

The impacts of natural disasters on the tourism industry



The purpose of this report is to delve deeper into the impacts that natural disasters have on the tourism and hospitality industry.

In recent years the world has taken enormous hits from natural disasters which have caused major chaos and upset. Some fairly recent disasters that have taken place are the high intensity earthquakes in both Taiwan and Japan. In Taiwan on September 21, 1991 an earthquake measuring a 7.2 on the Richter scale occurred. It caused much devastation to the Taiwan tourism industry. Similarly, this past March, an earthquake measuring a 9.0 on the Richter scale struck Japan. The tourism industry in Japan obviously has taken a major hit since then. Fukushima, a nuclear power plant located in Japan, had some nuclear accidents after the earthquake struck. The radiation levels skyrocketed causing an immediate evacuation. This report will go into further detail on the effects the natural disasters have on the tourism economy in those countries and what they are doing to improve their current situations. Additionally, this report will go into detail on how tourist destinations rebuild their economies and marketing strategies.

Once disaster has struck a particular tourist destination, they obviously are not as appealing of a vacation stay as they once were. There are a few articles that have done studies on recovering tourism markets in certain countries and display the details. An example of a destination I will go into detail about is Louisiana. In 2004, Hurricane Katrina struck Louisiana causing a number of deaths and excessive damage to the buildings and landscapes. Louisiana's economy as a whole took a hit, and the tourism industry was definitely 3 | Page THM 1311 Introduction to Tourism and Hospitality

Management The Impacts of Natural Disasters and on the Tourism and Hospitality Industry affected. They are beginning to rebuild their tourism market by implementing their new slogan, “ Fall in Love with Louisiana All Over Again”.

Why research the impacts of natural disasters on tourism? Researching the impacts that natural disasters have on tourism is very crucial to have a long lasting and lucrative tourism industry. When a country is not well prepared for a disaster at any moment, their economy can go haywire and send everyone into an automatic chaotic mode. This can be extremely detrimental to certain countries like the Maldives or Tahiti because a majority of their economy depends on tourism. Brent Richie of sciencedirect. com states: Tourism is also an important economic sector for many countries and many destinations are dependent upon tourism for their growth and survival. This puts increasing pressure on managers and planners concerned with tourism to consider the impact of crises and disasters on the industry and develop strategies to deal with the impacts to protect tourism business and society in general.

This quote seems very fitting when explaining the importance of being prepared for a disaster at any moment. It is impossible to determine exactly a natural disaster will occur, however it is completely necessary to be prepared for that moment. Some examples of how to plan for such large scale disasters are scenario analysis and contingency planning. Scenario analysis is the creation of certain cause and effect scenarios. The key to scenario analysis is having the correct evacuation plan, effective

communication, and ideas to rebuild the economy. Contingency planning is having alternate situations for the tourists.

This includes having a place of safety for 4| Page THM 1311 Introduction to Tourism and Hospitality Management The Impacts of Natural Disasters and on the Tourism and Hospitality Industry tourists if they are going on a guided tour somewhere that is susceptible for disaster to likely strike. Another important factor in contingency planning is the refund policy for tourists and installing an insurance plan for high danger climate areas. Taiwan Earthquake of 1991 Perhaps the most serious of earthquakes in Taiwan? s history struck in September of 1991. Tourism Management Magazine stated that the tourism economy took the hardest hit after the traumatic events of the earthquake, and especially the international tourist economy. Major tourist attractions like National Palace Museum and Chiufen were ruined by the earthquakes. The National Palace is a place of rich cultural heritage and the Chiufen are walking paths with beautiful scenery.

It was not solely Taiwan? s structural damage that hurt the tourism economy, however; it was also all of the negative media coverage. The media portrayed Taiwan to be in horrible condition and said Taiwan lost all of its beauty. The reason media companies blow everything out of proportion is so their companies get more attention, not everything they actually say is true. In order for Taiwan to mitigate the severe circumstances the media put them in they put a plan in to action to reinvigorate their tourism economy.

This plan included sending out hundreds of representatives all over the world to personally give interviews on Taiwan? s current state. Taiwan also invited

corporate touring agencies to personally take tours of the current state Taiwan was in.

They also gave projections of when everything would be tourist ready. This helped Taiwan out tremendously because they 5 | Page THM 1311

Introduction to Tourism and Hospitality Management The Impacts of Natural Disasters and on the Tourism and Hospitality Industry didn't give those corporate agencies a chance to forget about their tourism industry. Also, the city of Taipei holds a Taipei International Travel Fair each year. This fair has hundreds of vendors and booths set up with tourism professionals.

It is a four day fair and right after the tragic events of the earthquake Taiwan successfully held the fair. The fair attracted over 60, 000 visitors and became a huge success. This obviously worked wonders for the both the tourism industry of Taiwan and the international tourist industry of Taiwan. Another huge help for the Taiwanese tourism industry is the commercial that CNN ran in Asia and all over North America promoting their annual Johnnie Walker Classic Golf Tournament. The slogan during the commercial was "After the quake, Taiwan goes on". This helped immensely bring in international tourists and business people.

The commercial was mainly showed in Japan because that is Taiwan's major source of inbound tourism. Taiwan's market segment was right on target because after these ads were shown their international tourism improved drastically. The Taiwanese government provided a substantial amount of aid to the tourism sector by coming up with plans to help rebuild major tourist attractions that were ruined by the earthquake. Huang of Tourism

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Management Magazine states, " The government played a significant role to help bring facilities in scenic areas back into operation efficiently". They allowed for tourism companies in earth quake stricken areas to apply for low interest loans to big time banks, especially The Bank of China. Once the major areas of tourism were approved to be safely travelled to by tourists, there was a national announcement made.

This also helped the inbound 6| Page THM 1311 Introduction to Tourism and Hospitality Management The Impacts of Natural Disasters and on the Tourism and Hospitality Industry tourist flow grow. Another helpful contribution that was made was a significant discount in tickets to get to Taiwan to Japanese and Chinese travelers, two of their biggest inbound markets. This also gave significant help to the inbound tourist rate. The Taiwan tourism economy today seems to be doing better than ever.

They have rebuilt themselves. They are considered a " must see destination in Asia" and seem to be flourishing tremendously. Japan Earthquake of 2011 Just recently in March of 2011 Japan experienced a horrible earthquake that was similar to Taiwan's earthquake of 1991. However, Japan's earthquake was a lot worse measuring a whopping 9. 0 on the Richter scale.

It is truly a shame that this happened to Japan at this time because BBC stated, " the Asia Pacific region was expected to drive the global tourism industry in 2011. " BBC also forecasted nine million tourists to pay a trip to Japan this year. This obviously cannot happen anymore because of the amount of damage the earthquake wreaked on Japan. On top of the

structural damage caused to Japan, a gas leak in the Fukushima nuclear power plant has caused radiation levels to sky rocket.

These harmful radiation levels have caused an evacuation to the area around the power plant, which means there will be more of a detrimental impact on the tourism industry than there already is. No one will be willing to risk travelling to Japan for a vacation while due to the skyrocketed radiation levels. However, all hope is not lost for Japan and its tourism economy. The good deeds that Japan did for Taiwan's tourism economy in their time of trouble and helplessness will 7 | Page THM 1311 Introduction to Tourism and Hospitality Management The Impacts of Natural Disasters and on the Tourism and Hospitality Industry reciprocate eventually. It does not help that the United States government is advising all US citizens to not travel to Japan for now, but after a few years things will all get better.

This situation can be compared to that after Taiwan's. After Taiwan received the OK to allow travelers in and it was nationally announced, their tourism economy improved tremendously. It may and probably will take a significant more amount of time for this to happen, but it is inevitable that it will. If New York City's tourist economy was able to bounce back after the terrorist attacks of September 11th, any country's tourism economy should be able to bounce back. It is the very beginning stages of rebuilding for Japan, but there is definitely hope for the future. Market Rebuilding After a natural disaster has struck a certain area, it is very difficult to get everything back to normal again.

In most cases, the part that takes one of the biggest hits is the tourism sector of the economy. Tourists will obviously not be inclined to travel somewhere disaster has struck, whether it is out of fear of happening again or even for their own personal safety. A lot of people just do not think it is worth the risk. The combination of the area as a whole losing their tourism market and needing to rebuild, it seems like it is impossible to get everything back to „ normal?. However, Louisiana is a great example of how there is hope to rebuild their economy. Hurricane Katrina struck Louisiana in 2004 and caused much destruction to their landscape and their people, especially because New Orleans offered such a different and culturally rich tourist destination.

The Monthly Labor Review quotes, “ Tourism had been one of the bright spots in the New Orleans economy”. Pre-Katrina, the tourism economy was booming 8| Page THM 1311 Introduction to Tourism and Hospitality Management The Impacts of Natural Disasters and on the Tourism and Hospitality Industry and provided numerous amounts of jobs for New Orleans locals. After Katrina, it has been studied by the Monthly Labor Review and confirmed that the tourism market lost the most amount of jobs out of all the industries in New Orleans. Although the tourism industry may have taken one of the biggest hits after Katrina, they have done an excellent job with rebuilding it. After the devastation of Hurricane Katrina, there was lots of help to rebuild the cities and make everything back to normal. They launched a new ad campaign with the slogan “ Fall in love with Louisiana all over again”.

This is a heartwarming slogan that is aiming for visitors to not be afraid to come back and that everything is pretty much back to normal. A new addition to their tourist options post Katrina was to offer tours to the devastated parts that were hit by the hurricane. This is a strategic approach to bring in more money for rebuilding, the tourists see the devastation and then feel bad and then give money. They were in need of lots of visitors in order to jump start the economy. Their marketing plans for the tourism industry obviously worked because by 2006 everything was almost back to normal.

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