

Tourism crisis
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Today the inescapable media exposes even the most impromptu viewer to our current world of hazard, disaster and crisis; from Northern Africa and the Middle East's political unrest and upheaval, to earthquakes in New Zealand, Turkey and Haiti, cyclones and floods in Australia and the Global Financial Crisis in 2008. It was once believed that whichever countries controlled the world's oil reserves would forever prosper however with the realisation that the supply is not ever ending many UAE States such as Dubai and Abu Dhabi have turned to tourism to secure a continued future income into the country. Tourism is facing an ever increasing threat from crises coming in all shapes and forms, causing it to become even more necessary to develop effective disaster prediction and management plans with an instantaneous recovery strategy to mitigate the impact of any crisis. The nature of the tourism environment will be shown highlighting its global importance whilst introducing different causes and types of crises supported with numerous examples. Alongside this the hardships faced by the industry and the techniques use to minimise the impact will also be seen.

The events of the first decade of the 21th century may lead one to believe that it is a bleak time for the tourism industry and a recessive time for the overall tourism environment however even despite the current economic crisis, to which tourism is not immune, the World Tourism Organization forecasts 1. 6 billion international tourists by the year 2020. The importance of world tourism is reflected by The World Travel and Tourism council, whose figures show that the contribution of the Travel and Tourism Economy to GDP was 9. 3% in 2010 and will rise to 9. 7% by 2020. Cabrini (2010) expressed that tourism is not only important economically it also important

for human development as it provides income to some of the world's poorest people. The extraordinary growth of tourism requires increasing attention from all stakeholders on its sustainability and contribution to world development. Over time, an ever increasing number of destinations have opened up and invested in tourism development, turning modern tourism into a key driver for socio-economic progress through the creation of jobs and enterprises, infrastructure development and the export revenues earned.

It is believed that the majority of the tourism in the world is international however the large majority of international travel takes place within the traveller's own region, with about four out of five world arrivals originating from the same region. As economic development permeates through the Chinese middle class, so does the demand for new destinations with, in 2010, China having the world's largest domestic tourism market. Their ethos can be summed up by the British journalist, novelist and poet Gilbert Keith Chesterton, 'the whole object of travel is not to set foot on foreign land; it is at last to set foot on one's own country as a foreign land.' The SARS epidemic in 2003 was one of the most serious public health crises of a decade having the potential to seriously damage or even freeze the tourism industry in China. Crisis management techniques which are 'strategies, processes and measures which are planned and put into force to prevent and cope with crises' (Glaesser, 2006) were immediately implemented and after initially stalling and prevaricating causing the tourism industry to suffer for more than three months, the Chinese government managed to control SARS before it became a global catastrophe. This accomplishment required

political will, national mobilisation and a series of support policies such as the exemption of administrative, operation and construction taxes, the provision of discount loans and quality assurance deposits to travel agencies (Dombey, 2004). China also developed its own practice of domestic tourism policies such as promotional campaigns like the 2009 China domestic travel fair in April 2009, partnerships like the collaboration between provinces themselves and national and provincial tourism administrators; they also implemented fiscal policies, investing around US\$140 million and price cutting where Beijing started to issue two million free tickets of scenic spots to domestic tourists along with longer national holidays (Li, S. N 2010). Source markets for international tourism are still largely concentrated in the industrialized countries of Europe, the Americas and Asia and the Pacific, however, with rising levels of disposable income, many emerging economies have shown fast growth over recent years.

Tourism as a product is itself a function of risk, which is a perceived probability of negativity associated with a tourist's behaviour or destination choice. Risk is not a tangible aspect of travel; it is what tourists perceive and experience during the process of purchasing and consuming tourism related services and while being at the destination (Cooper et al, 2008). Travel risk has a great influence on a tourist's decision and if the risk perceptions are too high than a destination can suffer greatly as risk averse tourists, who have a diminishing marginal utility, are deterred from the visiting. Tourism is an economic sector whose response to negative events is like no other, it has an above average sensitivity and is more susceptible to shocks and

disruptions due to it being a highly perishable sector, requiring consumers to travel to a destination and the environment in which the destination is in.

Tourism can be seen as a vulnerable industry for that its particular size and structure means that a large amount of little companies will be needed to provide a tourism experience that are all interdependent on one another. As tourism is a global industry even a country not directly related to a crises can easily be affected, for example even though 9/11 occurred in the US there was a snowball effect which caused not only the worst impact on the worldwide tourism industry since World War II, but also demonstrated how terrorism was able to trigger a slowdown of the whole world's economy (Ali 2010). A greater number of countries are interlinked and have a degree of inseparability meaning that you can't separate a tourism experience from its place of production with Buhalis (2000) believing a destination is an amalgam of tourism services and experiences; also having to get tourists to the destination increases the level of risk by increasing volumes of people. The places in which tourism is located also increases its vulnerability, such as coastlines, and that the power of one natural disaster such as the 2004 Indian Ocean Tsunami whipped out all tourism amenities and accommodation, with world nations needing to provide over US\$14 Billion in aid for damage regions (Jayasuriya 2010). Ski resorts are also another example, as mountains themselves are more hazardous than urban areas, but crisis management techniques, ' actions taken by firms in an attempt to control the progress and outcome of a crises' (Laws 2006) are regularly imposed such as controlled avalanches. This example highlights that fundamentally crisis management should be embraced in a management

system rather than as a threat moving away from it being a management reactive response. Tourist places are also affected by climate change, nowhere more so than the Seychelles and Maldives in the Indian Ocean which are both economically dependent on tourism, with the latter's very existence being really threatened with rising sea levels. Tourism is also very sector specific relying heavily on transport and any disaster in this industry will have a great effect on tourism with the ash cloud over Europe in April 2010 grounding flights and closing airports. Crisis management strategies were instigated no more impressively so than KLM who took the chance to adopt social media to manage this crisis by using its Facebook page. It addressed every single wall post promptly providing much timely information to customer service with regards to re-booking, detailed reports and location specific information (Tan 2010). Tourist destinations are also often seen as soft targets for terrorism as tourists are easy to spot and stand out from natives in any area. They are essentially a big target in a small area for example in October 2002 a few bars in the tourist district of Kuta in Bali was targeted killing 202 people. If terrorists have a political motive targeting tourists is an influential way as there will be a mass influence on the media.

Tourism's importance can also be seen in its intra and inter linked nature in figure 3, whether it's with other tourism organisations and destinations or with governments and other industries.

Figure 3 - The tourism environment

For example a British tour operator may use an Australian flag carrier to fly to Singapore and utilise a local transfer company to get to the Hong Kong

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based Shangri-La hotel. Leiper's (1979) model of tourism takes into account all these stakeholders and includes all the elements intrinsic for a tourist to travel. Its power is inherent as it places tourism in the context of various external environments such as society, politics and economies which are fundamental for crisis management as these must all be assessed when one takes place. A typical large scale disruption will force complex movements away from previous relationships which will then usually tend towards stability and equilibrium with Keown-McMullan (1997) noting that organisations and the way in which they interlink will undergo significant changes even when they are successful in managing a crisis situation. During and after a crisis, the destination and its organisations also have to manage their ongoing relations with others in its network of partners. It is often the case that many services will have to be cancelled at very short notice, but, apart from the contractual obligations between partners, there are more fundamental issues of trust and reciprocity. Support organisations are also likely to make considerable efforts beyond their contractual responsibilities to assist in dealing with the problems that result from a crisis. Competitors often come together and provide extra resources to support a fellow member of the tourism industry.

There has been an increase in the number of natural catastrophes from 20 in the 1950s to 91 in the 1990s and over 1000 in the 2000s (Glaesser, 2006) such as earthquakes in New Zealand in 2011 and Chile in 2010. Their impact on the world especially on the tourism industry has been heightened due to continued exponential population growth, climate change and human technological achievements. Tourism can also be plunged into crises due to

manmade circumstances such as war, the 2000 coup in Fiji, disease and epidemic, the 2001 Foot-and-mouth outbreak in the UK and SARS across Asia 2002-2004, transport, the Air France Concorde crash in 2000, political and economic, the Global Financial Crisis in 2008 and recent events in Northern Africa and the Middle East, acts of terrorism, '9/11' and the bombings in Bali in 2002.

It may be thought that the words crisis, disaster, catastrophe and hazard are all synonyms for each other however they all have very different meanings. Catastrophes are negative events which in contrast to a crisis have a clear inevitable outcome thus missing a crisis' ambivalence of development and restructuring opportunities ex post. A hazard can be thought of as a lower level problem that would not in itself deter tourists from a destination but could be the swaying factor in a decision which was already uncertain; for example for a risk averse or neutral tourist. Smith (1995, from Ritchie 2004) believed that a disaster would spring from a hazard and that there are no such things as natural disasters only natural hazards with a disaster being the realisation of a hazard and its impact on society. A disaster and crisis can be similar as they both involve an event, natural or manmade, which impacts with such severity that the affected community, organisation or group has to respond by taking exceptional measures. There is often confusion when a crisis results as cause from a disaster with Falkner (2001) making the distinction that a crisis has some degree of being self inflicted through problems such as inept management structures and practices or a failure to adapt to change whilst a disaster has an element of no control as an enterprise is confronted with a sudden unpredictable catastrophic change.

Some places may be associated with greater travel risk than others and thus even without an actual crisis taking place travellers may be deterred from that destination.

In the context of tourism the World Tourism Organisation (UNWTO) has defined a tourism crisis as ' any unexpected event that affects traveller confidence in a destination and interferes with its ability to continue operating normally' and Sonmez (1998) as ' any occurrence which can threaten the normal operations and conduct of tourism related businesses, damage a tourist destination's overall reputation for safety, attractiveness and comfort by negatively affecting visitors perceptions of that destination and, interrupt the continuity of business operations for the local travel and tourism industry by the reduction in tourist arrivals and expenditures.' These two definitions focus on the direct impact of the event itself however Beriman (2003) expressed a tourism crises as ' a situation requiring radical management action in response to events beyond the internal control of the destination, necessitating urgent adaptation of marketing and operational practices to restore the confidence of employees, associated enterprises and consumers in the viability of the destination.' Glaesser (2006) saw a crisis as an ' undesired, extraordinary, often unexpected and timely limited process with ambivalent development possibilities. It demands immediate decisions and countermeasures in order to influence the further development again positively for the organisation/destination and to limit the negative consequences as much as possible. A crisis situation is determined by evaluating the seriousness of the occurring negative events, which threaten, weaken or destroy competitive advantages or important goals of the

organisation.' In order to pursue the effectiveness of crisis management techniques on impact mitigation, we shall focus on the latter two definitions as they not only focus on the direct impact but also the ex post responses. Figure 6 below highlights the impact of any crisis showing that numerous parties would be affected due to tourism's interlinked nature.

Figure 6 - The various spheres of activity

In observing that our environment appears to have become increasingly tumultuous and with the number of crisis increasing, Richardson (1994) suggested that this may not only be because we live in a more complex and crowded world but because we have more powerful technology that has a real capacity to generate disasters, which complicates the process of isolating cause and effect relationships. Thus the boundaries between natural and manmade disasters are becoming increasingly blurred which needs to be taken into account in any analysis and critical evaluation.

Ali (2010) highlighted that recently crisis management in the tourism industry seems to have received more attention in the generic fields of management and crisis management, whereas Henderson (2003) believed that despite the expanding literature in the field, the interaction between crisis and tourism in its multiple forms still appeared under-researched in comparison to other dimensions with scope for further scrutiny in pursuit of a better understanding. Sonmez (1998) argued that although there has been a large advocacy of the necessity of crisis management efforts, few have explored solutions and preventative solutions possibly due to the grandeur of the task. Ritchie (2004) insisted that due to the different paradigmatic

positions in crisis management, research must explore the attitudes and opinions of managers and policy makers in both the private and public sector in order to test different models and concepts in the field. To see how crises are managed and whether the methods employed are effective we must understand that there are many different stages.

One of the most extensive works done was by Faulkner (2001) who developed a disaster management framework in tourism that provided a six-phase process. The first is the pre-event phase in which disaster contingency plans, scenarios and probability assessments play a major role in the disaster management strategy. Although the actual timing, location and severity of natural disasters cannot be accurately predicted it is possible to learn from the past to pre-plan emergency procedures and to mitigate the severity of such events by adopting appropriate building codes, escape routes and alternative measures. A study conducted by Boudreaux (2005) discussed the impact of the September 11, 2001 attacks on participants' crisis preparation. It was stated that there has been a new emphasis on the security of their facilities and the use of government sanctioned training or meetings to support crisis preparation and highlight public safety. The second is the prodromal phase where the disaster is imminent and warning systems and command centres are established with contingency plans being initiated. The role of a crisis manager here is not reactive, but instead a proactive approach where information can be found in various places, such as internal and external audits, government legislation and industry publications. The third is the emergency phase in which the disaster effects are felt and actions are necessary to protect people in the tourism

destination. A prime example of this was immediately after the 2004 Indian Ocean earthquake and tsunami in which tourists and locals had to flee for their lives seeking safety in any types of buildings with sizable ground clearance and authorities constructing shelters for disaster ridden South East Asians. The fourth is the intermediate phase in which short-term and immediate needs of people have to be addressed by emergency and rescue teams with a clear media communication strategy also being crucial in this phase. An example of this was post Hurricane Katrina in the 2005 Atlantic hurricane season in which the US government alongside domestic and international aid agencies set up community shelters and organised food, water and sanitation programs. The fifth stage is the long-term (recovery) phase in which the damaged infrastructure has to be rebuilt, and environmentally damaged areas have to be reconstructed. A prime example is the 2010 Haiti earthquake in which Renois (2010) estimated that 250, 000 residencies, 30, 000 commercial buildings and 16, 500 schools had collapsed or were severely damaged which all needed to be rebuilt. The final is the resolution phase corresponding to Fink's (1986) where routine is restored or a new, improved state occurs. This stage identifies a clear end to the crisis; although organisations view this as the goal, it is not one to be rushed to. An organisation's premature conclusion that Fink's (1986) third chronic stage has ended can leave them vulnerable to the resurgence of the crisis. Due diligence in the earlier stages of the model must be practiced to ensure such a regression does not occur. Having explored crises in great detail we shall now move to see how they are handled in order to limit their damage.

Crises occur on a scale spectrum that ranges from local through to global and in today's world, crisis and disaster management is a major requirement for all businesses, defence and government organisations. How efficiently any crisis or disaster is handled depends on the decision making capabilities and the resources available. While technical expertise can improve crisis avoidance or minimise the disruption resulting from a crisis good management is also need to deal with both the needs of those affected and the adverse publicity which might result. Policy makers are faced with the challenge of how to respond to such crises sometimes in the absence of any disaster management framework. Good crisis management is partly about the ability of organisations to learn from experience and that of others and partly about the willingness of leading organisations to carry out research and then pass on information which is required for effective pre-planning. Dreyer (2001) believes that it is of prime urgency to assess the crisis early enough and to adopt existing crisis plans within the affected area and then later in the operational crisis management stage the goal is to manage the ongoing crisis and to limit damage. It is clear that a strategic approach to crisis planning and management is needed to help retain the confidence of travellers and the travel industry and to minimise the negative impact of crises on destinations. The goal is to get tourists back to affected destinations as quickly as possible and with good crisis management techniques this can be speedy. Regardless of crisis type, the techniques for dealing with it are similar. According to the UNWTO, good communications based on the principles of honesty and transparency together with communications, promotion, security and market research are the key to a successful strategy for crisis management.

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The early reports of a respiratory disease in one part of China didn't alarm the tourism industry in most countries and the first few days' reports of the Foot and Mouth outbreak in the UK generated some concern but primarily for agriculture. In both cases measures were taken as a reaction which triggered an impact on tourism. The latter caused all footpaths and bridleways to be closed effectively closing the countryside to tourists and the latter made the travel advice given by governments and the WHO (World Health Organisation) made consumers and airlines change their plans. A large consequence of a crisis will be a substantial drop in sales volumes, for example the drop in turnover for airlines alone as a result of the Gulf War was estimated at 2 billion dollars (Blake and Sinclair 2003). Terrorist attacks in Egypt during the 1990s also caused tourist to stay away which meant that in the space of a year, the revenue from the international tourism industry for this destination dropped by 1 billion US dollars. This was topped by the events of 9/11 in the USA, which caused not only the worst impact on the worldwide tourism industry since World War II, but also demonstrated how terrorism was able to trigger a slowdown of whole world's economy. These examples illustrate how the tourism industry as an economic sector is challenged by negative events. It is therefore important to analyse negative events from every angle, to systematically identify critical success factors which are elements that organisations should focus on during a tourism crisis and integrate them to ensure effective strategic corporate orientation between different stakeholders, ensuring a most effective recovery plan.

Lynch (2004) provides steps for tourism organisations that should be taken to mitigate the effect of a crisis over a three phase model, the first few

weeks, three months and three years later. During phase one resources and media messages must be organised, statistics and scenario planning must be undertaken, mechanisms of communications within the tourism industry and customers must be established as some methods may have been destroyed and a wish list uniting all parties around a few key things articulated consistently. This time is likely to be frantic but is most important for the provision of human life. In phase two certain new realities will have influenced everyone's thinking and there will be an urgent need to get customers travelling again. This is about tactical marketing to make sales and rebuild confidence, for example do you price cut or add value. The main things to focus on are making the case for financial support, lobbying for other measures which will help business with cash flows e. g. deferral of tax payments and providing good quality information to policy makers on how the crisis is developing. In the next three years (phase 3) it is necessary to wind down the crisis teams, promote the destination and focus on the return of the customer especially traditional customers. Systems changes will be now be being implemented and as we know new relationships will have formed which need to be nurtured.

A recurring theme in crisis management is that of recovery and getting tourists back to the area and this is largely influenced by the media's response and so Beirman (2003) defines four steps in the marketing management of a destination crisis with the emphasis on how the crisis is managed in terms of the appearance projected. The first two steps are identifying the event or problem as a crisis or hazard with the latter just being a lower level problem that would not deter tourists in itself and

establishing a crisis management team and defining roles, both which we have seen before. The difference is in the emphasis of the third step which is promoting the destination during and after the crisis, highlighting the importance of the media again in the recovery of a destination as ' crisis management is as much about dealing with human perceptions about the crisis and the management of a crisis as it is about physically resolving the crisis' (Heath, 1998 in Miller and Ritchie 2003). The last is monitoring the recovery and analysing the crisis experience in order to learn from the situation and improve their techniques.

There are numerous crisis management frameworks or models available for companies and destinations to base their activity on. One suggested was by Heath (1998, from Ritchie 2009) known as the 4 Rs; reduction (risk management), readiness, response and recovery. Another was by Hystad and Keller (2006, from Ritchie 2009) which involved the stages; pre-disaster, disaster, post disaster and resolution. Santana (2003, from Ritchie 2009) nicely brought these similar strategies and others together and put together a two stage model of proactive crisis management consisting of signal detection, preparation and prevention and post crisis management involving damage limitation and recovery. The pre-crisis stages normally involve scanning the environment using a PEST (political, economic, socio-cultural and technological) analysis or consulting the countries' foreign office for advice. It can be challenging to specify the danger precisely but even if you know what to look for provisions may not be implemented. In 2002 post 9/11 there was widespread international recognition that the tourism industry may be a soft target for terrorists which should have prompted tourism

industry bureaucrats to consider the possibility of an attack, however believing that Indonesian tourism enhances peace between nations the government were too optimistic that no incident would befall them (Andari, 2008). Even so there was no organisation learning, incapacity to improve or continuity in the institutions responsible for designing and implementing the recovery plans as they believed that it would never happen again, leading to private organisations doing a large bulk of the work, but in 2005 the second bombs struck (Andari 2008). Quite often this first stage does not occur as we have seen but also was the case in turkey 2001 where the research findings reveal that neither the government nor private organizations had any plans for dealing with the crisis before or after the event (Okumus 2005). A pre-crisis success method is in the form of examining and risk assessments using maps which help identify the most vulnerable parts of a destination for example landslide maps in Brazil and Chile, and flood maps in the UK and Australia. Successful mitigation can also help to reduce the loss of human life and damage through physical measures like dams and cyclone shutters and through diversification if an area relies too heavily on tourism like the Maldives. The importance of plan creation is paramount like emergency plans and warning systems which are now in place throughout South East Asia, building codes in earthquake prone areas; the London 2012 Olympic Games have also had stringent terrorist attack simulations.

Responding to the crisis itself requires coordination and control with its handling being essential to mitigate a crisis's impact. The 2001 Foot & Mouth Outbreak in the UK and 2005 Hurricane Katrina were poorly managed with the former suffering as tourism was not perceived as a stakeholder leading

to the allocation of resources to the agricultural sector. This disaster for the tourism industry was not the disease itself but the actions taken to eradicate the farming crisis and the media images associated with these actions (Miller 2003). The latter became the costliest natural disaster in the history of the USA (Knabb, 2005) due to reasons like a slow response at the federal level given there was some warning and time to prepare and a lack of overall control as discrepancies as to which body were in charge. In this stage of a crisis the media play a huge part to whether the area will recover and prosper in the near future. In regards to the very early stages of a crisis it is often not at all clear what the scale is, what the likely duration will be of solving it will be or exactly who has been affected. There may be many reporters on the ground, tourists who may phone or email contacts often providing video clips of the situation which are inserted into news broadcasts; in this way misinformation may spread. In the longer term, in managing the aftermath of a crisis when the immediate short term problems have been dealt with, the destination will turn to the media with a combination of advertising and public relations to communicate to their client base that the crisis has been resolved. This alongside marketing campaigns will be used to stimulate demand in order to fill some of the lost revenue. Essential is a quick response, consistency in the information given out and openness and honesty. The 1988 Lockerbie disaster and the two examples just discussed were examples of poor media communication however much better handled disasters were the 1989 Kegworth air disaster with the company's reputation actually enhanced ex post even though it was actually their fault and 9/11 with New Yorkers' positive spirits documented and the Mayor as the spokesperson for the city. The final stage is that of <https://assignbuster.com/tourism-crisis-management-techniques-tourism-essay/>

recovery and resolution which has already been discussed in Faulker and Finks frameworks. The key elements are media and marketing communication getting tourists back to the affected area, physical recovery like infrastructure repair and sharing best practices in the reflection and learning process.

As well as negative outcomes, crisis and disasters also have potentially positive results such as stimulus for research and innovation, economic and human development and the emergence of new markets. Some crises are largely restricted to the tourism industry and arose from problematic characteristics in its own operations. The origins of other crises lay completely outside the influence of tourism sector managers, and many of these crises devastated large areas and killed, injured or damaged many sectors of the local population or key infrastructure and industries. Thus we have seen the ever changing nature of the world and its population making tourism organisations and destinations more susceptible to crises and disasters, a more vulnerable industry in general with the potential for major impacts. This creates vast challenges for the industry however by establishing the phases of a crisis, disaster management techniques and strategies can be implemented to mitigate the impact of these, more often than not, catastrophic events.