10th Meeting of Tourism Working Group,
September 21st, 2017, Ankara

Risk & Crisis Management in Tourism Sector:
Recovery From Crisis in OIC Member Countries

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Risks and Crises/ Mitigation Strategies and Actions
Methodology

Conceptual Framework - Definitions, Categories, Types and Impact of Crises
  - Defining Risk & Crisis Management
  - Tourism Crisis Management Framework
  - Resilience in Tourism
  - Categories & Types of Tourism Crises
  - Impacts of Tourism Crises

Mitigation Strategies and Actions
  - Response Strategies and Actions
  - Tourism Crisis Management & Disaster Risk Reduction
  - Stakeholder Roles in Crisis Management
  - Tourism Crisis Strategy and Action Responses
  - Crisis Communications
Methodology (1)

- **Literature review**
  - Academic journal articles/textbooks on crisis management in tourism, resilience and recovery, and on specific case study countries
  - Professional manuals / ‘grey’ literature on crisis management in tourism, including crisis communications

- **Selection of 8 case study countries** (in discussion with COMCEC), all having experienced crisis in tourism, selected from several areas of the world

- **Field study of 3 OIC and 1 non-OIC countries**, including literature review, face-to-face key informant interviews, analysis of tourism statistics
  - Indonesia
  - Turkey
  - Tunisia
  - South Africa
Methodology (2)

- **Desk study of 1 OIC and 3 non-OIC countries**, including literature review, key informant interviews by phone/Skype/email, analysis of tourism statistics
  - The Gambia
  - United Kingdom
  - Sri Lanka
  - Thailand

- All case studies included identification of threats, weaknesses, and critical success factors

- Triangulation of literature review and key informant information by **online survey of tourism businesses** in all 8 case study countries, selected in cooperation with national tourism authorities in each country.
Conceptual Framework

Definitions, Categories, Types and Impact of Crises
Crisis in Tourism:

- Event that creates a **shock to the tourism industry**
- Sudden emergence of an **adverse situation** where the tourism sector **cannot operate normally**
- Installations, infrastructure, market potential and reputation of a tourism business/entire region are damaged
Risk and Crisis Management: strategies, processes and measures which are:

- Planned to prevent crises (i.e. anticipating and reducing risk)
- Put into force to cope with, and recover from, crises
- Integral component of overall tourism and hospitality management practised:
  - At destination level by public sector agencies, communities and larger commercial organisations
  - By individual businesses when the crisis is localised within their own operation
<table>
<thead>
<tr>
<th>No.</th>
<th>Phase</th>
<th>Principal Strategies &amp; Actions</th>
<th>Key stages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pre-event</td>
<td>Contingency planning</td>
<td>Prevention based on known information</td>
</tr>
<tr>
<td>2</td>
<td>Prodromal (onset of crisis)</td>
<td>Initiation of contingency plan</td>
<td>Response</td>
</tr>
<tr>
<td>3</td>
<td>Emergency</td>
<td>Protective actions during crisis</td>
<td>Response</td>
</tr>
<tr>
<td>4</td>
<td>Intermediate</td>
<td>Short-term needs addressed, clear communications strategy in place</td>
<td>Response</td>
</tr>
<tr>
<td>5</td>
<td>Recovery</td>
<td>Restoring infrastructure, facilities &amp; attractions, coordinated &amp; sustained marketing response</td>
<td>Stimulation of recovery</td>
</tr>
<tr>
<td>6</td>
<td>Resolution</td>
<td>Review of actions to feed into further contingency plans</td>
<td>Prevention based on new learning</td>
</tr>
</tbody>
</table>

*Based on Faulkner, 2001*
The Resilience Cycle

Resilience is the ability of a system:

- to reduce the chances of a crisis occurring
- to mitigate the impacts of a crisis should it occur
- to recover quickly

It is the preparedness and ability of systems (in tourism and other fields) to respond to, cope with and adapt to changes over time without losing their fundamental structures and functions.
The Tourism Resilience Cycle

Core features of a resilient tourism system:

1. Ability to understand and harness market forces
2. Collaboration between stakeholders to create strong networks
3. Leadership
Categories of Tourism-Related Crises

Outside management control
- Natural disasters
- Epidemics
- Sudden global economic events

Management Failure
- Management shortcomings
- Financial fraud
- Loss of data
- Destruction of place of business without back-up procedures or insurance cover

Management Failure - Lack of Contingency Planning
- Acts of war or terrorism
- Political upheavals
- Crime waves
- Anthropogenic (e.g. human-induced) climate change
Types of Tourism Crises

- Environmental crises
- Societal and political events
- Health-related crises
- Technological incidents or failures
- Economic events

Destination Level

- Accidents in the public realm
- Accidents or events within an individual business

Based on UNWTO, 2011
Impacts of Tourism Crises (1)

- Decline in visitor arrivals
- Loss of jobs
- Reduction in business turnover and profits
- Falling tax revenues
- Failure to invest in facilities
Impacts of Tourism Crises (2)

- Many crises are limited to a geographic area or of short duration BUT the whole of the country’s image can be negatively affected.
- Tourists’ crisis sensitivity varies across markets and segments.
- Domestic and regional source markets + more adventurous, experienced and cultural tourist segments most resilient.
- Terrorist incidents are most likely to lead to trip cancellations.
Impacts of Tourism Crises (3)

Sensitivity of tourism markets to crisis

<table>
<thead>
<tr>
<th>Region</th>
<th>Sensitivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe (Overall)</td>
<td>4.13</td>
</tr>
<tr>
<td>Western Europe</td>
<td>4.00</td>
</tr>
<tr>
<td>Central/Eastern Europe</td>
<td>3.71</td>
</tr>
<tr>
<td>Southern/Medit. Europe</td>
<td>3.62</td>
</tr>
<tr>
<td>North America</td>
<td>3.54</td>
</tr>
<tr>
<td>North East Asia</td>
<td>3.28</td>
</tr>
<tr>
<td>South East Asia</td>
<td>3.28</td>
</tr>
<tr>
<td>North Africa</td>
<td>3.05</td>
</tr>
<tr>
<td>Central America</td>
<td>3.04</td>
</tr>
<tr>
<td>South Asia</td>
<td>2.96</td>
</tr>
<tr>
<td>South America</td>
<td>2.92</td>
</tr>
<tr>
<td>Middle East</td>
<td>2.86</td>
</tr>
<tr>
<td>Oceania</td>
<td>2.78</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2.67</td>
</tr>
<tr>
<td>Caribbean</td>
<td>2.64</td>
</tr>
</tbody>
</table>
Impacts of Tourism Crises (4)

Length of time taken for own organisation to recover from crisis

<table>
<thead>
<tr>
<th>Organisation has not fully recovered</th>
<th>All</th>
<th>Terrorism</th>
<th>Natural disaster</th>
<th>Epidemics</th>
<th>Political crises</th>
<th>Economic crises</th>
<th>Public order disruptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>10+ years</td>
<td>27%</td>
<td>25%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>13%</td>
</tr>
<tr>
<td>6-9 years</td>
<td>4%</td>
<td>6%</td>
<td>0</td>
<td>60%</td>
<td>14%</td>
<td>50%</td>
<td>13%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>18%</td>
<td>19%</td>
<td>33%</td>
<td>0</td>
<td>43%</td>
<td>0</td>
<td>13%</td>
</tr>
<tr>
<td>1-2 years</td>
<td>31%</td>
<td>25%</td>
<td>33%</td>
<td>0</td>
<td>29%</td>
<td>50%</td>
<td>38%</td>
</tr>
<tr>
<td>No reply</td>
<td>20%</td>
<td>25%</td>
<td>17%</td>
<td>0</td>
<td>29%</td>
<td>0</td>
<td>25%</td>
</tr>
</tbody>
</table>

Average Years: 7.17, 7.54, 5.20, 9.60, 4.70, 8.25, 6.0
Mitigation Strategies and Actions
Crisis management has evolved from a reactive, top-down approach to a more participatory form which seeks to reduce the occurrence of crises and minimize their negative consequences.

Many countries have a national system for disaster risk reduction (DRR) and disaster risk management (DRM), normally headed by a government department.

Where crises affect tourism, these should link tourism-related stakeholders with civil defence and community response groups, i.e. tourism should be integrated with existing systems, strategies and processes of DRR/DRM.

UNWTO recommends that countries form national tourism councils with executive committees responsible for risk management in key areas, according to the needs of each destination.

These may be organised within the National Tourism Authority or Tourism Board.
Stakeholder Roles in Crisis Management

- **Initial leadership**: from the national (or regional) DRM unit, with follow up by the NTA/TB in collaboration with tourism businesses.

- It is vital for destinations to work with the international travel trade.

- These typically adopt a conservative response to crises, e.g. evacuating their clients and cancelling further tourist trips:
  - Operating to a destination against the official advice of their home government invalidates the company’s insurance cover.
  - They wish to avoid any risk to their customers.

- International transport organisations, tour operators and hotels have established protocols and procedures in the event of emergencies.
Tourism Crisis Strategy & Action Responses (1)

Phases

- Pre-event/crisis
- Prodromal (onset of crisis)
- Emergency
- Intermediate
- Recovery
- Resolution
## Tourism Crisis Strategy & Action Responses (2)
### Pre-Crisis Management Steps

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Set up a tourism crisis recovery task force</td>
</tr>
<tr>
<td>2.</td>
<td>Appoint task force’s spokesperson</td>
</tr>
<tr>
<td>3.</td>
<td>Maintain up-to-date market knowledge</td>
</tr>
<tr>
<td>4.</td>
<td>Cultivate good relations with the media</td>
</tr>
<tr>
<td>5.</td>
<td>Create warm relations with individual tourists</td>
</tr>
<tr>
<td>6.</td>
<td>Plan policies, procedures and strategies</td>
</tr>
<tr>
<td>7.</td>
<td>Establish capacity building activities to enhance contingency planning</td>
</tr>
<tr>
<td>8.</td>
<td>Promote individual and family preparedness among employees</td>
</tr>
<tr>
<td>9.</td>
<td>Foster tourism clusters and integration into community contingency planning</td>
</tr>
</tbody>
</table>
Tourism Crisis Strategy & Action Responses (3) - Pre-Crisis Phase

- Establish range of policies, procedures, multi-representative organisational structures and plans
- Planning process informed by knowledge of how markets and international travel and tourism trade respond to crises
- Scenario planning based on how elements of the tourism system interact with the wider societal and economic context
- Understanding these relationships is a precursor to creating more resilient tourism systems
The emergency phase covers:

- Safety and welfare of tourists and employees
- Emergency infrastructural repairs
- Handling enquiries from relatives
- Communications to mitigate damage to image

Regular updates via media communications centre + openness to media enquiries is vital to restrict sensationalist and inaccurate reporting
Efforts to ensure recovery should accelerate as soon as the emergency phase is over, with actions targeting *travel trade channels* and *individual travellers* through:

- Increased marketing
- Clear improvements to security
- Strengthen public/private partnerships
- Combination of fiscal and monetary measures

Until repairs are made to key infrastructure and facilities in the affected area, *focus recovery promotion efforts on areas unaffected by the event/incident*
Longer term measures in five key areas:

- **Infrastructural development**
- **Investment**
- **Human Resource Development**
- **Image rebuilding and repositioning**
- **Market and product diversification and repositioning**
Tourism Crisis Strategy & Action Responses (7)

Resolution Phase

- Monitor the success of short and medium-term measures
- Evaluate longer-term measures to rebuild the industry
- Modify future contingency plans based on lessons learned
Crisis Communications (1)

- Use crisis communications to **minimize the negative consequences of a crisis** for the destination.
- Key is **identifying the risks and crises** that could occur and developing specific communications plans.
- **Communicate with potential tourists** and tourism organisations to provide accurate and transparent information and provide reassurance about the safety of travel.
- As the crisis evolves, managers need to continue **monitoring the state of the market** and its reaction to the crisis.
- Principles of a crisis communication plan must be **established in advance**, including the human and financial resources required.
The ability to communicate immediate reports, including graphic images, is a threat and an opportunity, particularly during and after a crisis:

- **Threat** is the risk of sensationalist reporting that exaggerates the scale of the problem
- **Opportunity** is to respond rapidly with positive material on the limitations of the problem and actions to assist those affected and make repairs to bring the sector back to normal

A clear crisis communications plan can ensure that negative impacts of sensationalist reporting are minimised

- The **UNWTO ‘Toolbox for Crisis Communications in Tourism’ (2011)** outlines a model policy, covering the preparation stage, human resources and training needs, and allocation of roles and responsibilities
Crisis Communications (3)
Role of the Media

- The destination and its markets are often separated by large distances.

- The press and other forms of traditional media have significant influence on travellers’ decision-making through reporting on damage or suffering.

- There is immediate reporting of significant events, including tourism crises—especially those affecting media outlets’ target audience.

- User-generated content on social media has changed communications by democratising the propagation of messages and images.

- Graphic images of disasters may be accompanied by accounts of human suffering + infrastructure / facility damage and destruction.

- Reporting of recovery is less extensive, so images of the disaster may not be effectively counter-balanced.
Governments issue travel advisories to inform their citizens of safety or security issues affecting a country or region.

Travel advisories are literally ‘advice’ and cannot prevent people from travelling to a destination, but travel insurance is generally invalidated if travel is undertaken in defiance of advisories.

The UNWTO recommends that destinations subject to travel advisories should issue a reassuring - but truthful - statement on the situation, noting awareness of the advisory and stating that all possible measures are being taken to resolve the situation.