operations at farms (reindeer and husky). (S1)

[...] We ourselves have been following sustainability regulations so we communicate and expect our suppliers, partners or even customers to be like us for better collaboration [...] (S2)
5.2.3 Drivers for Adopting Sustainable Supply Chain Management

Companies experience dissimilar pressures or drivers that influence their shifting direction towards sustainability and adopting SSCM practices subsequently. All the respondents acknowledged the existence of driving forces and pointed out specific motivators of the company according to the nature of their business and the operating environment.

The literature on internal drivers highlights the roles and values of stockholders who are primarily owners or founders. It is compatibly found from the interviews that concerns and commitment from owners were reported to be the motivator for sustainability actions within the company, as well as for SCM.

As I said before, as one of the owners, we have been strategically working on becoming a sustainable business and engage the whole firm to radically turn sustainability into our culture [...] affect both internally and externally [...] (S1)

[...] concerned about acting responsibly and our company’s founders have been focused on such sustainability issues not only with employees but also with suppliers and those who are collaborating with us. (S4)

[...] starts from the higher level already and this has been a rising concern. We have been done things that socially and environmentally responsibly as being decided by the owners which affect our operating procedures as a whole. (S3)

As one of the directors, my colleague and I have always care about labor practices, working environment and environmental issues [...] our company has been always trying to follow [...] (S2)

The second internal driver identified as being imperative to the implementation of sustainable practices along the supply chain is reputation. The DMC’s reputation is referred to as the constant pressure as it is a solid element to compete in the industry. In order to achieve a sustainable positive image, it is believed that engaging solely internal stakeholders are not powerful enough but requiring the assimilation of sustainability practices along the supply chain.
Reputation is really important, and we have to protect that. So that is why it is necessary to concern sustainability in the supply chain with suppliers specifically as it is not enough to focus on only employees, product or customers [...] (S3)

[...] in order to compete with other opponents, image is a crucial element and if we want to have a stronger reputation than our competitors, we need to incorporate sustainability across the supply chain to mutually act responsibly to create value and deliver sustainable products. (S4)

When it comes to motivator [...] reputation forces to some extent to operate responsibly towards our community and environment. And it might be affected by external stakeholders such as suppliers, so we have to integrate sustainability into the supply chain to maintain a good image with them to keep reliability for a long-lasting cooperation. (S2)

[...] incorporating sustainability along the supply chain especially with suppliers will help to consistently keep the quality of products as being sustainable so consumers may give greater preference to our company, and thus we have a better reputation. (S1)

One of the external drivers for the company to adopt SSCM practices indicated by the interviewees is customers’ demand and fulfilling their requirements would result in economic gains. Since environmental awareness was promoted, tourists have inclined to require and purchase more environmentally friendly products and services in accordance with the principles of sustainable development. Due to their significant role in the supply chain and their shift towards living and acting responsibly/ environment-oriented demand, Safartica is motivated to incorporate sustainability into SCM to create an ethically sound supply chain to ensure service quality.

More and more travelers are asking us about the sustainability problems inherent to our packages. For example, some of them ask about the ethical issue concerning reindeer and husky while some of them ask about their impacts on natural habitat when they buy the forest tour or some of them wonder about the origin of food used in one the restaurant we arrange in
the tour [...] trying to ensure the sustainability issue with suppliers before using their services or products to create our products. (S2)

[...] tourists that ask about the origin of some products [...] most of the time customers ask about the humanity thing you know towards animals such as husky and reindeer before deciding [...] have to serve their demand as they bring us money. Therefore, we would have to discuss and address such issues with those farm suppliers [...] (S5)

[...] tourists ask about their environmental impacts on the if they join in the snowmobile tour or icebreaker tour [...] they are who we [...] (S3)

Drawing on the literature, the government is a coercive pressure that impels companies to be socially, environmentally responsible while operating economically. Interviews with the company pinpointed that it is governmental regulations that mostly force and encourage Safartica to embark on addressing sustainability in the business operation and most of the respondents emphasized its role in establishing sustainability in the supply chain.

We have Finnish law about labor code and environment protection for tourism businesses that all of us have to follow and so you know, we do discuss but believe that our suppliers as an actor in this tourism market would have to comply with these laws. (S1)

[...] Government naturally influences our choices [...] may not cooperate with suppliers that go against the law concerning labour issues or animal welfare [...] (S3)

[...] The Finnish Government and other organizations motivate us to go sustainable in all business activities while operating in this tourism industry, and of course including managing our supply chain. (S4)

5.2.4 Engagement in Sustainable Supply Chain Management

Consistent and efficient SSCM actions indisputably derive from the organization’s outlining principles that suppliers who are in cooperation with the company are requested to comply with. In an attempt to examine the engagement of Safartica
in SSCM, it was revealed by the interviews that despite the company’s high awareness of and commitment to achieve SSCM, Safartica has not had its own written policy and targets for suppliers. In general, most of the respondents reported that supplier relationships are rather informal personal connections and centred on mutual trust as opposed to formal policies.

Honestly, we do not have a sustainable policy. We are looking for materials and guidelines on that, so probably we will pay more attention to developing one and suppliers are expected to conform to that code of conduct. (S1)

[...] do not have something like that currently [...] try to find ways to develop one [...] (S2)

In order to ensure its commitment to operating in a way that positively affects the environment and community, and embracing human rights, Safartica has conformed to general national legislation. Accordingly, as part of the company’s supply chain, Safartica does expect its suppliers to share such commitment but seems to be influenced by the assumption that their suppliers would probably already be responsible companies and on a certain level of sustainability as they are operating in Finland regardless of the reality. These suppliers are reckoned to be so far adhering to sustainable standards and regulations across their business and along their own supply chain.

[...] strictly follow Finnish Law, Business Finland and standards from Metsa, VisitFinland [...] to run our business [...] think our suppliers and partners to be the same. (S2)

[...] all tourism firms should follow Finnish regulations and other standards these so if any of them are our suppliers, they should already [...] (S3)

[...] We expect the businesses in our supply network to take a similar ethical approach as we do [...] (S4)

In identifying roles of internal stakeholders in the implementation of SSCM, most of the respondents indicated that assigning responsibilities to particular positions or individuals to create a management system has not recognized, thus not executed. According to them, managers or employees in general proactively
comply with laws, gather materials from external sources. Then since supply chain collaboration enables information sharing with key suppliers, Safartica transparently communicates with its suppliers/partners to disseminate collected information or discuss regulations to achieve SSCM goal, and on a broader scale sustain tourism development at the destination.

 [...] SC is not managed by a person and either each of us or staff has certain tasks regarding sustainability with suppliers [...] (S3)

 We do not give tasks to each individual [...] take part in VisitFinland workshops [...] get really good tips from Visit Finland who do continues tourism studies and are always aware of trends, then spread information to suppliers that each of us work with so we may together act responsibly. (S1)

 There is no clear role [...] meet with suppliers when working with them and do also share sustainability knowledge with each other [...] including environmental effects of tourism, and destinations’ social and natural environments. (S2)

5.2.5 Sustainable Supply Chain Management Actions

It was found from the interviews that Safartica has not until now conducted any formal baseline assessment for suppliers. That means the company neither possesses its internal assessment system nor applies globally used and accepted sustainability standards and monitoring methods from any external source, thus not acknowledging the process of assessing and developing criteria for incoming suppliers in its inventory. Credibility and trust are to some extent the basis of sustainability compliance as a substitute for coercive or assessment-based approach according to the interviewees.

 We do not have any internal assessment or standards requirements for suppliers and a person to do that now. We believe that every business should follow some kind of sustainability criteria, you know has a bottom line. (S2)
We do not assess or have strict standards towards suppliers but if it counts, we do consider if those companies are legal, I mean operating in accordance with sustainability law [...] potential for tourism activities. (S3)

[...] usually, just assess their product only. Other problems pertaining to sustainability can be a challenge, we try to control that we have guides from our companies involved in common products, so it helps for controlling quality. They can report their point of view and if weaknesses appear. If we cannot control by anyway, we need to develop a huge trust based on recommendation, reputation, and discussion. (S4)

[...] do not have any assessment except service quality, about sustainability I think no something like that. It is really hard to say and to do in practice. Maybe we need some audit professionals [...] (S5)

Some of the interviewees revealed that a large number of the current suppliers are in collaborative-based relationships, and that the company, for the most part, considers its influence over suppliers less powerful to request any significant change in their business procedures to be more sustainable. It is expected that the company’s aspiration for establishing stronger partnerships with suppliers in which they share resources, capabilities, and finance would facilitate the promotion of more SSCM practices.

However, several sustainability practices and actions have been incorporated and implemented in managing different types of suppliers. Interview participants provided information about some practices across key sectors of the TSC according to the nature of their companies. Current practices/actions though are not systematically implemented and managed. Precisely, the information and progress of some actions seem not to be consistently acknowledged among employees, at least among respondents due to the fact that some of them mentioned this while the others referred to different ones, and there is not target or standard for action performance was identified.

Whilst stating that the company does not have the powerful enough purchasing power to change behavior, Safartica still so far takes into consideration environmental and social aspects when selecting accommodation suppliers. Yet,
such sustainability aspects have not explicitly addressed and enclosed in the contracting process. The company is giving preference towards locally-owned chambers and planning on developing environmental checklists for accommodation that it owns (S1), as well as planning on at the same time raising awareness among its suppliers in the same account.

[...] tend to contact with small and medium hosts, except one big brand like Scandic, as we believe that those suppliers are more environmental-friendly due to their limited costs from energy, water and waste [...] (S2)

[...] refer to collaborate with local accommodation hiring locals because we see it as social responsibility [...] Although we rarely mention these in contract, we observe that they treat their employees well, pay good salaries, generally comply with PAM regulations [...] (S3)

[...] In our accommodation side it’s integrated so that we choose suppliers who have ecological certificates and use ecological products. In otherwise we try to use suppliers who are local and use local workforce. (S5)

[...] For those hostels that we are working with, mostly in the region, we do somehow discuss and encourage them to act the same way, except the international brand like Scandic as they probably have their own standards. (S4)

In a similar manner, Safartica tends to focus on the promotion of local bars and restaurants. The rationale behind this selection of these suppliers is that they primarily depend on local sourcing and make use of seasonally available ingredients thus the company would have a sustainable supply chain across first-tier and second-tier suppliers.

[...] partnership with mostly regional and local restaurants where hire locals and purchase local products and materials from other local sellers. That is socially responsible. (S2)

[...] ethical sourcing is important which means we work with local restaurants and bars that offer dishes that made from local farms or something like that [...] (S3)
Concerning transportation, Safartica is working with only one logistics company Lakkapää that has the certificate issued by the Finnish Transport Safety Agency (Trafi). Though the promotion and use of sustainable forms of sustainable vehicles is beyond the influence scope, the company considers local realities and environmental impacts of transport activities, and that always manages to arrange reasonable routes with the aim to reduce unnecessary emissions (S2).

Regarding recreational activity, specifically snowmobile, Safartica has an agreement on using only official trails. The company is involved in a collaborative project with its partner to offset carbon dioxide from snowmobile safaris by developing an ecological form of vehicles with the least amount of emissions and consuming green fuels. Despite the fact that Safartica is not the pioneer of this sustainable development in the market, the company deems it as a good cooperative practice with its suppliers in this sector to gain competitive advantage (S1).

[...] I know we are going to have more environmentally friendly snowmobiles [...] further charting the use of snowmobile machines or recycling them to support the circular economy. (S3)

Moreover, the company has financial investment in wild animal farms of husky and reindeer because of not only controlling service quality but also caring for welfare problems. Though it has already contracted with well-reputed farms that wheel out a list of animal welfare policies based on WWF Finland principles upon request and have ethical claim upfront on their website (Andrea), Safartica has aspired to exert much influence on animal-related ethic issues through financing.

[...] have bought ownerships of some husky farms to have the right to make improvement decisions such as long-term tourism season to keep husky healthier, euthanize issue, etc. [...] (S4)

5.2.6 Performance Monitoring and Evaluation

The literature has ensured the need for measuring performance with the aim to know the confronted problems in executing an SSCM program or actions then to incorporate solution or improvement ideas in future decision-making.
Nevertheless, the results of the interviews explicitly indicated that Safartica does not either produce any sustainability report or measurement methods for evaluating performance. Most of the participants commented that there are several reasons for this issue, including firstly, sustainability in SCM has not systematically and effectively implemented and managed; secondly, there is insufficient examples and guidelines for sustainability reports in the sector; thirdly, there are insufficient resources and understanding to conduct inter-organizational performance measurement.

 [...] do not have any sustainability report at the moment. We might be aware of this phenomenon and the need to integrate that in SCM and have been working on something, but you know it is not that formal and in line enough. And as our company and suppliers are still independent entities, it is really hard to measure anything mutually, probably just what we have done on our side. (S1)

 [...] do not have any annual report on sustainability. This may take much technique, time and even experts to complete it and that maybe we need some training on that. (S2)

 [...] no sustainability report at the moment. We are trying to responsibly and together encourage maybe our suppliers to be the same towards the environment and the community, but it is difficult to measure or performance between us and that may need professionals as the report requires many details, I think. (S3)

On the other hand, it was revealed by the interviewees that the company has frequent meetings and dialogue with some of the suppliers to get feedback on business operating to make the following decision. Sustainability issue is incorporated into relatively diversified aspects in collaboration activities.

 [...] usually meet with suppliers to discuss and make progress on what we are doing. We mention sustainability in product development based on suggestions from customers [...] (S4)

 [...] make plan together with suppliers so besides responsible projects that we are working on, concerning others, usually suppliers have a deeper
understanding of what they use and how they run their business than us. Some invest more, some less in training employees on sustainability. There are areas they know that need to keep working on and improving continuously. (S2)

5.3 Summary of Analysis

Currently, based on the analysis in previous chapters, it can be concluded that the development of SSCM at Safartica is at the Basic level on the SSC Maturity Levels Model. According to UNGC (2016), SSCM at the Basic level indicates that “companies possess minimum standards or guidelines and have limited understanding of supplier risks”.

When discussing SSCM initiatives for improvement, most of the respondents agreed that their company is striving for enhancement and open and for ideas to bring their SSCM on a new level as they have acknowledged how beneficial it is for not only the company internally and externally but also the sustainable development of the industry in the destination, yet still gain insufficient guidelines. However, since the scale and business condition vary among companies within the supply chain, they hope that suggestions would focus on the applicability and be financially sensible.

We are ready always to listen to new ways of doing business, specifically in a responsible way [...] there is always economics to discuss [...] Same thing for the suppliers and the whole chain. But anyway, we still need more research and guidelines on SSCM. (S1)

[...] it is everyday life to live sustainably so doing business. For the sake of sustainable tourism, we are listening to all opinions. If we had the resources and we should have one person in charge of contracting our suppliers with demands from us for higher quality and sustainability efforts, yet suppliers may ask us to pay for improvements if we want some.” (S2)

I think that the next step is to employ a Sustainability Officer [...] The more sustainable the company will become the better it will be, and its supply chain [...] we are slowly but surely getting ready for that. Adaptation is key
to succeed further. not everyone is on the same level as the implementation, it takes time. (S3)

The case study allows the analysis of SSCM of the DMC Safartica and key results can be summarized as in Table 2. The recommendations were produced following the structure laid out by the conceptual framework in chapter 3.4. with the aim to enhance the company’s sustainability management throughout its supply chain.

Table 2. Summary of SSCM Situation Analysis

➢ The company has a clear awareness of the supply chain and SCM although SCM at Safartica is not structured with a clear strategy, which can be an impediment to the inclusion of sustainability into SCM. Nevertheless, the company envisions to develop stronger strategic partnerships with its suppliers and considering investing in the suppliers’ operations. Such actions and plans are perceived by the author to raise the purchasing power and organizational influence of Safartica in its relationships with suppliers, thus, potentially to suggest and implement any sustainability-related practices within its supply chain.

➢ The company generally has recognized the holistic concept of sustainability considering ecological, economic, and social dimensions, as well as its significance to the prospect of sustainable development of the company. Sustainability started to be focused on by the top level and cascaded down to the whole company, though currently this process has not been planned strategically with clear policy and objectives.

➢ The company acknowledges and emphasizes the necessity of integrating sustainability into SCM from the viewpoint of a leading DMC by virtue of mutually supporting the sustainable development of the destination with their suppliers. Several internal and external drivers for adopting sustainability in the supply chain were also identified. It can be interpreted that Safartica seems to overly depend on national and local legislations as it believes that they are powerful to enforce companies in the tourism industry at the destination perform their businesses in a sustainable way with regards to environmental and social aspects, forming a SSC.

➢ There are several sustainable practices have been implemented in the SCM of the company. However, the lack of training and guidelines pertaining to SSCM is visible. There is not a systematic approach for SSCM leading to the low potentiality for achieving the sustainable development of the company in particular and the tourism field in the destination in general. The company, though, expects to improve both their own and suppliers’ and contractors’ sustainability performance through enhancement initiatives. It is indicated that the company as a whole has been prepared and willing to bring their SSCM to the new level.
6 IMPROVEMENT SUGGESTIONS OF SUSTAINABLE SUPPLY CHAIN MANAGEMENT FOR SAFARTICA

6.1 Engage Business in Sustainability

Engaging the organization as a whole in sustainability and sustainable development is a prerequisite prior to embarking on approaching SSCM. Table 3 demonstrates conclusions and suggestions for enhancing organizational engagement in sustainability as the findings indicate that Safartica needs to prioritize and perform actions in certain aspects in order to promote sustainability in the company culture, then facilitate the incorporation of sustainability into SCM. The suggestions focus on addressing sustainability in internal management with greater responsibility of the top board in implementing and ‘diffusing’ sustainable actions in all the areas of sustainability within the company.

Table 3. Recommendations for Promoting Engagement in Sustainability

| • Safartica has not worked out written sustainability strategies | • Develop strategies, objectives, and targets that reflect the company’s commitment to sustainability  
| | • Establish strategies and policies to address and alleviate adverse impacts from three dimensions including environmental, social, and economic aspects. |
| • Safartica does not have a sustainability unit/department | • Demonstrate leadership commitment and accountability by establishing a sustainability team containing interdepartmental representative to efficiently make decisions and disseminate information about sustainability |
| • There are not specific sustainability goals for key activities and services | • Develop and promote specific goals for sustainability performance for main tourism activities and core subjects affecting the company |
| • Staffs are not consistently aware of sustainability activities and practices implemented | • Exhort participation of all levels of employees in the company’s social responsibility activities  
| | • Nurture an environment in which the principles of social and environmental responsibility are practiced |
| • There is not a sustainability claim on Safartica’s website | • Hold a section of responsible travel accessible from the company’s website homepage |
| • Goals for SSCM has just perceived by the company’s owner | • Have written goals for SSCM:  
| | - Economic: long-term profitability of the company and also the value chain, and support customers to purchase responsibly  
| | - Social and environmental: responsible products, employee wellbeing and ensure responsibility in the supply chain  
| | - Animal health & welfare: responsibility in choices for and operations at farms (reindeer and husky) |
6.2 Integrate Sustainable Supply Chain Management into Business

The first and foremost step of integrating SSCM into the organization is to create policy and incorporate it into the management system with the objective to improve the performance of suppliers in terms of economic, social, and environmental aspects. The policy aims to avoid suppliers whose practices do not align with labor and human rights, environmental or general Finnish regulations for tourism companies, and also offer adoption of fair and open communication with suppliers. However, findings suggest that the company has not had its policy together with codes of conduct or other types of standards for suppliers. Through applying the principles summarized in Table 4 would assist the company in formulating and implementing an SSC policy.

Table 4. Policy Formulation and Implementation Practices

<table>
<thead>
<tr>
<th>Formulate and implement the policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Discuss the common vision with the representative management team and with key staff while balancing the level of authority to acquire suggestions and expertise for the policy</td>
</tr>
<tr>
<td>• Discuss and agree on sustainability goals for supply chain and supplier performance and methods employed to achieve these goals</td>
</tr>
<tr>
<td>• Involve suppliers in all sectors in the policy and planning procedures</td>
</tr>
<tr>
<td>• Elaborate supplier code of conduct setting out the selecting and performance standards in consultant with suppliers covering forced labour, human rights, child labour, fair treatment and equal opportunity, wage and benefits, health and safety, anti-bribery and corruption, gifts and hospitality, conflict of interest, and the environment and the community, to support the policy</td>
</tr>
<tr>
<td>• Demonstrate promotional opportunities and incentives for sustainable suppliers</td>
</tr>
<tr>
<td>• Set minimum performance standards and instructions for the managing, reviewing and evaluating progress on improving sustainability in the supply chain</td>
</tr>
</tbody>
</table>

The development of an SSC policy could be underpinned by other provisions demonstrated in Figure 6.
Figure 6. Additional Provisions Supporting an SSC policy

The next step suggested to effectively assimilate SSCM into the business requires defined responsibilities description across the company. Implementation of an SSC strategy entails changes to individual staff roles and responsibilities along with associated new company procedures and training requirements (Table 5). Key tasks and responsibilities are primarily assigned among members in the representative team established in the engaging stage, taking the nature and capabilities of each department into account.

Table 5. Key Departments’ Roles in SSCM

<table>
<thead>
<tr>
<th>Staff and departmental representative</th>
<th>Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>• Provide top-level support and resources</td>
</tr>
<tr>
<td>Managers responsible for contracting</td>
<td>• Select suppliers based on sustainability performance standards outlined in the policy besides service quality</td>
</tr>
<tr>
<td></td>
<td>• Integrate sustainability provisions into suppliers’ agreement</td>
</tr>
<tr>
<td>Human Resources Manager</td>
<td>• Integrate sustainability actions into job descriptions and employee assessment</td>
</tr>
<tr>
<td></td>
<td>• Assist in sustainability training for staff and suppliers in terms of sustainable tourism through training sessions and roundtable discussions</td>
</tr>
<tr>
<td>Legal Adviser</td>
<td>• Give legal guides about drafting, inclusion, and imposition of sustainability provisions in contracts with suppliers</td>
</tr>
<tr>
<td>Marketing Manager</td>
<td>• Devises marketing plan for the company’s sustainable supply chain strategy through various media platforms (e.g. mailings, intranet)</td>
</tr>
<tr>
<td></td>
<td>• Offer incentives to suppliers demonstrating good sustainability performance by giving additional promotion</td>
</tr>
<tr>
<td></td>
<td>• Promote sustainable choice of products for customers</td>
</tr>
<tr>
<td>Sales or Finance Manager</td>
<td>• Examine cost induced by incorporate sustainability in the supply chain and its influence on prices</td>
</tr>
<tr>
<td>Sustainability unit</td>
<td>• Include sustainability issues in contacts and conversation with suppliers</td>
</tr>
<tr>
<td></td>
<td>• Facilitate distributing of the policy, sustainability information and training materials</td>
</tr>
<tr>
<td></td>
<td>• Consider sustainability performance standards when monitoring suppliers</td>
</tr>
<tr>
<td></td>
<td>• Give advice and support on sustainability issues</td>
</tr>
<tr>
<td></td>
<td>• Give feedback and carry periodic follow-up with suppliers</td>
</tr>
</tbody>
</table>

6.3 Conduct Baseline Sustainability Assessment of Suppliers

Creating a specific sustainable policy for SCM requires conducting an assessment of the current sustainability performance of the company’s suppliers
to determine priority actions and targets. Such assessment provides a baseline result that can be analyzed and based on in future measuring. The company can act according to the suggestions in Table 6 when assessing suppliers to acquire data for a sustainability action plan and to revise and adjust the SSC policy and actions. However, it should be considered by the company that assessing indicators may vary according to the type of suppliers as well as the number of suppliers and the required resources available.

Table 6. Sustainability Assessment of Suppliers Practices

<table>
<thead>
<tr>
<th>Preparation for assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Employ standard measures including ISO 14001, EMAS, EU-Ecolabel, Nordic Ecolabel, TripAdvisor GreenLeaders and Green Key, and Travelife or Finnish sustainability assessment certificates such as ECEAT Finland, WWF (Finland Green Office), Green start and Green Tourism of Finland (GTF) Ecolabel or</td>
</tr>
<tr>
<td>• Develop assessment tool and criteria addressing environmental, social, and economic aspects for evaluating sustainability performance of suppliers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assess and analyze the result</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Organize personal meetings or workshops to gauge the awareness level of suppliers and their current sustainability performance</td>
</tr>
<tr>
<td>• Determine suppliers’ motives, capabilities, and barriers to implement sustainable tourism practices and principles.</td>
</tr>
<tr>
<td>• Analyze results to understand:</td>
</tr>
<tr>
<td>– Sectors that suppliers are performing sustainably</td>
</tr>
<tr>
<td>– Sectors that progress can be made</td>
</tr>
<tr>
<td>– Which suppliers show commitment to sustainability</td>
</tr>
<tr>
<td>– Opportunities to enhance sustainability performance in each type of supplier</td>
</tr>
<tr>
<td>• Prioritize suppliers to collaborate with to attain greater sustainability</td>
</tr>
</tbody>
</table>

Third-party standards and certifications, for instance, ISO 14001, Travelife, ECEAT Finland, WWF (Finland Green Office), and GTF Ecolabel are ubiquitous among companies in the tourism industry to manifest sustainability transparency and recognition, indicating that it might be useful and time and resource-efficient for the focal firm in a TSC to perform supplier evaluations. Nevertheless, it is found in the literature that a tourism company should develop its own assessment tool and criteria tailored to adapt to its type of suppliers and resources available. Safartica can utilize the exemplary assessment criteria and checklist (Table 7) as a reference from the researcher. The criteria were produced based on the tourism literature regarding sustainability indicators with priority given to accommodation and food suppliers. The commissioner could add more criteria to attain the desired total point scale or modify the list according to conditions and types of corresponding suppliers in the destination.
Table 7. Example of Assessment Checklist and Criteria

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Status of existence</th>
<th>Implementation level (1 lowest – 5 highest)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental criteria</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of waste reduction strategies</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>Availability of responsible use of energy and water strategies</td>
<td>x</td>
<td>1</td>
</tr>
<tr>
<td>Availability of products recycling strategies</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>Availability of policies on the responsible use of local natural resources (e.g. forest)</td>
<td>x</td>
<td>0</td>
</tr>
<tr>
<td>Availability of training plan for employees and visitors on natural environment and sustainability issues</td>
<td>x</td>
<td>0</td>
</tr>
<tr>
<td><strong>Social criteria</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of contracts for all employees in compliance with Finnish regulations</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Availability of gender equality policies</td>
<td>✓</td>
<td>5</td>
</tr>
<tr>
<td>Evidence of adherence to health and safety guidelines and training for the workforce</td>
<td>✓</td>
<td>5</td>
</tr>
<tr>
<td>Availability of policies on recruiting local people</td>
<td>x</td>
<td>0</td>
</tr>
<tr>
<td>Availability of promotion of local culture and features in services and products offered to visitors</td>
<td>x</td>
<td>0</td>
</tr>
<tr>
<td><strong>Economic criteria</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of policies of purchasing locally products materials and products</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>Availability of policies on wage-paying and benefits (above the minimum amount TES)</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Availability of avoidance of revenue leakages from local economy strategies</td>
<td>x</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total point</strong></td>
<td>Exist.:</td>
<td>...</td>
</tr>
</tbody>
</table>

This document should be disseminated among relevant suppliers for performing self-check which is then assessed and verified by Safartica trained personnel. The suppliers might at first unnecessarily fulfill and accomplish all criteria in the checklist at the highest (5) level but at least a certain number of which to satisfy the minimum standards defined in Safartica SSC policy to achieve a minimum point, for example above 50% of the total. It later requires regular monitoring and evaluation from the head of the company’s sustainability unit to ensure the rate of progress, categorize suppliers based on the point scale, and provide support and motivation.
6.4 Prepare and Implement Sustainable Supply Chain Management Action Plan

Develop programs and prepare actions for the implementation of SSCM policies are significant to achieve an enhancement in the economic, social, and environmental performance of suppliers. It is recommended that the company should define actions and set targets in SSCM of which standards in three TBL dimensions are assessed to reach the determined short-time and long-term targets (Table 8).

Table 8. SSCM Actions and Targets Setting

<table>
<thead>
<tr>
<th>Specify actions and set targets</th>
<th>Supply Chain Target (Percentage of compliant suppliers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Decide and concur with to be-attained actions and targets depending on the developed sustainable supply chain policy</td>
<td>Short term (1-3 years)</td>
</tr>
<tr>
<td>• Define sustainability standards for suppliers’ performance measurement</td>
<td>50%</td>
</tr>
<tr>
<td>• Standards and targets are established based on the three dimensions of sustainable tourism including economic, social and economic aspects and tackle sustainability issues</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Example of sustainable TSC standards and target**

<table>
<thead>
<tr>
<th>Environmental criteria</th>
<th>Sustainability standard for suppliers</th>
<th>Supply Chain Target (Percentage of compliant suppliers)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Waste reduction strategies implementation</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Responsible use of energy and water strategies implementation</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Training plan for employees and visitors on natural environment and sustainability issues</td>
<td>...</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social criteria</th>
<th>Contracts for all employees in compliance with Finnish regulations</th>
<th>Supply Chain Target (Percentage of compliant suppliers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender equality policies implementation</td>
<td>Supply Chain Target (Percentage of compliant suppliers)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic criteria</th>
<th>Purchasing locally products materials and products policies implementation</th>
<th>Supply Chain Target (Percentage of compliant suppliers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage paying and benefits (above the minimum amount TES) policy implementation</td>
<td>Supply Chain Target (Percentage of compliant suppliers)</td>
<td></td>
</tr>
<tr>
<td>Avoidance of revenue leakages from local economy strategies implementation</td>
<td>Supply Chain Target (Percentage of compliant suppliers)</td>
<td></td>
</tr>
</tbody>
</table>

| Total | ... | ... |

Furthermore, SSCM cannot be fully achieved without addressing and including sustainability in the selection process and contracts with suppliers. It was divulged that supplier selection at Safartica is informal concerning sustainability and principally based on mutual trust and needs and ideals. This is in
contradiction to the literature as supplier selection should be rigorous procedures with well-defined sustainability clauses inserted in contracts to ensure the goal of SSCM. Additionally, in order to accomplish SSCM actions, it is crucial for a leading DMC with a wide range of different suppliers as Safartica to proactively raise awareness concerning sustainability, facilitate the sharing of experiences amongst suppliers, and provide technical support when needed to assist suppliers in approaching and improving their performance in terms of social and environmental aspects. Recommendations of practices in these areas are presented in Table 9.

Table 9. Practices to Achieve SSCM Targets

<table>
<thead>
<tr>
<th>Practice Area</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Raise awareness and promote cooperation</strong></td>
<td>- Raise consciousness among suppliers of the sustainability policy and actions together with benefits in terms of social, economic and environmental aspects via frequently used channels including emails, workshops and meetings.</td>
</tr>
<tr>
<td></td>
<td>- Design messages containing baseline assessment results and the company's sustainability program and actions to raise awareness and establish partnerships.</td>
</tr>
<tr>
<td></td>
<td>- Disseminate information about the sustainability policy and actions among employees in briefings and training sessions.</td>
</tr>
<tr>
<td></td>
<td>- Develop an internal system to keep all employees aware of the progress and changes, for instance through the intranet.</td>
</tr>
<tr>
<td></td>
<td>- Ensure cooperation and coordination with different agencies, regional authorities, organizations such as VisitFinland, VisitRovaniemi, etc. at all levels and other partners to promote sustainability performance among suppliers.</td>
</tr>
<tr>
<td><strong>Select and contract</strong></td>
<td>- Define the processes of the inclusion of sustainability performance into suppliers' contracts.</td>
</tr>
<tr>
<td></td>
<td>- Ensure minimum sustainability standards to be reflected in contractual clauses.</td>
</tr>
<tr>
<td></td>
<td>- Develop elimination procedures for non-compliance suppliers.</td>
</tr>
<tr>
<td></td>
<td>- Organize training sessions for employees on sustainability issues and contracting process to monitor and audit suppliers' performance.</td>
</tr>
<tr>
<td></td>
<td>- Inform suppliers about the new policy and contractual clauses regarding sustainability via normal communication channels.</td>
</tr>
<tr>
<td><strong>Update and support</strong></td>
<td>- Coordinate with local partners to gain support on training and reinforce sustainability awareness-raising among small suppliers.</td>
</tr>
<tr>
<td></td>
<td>- Train staffs who work directly with suppliers on communicating and sustainability information and informing the company's approach and progress in environmental and social issues.</td>
</tr>
<tr>
<td></td>
<td>- Ensure frequent discussions and follow-ups on sustainability performance with suppliers.</td>
</tr>
<tr>
<td></td>
<td>- Strengthen suppliers collaboration built on direct communication and trust to facilitate sustainability knowledge transfer, then provide suppliers with links to regional, national and international networks on sustainability as technical materials and assistance.</td>
</tr>
<tr>
<td></td>
<td>- Offer technical support for small suppliers through printed materials, workshops, meetings and training sessions on environmental and social issues.</td>
</tr>
<tr>
<td></td>
<td>- Promote supplier development by providing capital investments or training for suppliers on sustainability.</td>
</tr>
<tr>
<td></td>
<td>- Promote the use and achievement of Finnish eco-labeling schemes for improvement.</td>
</tr>
<tr>
<td></td>
<td>- Provide feedback on supplier's performance and give improvement suggestions or mutually develop environmentally and socially sustainable solutions.</td>
</tr>
</tbody>
</table>
|                               | - Offer incentives such as longer-term contracts, joint marketing agreements and more brochure space for suppliers with good sustainability performance.
In the process of executing the action plan, there are prioritized SSCM areas for dissimilar types of suppliers within the TSC that the commissioner should acknowledge. The act of noticing and focusing on certain sustainability dimensions for respective suppliers would benefit the company in setting targets, sharing suitable sustainability knowledge, integrating relevant standards in selecting and contracting.

6.5 Monitor and Evaluate Performance

The last important step in managing SSC is to monitor and evaluate the company’s approach and progress as well as report and feedback on suppliers’ performance. The company is correspondingly expecting for systematic monitoring and measuring practices. The adoption of suggested monitoring practices (Table 10) will tremendously assist the company in improving its process of integrating sustainability into SCM and ensure that goals to be achieved and simultaneously detect potential problems and difficulties throughout the procedure.

**Table 10. Monitoring Practices**

<table>
<thead>
<tr>
<th>Implement a monitoring system</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Select indicators for monitoring from national or international standards and regulations</td>
</tr>
<tr>
<td>• Arrange frequent meetings with both internal staffs, partners and suppliers to update progress and detect emerging problems as a way to sustain their commitment to sustainability and make improvements</td>
</tr>
<tr>
<td>• Maintain regular monitoring and evaluating to implement corrective actions when needed</td>
</tr>
<tr>
<td>• Identify and develop successful SSCM approach and actions as well as learn from difficulties and modify strategies accordingly in the future</td>
</tr>
</tbody>
</table>

Ensure consistent monitoring and review of tourism activities help Safartica to detect problems at an early stage and to enable action to prevent the possibility of serious issues. The SSCM action plan might fail if its implementation not monitored and properly evaluated. The purpose of monitoring is to compare the plan’s projected impacts against actual impacts, which affect the achievement of the SSC targets, in three dimensions of indicator (Figure 7). There is a need to acknowledge measurable indices for each of the sustainable development criteria so that the progress can be properly assessed.
The literature has accentuated the necessity of commitment to transparency in managing SSC and a way to disclose performance and achievement is reporting. Safartica can recognize the legitimacy of stakeholders’ ‘right to know’ and disclose SSCM results and impacts through adopting the suggesting reporting guidelines (Table 11). Reporting can be directed to external stakeholders (suppliers, partners, customers, and locals), and internal audiences, and serve in management improvement. The main goal of SSCM sustainability report is to move towards a closer alignment of values between external and internal stakeholders and the direction board. This engagement is the most appropriate during the stages of identifying issues to address and at the measurement/assessment stage to ensure that the results are credible and transparent.

Table 11. SSCM Reporting Practices

<table>
<thead>
<tr>
<th>Performance Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicate the monitoring results to all internal staffs to inform achieved goals, recognize individual engagement and reinforce the company’s sustainability goals and objectives</td>
</tr>
<tr>
<td>Prepare the annual/periodical public report on sustainable supply chain following the Global Reporting Initiative’s Sustainability Reporting Guidelines. The GRI develops standards and guidelines to help companies to integrate sustainability (on the TBL sense) in the reports.</td>
</tr>
<tr>
<td>Distribute periodic reports updating progress to manifest commitment to sustainability performance in SCM to main stakeholders including staffs, suppliers, partners, media and other organizations in the destination</td>
</tr>
</tbody>
</table>
6.6 Summary of Recommendations

The improvement ideas are intended to assist the commissioner company in enhancing its SSCM performance, contributing to the sustainable tourism development at the destination. The suggestions were founded on the tourism SSCM literature framework aiming to address areas that need improvement at Safartica in the field. However, it emphasizes the flexibility and agility from the DMC when adopting these practices, considering its internal capabilities and conditions of suppliers.

The initial step is to fully engage the company in sustainability, assimilate it into business culture, and importantly in SCM. Commitment needs to be reflected from the board director and cascaded down to all staff levels, through creating SSCM policy and setting associated goals and targets. That plays a significant role in ensuring the transparency, consistency, and compliance among both internal employees and external stakeholders, especially suppliers within the supply chain structure. The development of sustainability standards and their inclusion in supplier contracts would be a critical step forward to increase the number of sustainability suppliers in the company’s inventory.

Furthermore, the cooperation and collaboration with other stakeholders including institutions, the local authorities, and organizations, for instance, VisitFinland, would be beneficial to not only the process of acquiring sustainability knowledge on sustainable tourism but also enable Safartica to hold joint forces over its suppliers at the destination to discern and tackle environmental and social issues in their operations. The company should establish a sustainability board consisting of interdepartmental heads in order to ensure that guidelines with regard to SSCM are formally and systematically followed, as well as to measure and assess progress. Generally, other practices in the abovementioned SSCM phases could be equally taken into consideration simultaneously but not necessarily be implemented before effectively embracing the should-be-prioritized.
7 DISCUSSION

The emphasis was on the SSCM at the commissioner Safartica – a DMC operated in Rovaniemi, Finland. As being the second leading DMC in the region holding purchasing power owing to strong relationships with multiple suppliers thus having a major influence over the TSC, the company has the responsibility and capabilities from its position to foster sustainable initiatives along its supply chain to support the sustainable development of the destination. The company acknowledges its activities in collaboration with its suppliers and partners to be critical to establish an SSC and achieve SSCM. Therefore, the presence of a systematic approach for SSCM, elevating potentialities for fully incorporating sustainability in SCM is essential. The notion of sustainability and the TBL assimilated into SCM has established the SSCM framework for DMCs to effectively promote sustainability actions in environmental, social, and economic aspects across the sector. The progress of implementing SSCM practices varies in rates and stages.

The objective of the thesis initially was to examine and assess the current SSCM situation at Safartica and subsequently produce improvement practices for the company to optimize the integration of sustainability into SCM in order to enhance the sustainable tourism development at the destination. The suggested practices are categorized in phases constituting the framework of SSCM with the aim to improve sustainability uptake and performance. The recommendations can be concrete guidelines for Safartica to systematically approach and implement the concept of SSCM, advancing the sustainability performance of its supply chain.

The qualitative research was conducted along with associated methods consisted of semi-structured theme interviews and content analysis to accomplish the research objective. Drawing on the goal of suggesting SSCM practices, it is inarguably that qualitative methodology would provide the necessary nuance level to understand such problem and obtain desired results. The methodology proved to be appropriate to acquire different perspectives towards how effective the company’s SCM is through the lens of sustainability, what motivates Safartica to adopt SSCM and how the company perceives new initiatives in this area. The content analysis besides enabled the researcher to
handle and get an insight of Safartica’s data on SSCM provided by interviewers’ wording, denoting a holistic view of the company’s current status as well as future needs and the envisaged developing approach.

The key results reveal that the director board at Safartica has acknowledged issues regarding sustainability and worked on the sector to establish strategies balancing simultaneously the environmental, social, and economic dimension. Further actions suggested for the company to fully engage in sustainability including encouraging participation of all levels of employees, nurture an environment where sustainability principles are practiced, and hold a section of responsible travel on its webpage to manifest commitment to external stakeholders.

Additionally, it was divulged that since operating in the tourism industry in Finland, Safartica is required to do tourism in a responsible way and highlights the necessity of exhorting suppliers in collaboration with the company to act accordingly, imposing less impact on nature, landscape and benefiting the local community. Though the organization is highly aware of the significance of incorporating sustainability into SCM to advance sustainability performance and already engaged in several sustainable practices towards key suppliers namely accommodations, excursion, and wildlife suppliers, it was disclosed by the interviewees that the company has not either systematically managed or reconceptualized its supply chain to tackle environmental and social problems owing to insufficient training and guidelines concerning SSCM. Considering that, to help Safartica embark on and effectively implement SSCM, the researcher recommended the company to establish a sustainability team containing interdepartmental leaders to efficiently make decisions and disseminate information about sustainability, defining specific roles and responsibilities to departments, and establish SSCM goals, and then follow critical steps to create an SSC policy.

Prior to the development of SSCM policy requires the baseline assessment of suppliers regarding sustainability performance to obtain information for formulating corresponding policy standards. Subsequently, the preparation and implementation of the SSCM action plan to achieve the outlined goals are
important. Nevertheless, the company has not had written goals for SSCM and
the existence of policy and standards for suppliers was found to be irrelevant to
the case of Safartica when selecting and contracting with suppliers since the
emphasis of these processes is put on trust and close relationships. The following
phase that the author suggested to tackle the situation consists of, firstly discuss
and arrive at an agreement on actions and targets to achieve SSCM goals, then
communicate with suppliers to raise their awareness of the company’s action plan
and goals, promote formal integration of sustainability standards and clauses in
selecting and contracting with suppliers, and finally provide additional support to
consistently yield desired results.

It was further revealed by the interviewees that measuring or monitoring was
relatively unfamiliar practices despite its significance. It is stressed in the literature
that evaluating the sustainability performance of both internal staff and suppliers
would help to detect difficulties and barriers along the procedures to make
improvements and sustaining suppliers’ commitment to sustainability. In addition
to inadequate training and resources, the rationale behind not monitoring and
reporting was that the company believed national and local legislation is enough
to enforce companies in this tourism industry at the destination perform their
businesses in a sustainable way and their performance may be guaranteed by
audit authorities. However, the literature implies that DMCs have a great
capability and responsibility for collaborating closely with their suppliers in the
chain to manage operations under three aspects of sustainability, as well as
making substantial improvements to suppliers’ and customers’ performance via
monitoring the progress, communicating and giving feedback when needed.
Detailed guidelines on developing measuring and monitoring systems supporting
suppliers auditing and reporting performance following the GRI standards were
provided to address the company’s issue in this stage.

The research has assessed the SCM status at Safartica through the lens of
sustainability and proposed improvement ideas to support the company to
advance the process of managing an SSC to foster sustainable tourism
development. The company, however, should adopt and follow the suggested
practices based on the theoretical SSCM framework selectively and agilely,
meaning considering necessary modifications according to its internal capacities
and the characteristics of each type of supplier within the supply chain. This research, owing to the associated limitations, has opened up further research avenues. The thesis can be continued, by employing different research approach rather than qualitative methodology, to examine the implementation of the recommended practices at the commissioner aiming to reveal their practicality and effectiveness level in enhancing economic, environmental, and social sustainability. Besides, future studies could proceed to apply such improvement suggestions to other DMCs in different regions to test the transferability. Additional research can also be conducted addressing the topic of sustainable supply chain management in tourism to provide future direction and research opportunities in this field.


https://www.researchgate.net/publication/335485826_The_Efficiency_of_Cooperation_between_the_Participants_in_the_Supply_Chain_in_the_Tourism-Related_Branch_of_Industry_in_Relation_to_Client_Satisfaction.


file:///C:/Users/lycug/Downloads/Karra462014BJEMT9063_1.pdf.


https://www.researchgate.net/publication/303082522_Sustainable_businesses_practices_in_supply_chains_Experiences_from_Swedish_companies.


https://www.safartica.com/safartica/.


147, 73–84. Accessed 25 February 2020
https://www.academia.edu/27779995/Turning_sustainability_into_action_Explaining_firms_sustainability_efforts_and_their_impact_on_firm_performance.


https://www.researchgate.net/publication/222059077_A_supply_chain_management_approach_for_investigating_the_role_of_tour_operators_on_sustainable_tourism_the_case_of_TUI.


https://www.researchgate.net/publication/283290059_THE_ROLE_OF_DESTINATION_MANAGEMENT_COMPANIES_DMC_IN_IMPROVING_COMPETITIVENESS_OF_SERBIA_AS_A_TOURISM_DESTINATION.


https://www.semanticscholar.org/paper/SUSTAINABLE-TOURISM-SUPPLY-CHAIN-MANAGEMENT-OF-TOUR-Vongsaroj/429764ae6bb216fd45af3a3762407e4fdec9db0c.

85. Accessed 20 February 2020


https://www.researchgate.net/publication/225521940_Corporate_Social_Responsibility_Views_from_the_Frontline.

https://core.ac.uk/download/pdf/61007672.pdf.


Appendix 1. Semi-structured interview

<table>
<thead>
<tr>
<th>General information about the interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5 interviews</td>
</tr>
<tr>
<td>Conducted in English</td>
</tr>
<tr>
<td>Interviewees from different positions</td>
</tr>
<tr>
<td>Conducted via Skype and email</td>
</tr>
<tr>
<td>Semi-structured interview</td>
</tr>
<tr>
<td>Aim to collect data and information on the topic</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interview flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Describing the research issue in the invitation sent to potential interviewees. Questions are kept confidential to the interviewer and only the main topics/themes are disclosed.</td>
</tr>
<tr>
<td>2. Describing briefly the research topic and objectives and the interview rules. In the interview process, interviewees have the right to repel answering any specific question if they do not want to.</td>
</tr>
<tr>
<td>3. Asking for permission to record the interview and committing to using the information for the research purpose only (i.e. the interview is confidential, but the interviewees might be recognizable by some actors in the thesis process)</td>
</tr>
<tr>
<td>4. Asking background information of the interviewees</td>
</tr>
<tr>
<td>5. Asking the interviewees’ perceptions on each topic</td>
</tr>
<tr>
<td>6. Asking sub questions in each topic if any information is not mentioned by the interviewees.</td>
</tr>
<tr>
<td>7. Thanking the interviewees for their time and sharing of information and knowledge.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General issues about the Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>This interview is confidential. We ask permission for tape recording and using the material for the thesis and Multidimensional Tourism Institute research purposes. Participants of the interview are designated by title S1, S2, S3, S4, S5 for confidential reason, personal details are presented in the content analysis matrix.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>During the interview the following themes are discussed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply chain management status</td>
</tr>
<tr>
<td>Supply chain management through the lens of sustainability</td>
</tr>
<tr>
<td>Outcomes and perspective towards future sustainable initiatives concerning SCM</td>
</tr>
</tbody>
</table>