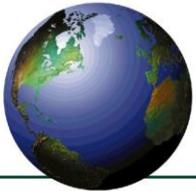




Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)

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

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



Tourism Development
International

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TOURISM DEVELOPMENT INTERNATIONAL**



**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

Case Studies, Main Challenges, Recommendations and Prospects

**COMCEC COORDINATION OFFICE
September 2017**

Contents

- ▶ Case Studies
 - ▶ OIC Countries
 - ▶ Non-OIC Countries
- ▶ Methodology
- ▶ OIC Member State Tourism Crises
 - ▶ Main Challenges - Types and Impacts
 - ▶ Conclusions
- ▶ Policy Recommendations and Actions
- ▶ Conclusions/Prospects

Case Studies

OIC Countries

Indonesia (field)

Turkey (field)

Tunisia (field)

The Gambia (desk)

Non-OIC Countries

South Africa (field)

United Kingdom (desk)

Thailand (desk)

Sri Lanka (desk)

Methodology

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light to dark. These shapes are primarily located on the right side of the page, creating a modern, layered effect. The overall aesthetic is clean and professional.

Methodology

- ▶ **Selection of Case Study Countries** in consultation with COMCEC, based on crisis-hit countries in different parts of the world (OIC and non-OIC)
- ▶ **Review of academic literature**, using academic databases
- ▶ Review of **professional / 'grey' literature**
- ▶ **Desk research** into all countries (interviews with key informants from tourism authorities and industry; online sources including traditional media, social media)
- ▶ **Field visits to 4 countries** (Indonesia, Tunisia, Turkey, South Africa) to carry out interviews with key informants, observation
- ▶ **Online survey** of tour operators / other industry in all 8 countries

Case Studies

OIC Countries

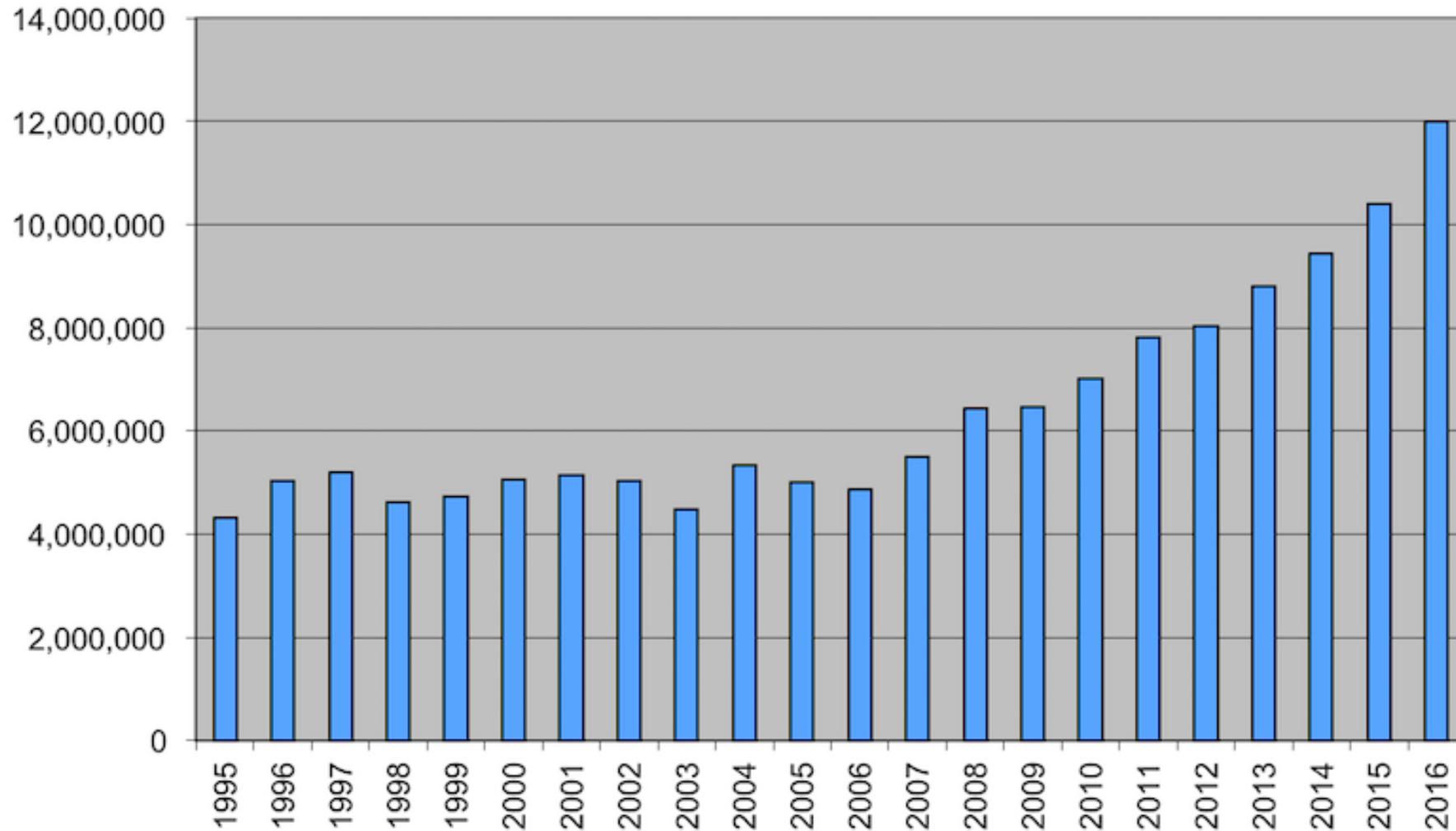
Indonesia (1)

- ▶ Indonesian tourism grew rapidly 1980s-90s after **decision to deregulate economy** and reduce reliance on oil & gas sector
- ▶ From the late 1990s several crises (especially Bali bombings, 2002)
- ▶ Early attacks demonstrated insufficient preparedness, including poor coordination and planning
- ▶ The impact on tourism and on Indonesia's image was rapid



Indonesia (2)

Indonesia Visitor Arrivals 1995-2016



Indonesia (3)

- ▶ Tourism in Indonesia is vulnerable to several types of crises, especially natural disasters, societal-political, and health-related
- ▶ Indonesian governments have implemented intensive campaigns to restore their country's image, including setting up a **Crisis Management Team** tasked with diversifying products and source markets
- ▶ Result: **steady growth** over the last decade, 12 million visitors in 2016
- ▶ Measures by the government to: improve security, work with stakeholders, and diversify markets have ensured greater resilience

Turkey (1)

- ▶ Tourism in Turkey grew steadily from 1980s-2015
- ▶ Mainly focused on **mass tourism**, supported by cultural attractions and other activities
- ▶ The authorities recognised the **need to diversify the offer**, expanding health and spa tourism, marine activities, golfing and MICE
- ▶ *'Tourism Strategy of Turkey - 2023'* aims to **increase resilience** by involving stakeholders from local communities and civil society in tourism planning and implementation to minimise environmental and socio-economic impacts

Turkey (2)

- ▶ Since 2015, Turkey has been hit by terrorism attacks and social and political developments, leading to a **sharp decline in international arrivals**
- ▶ In January 2016, the government announced an **action plan** to counter the impacts of the crisis
- ▶ **Marketing intensified** to restore the image of the country, especially targeting Asia and the Middle East



Turkey (3)

- ▶ Marketing efforts are paying off:
 - ▶ 46% increase in July 2017 compared to July 2016
 - ▶ Principal increases from Russia, Georgia, Iran
- ▶ However, the average daily rate in hotels was lower

Tunisia (1)



- ▶ Before 2011, Tunisia attracted up to 7 million tourists p.a. due to political stability, low cost, proximity to source markets, good climate
- ▶ 2010: ‘Jasmine Revolution’
- ▶ 2013-14: Renewal of political systems
- ▶ **Intensive marketing** led to gradual recovery in 2012-14, helped by positive reporting about the political changes
- ▶ 2015: terrorist attacks targeting foreign tourists caused a further decline



Tunisia (2)

Recovery measures:

- ▶ **Product diversification:** heritage tourism, desert tourism, ecotourism, senior citizen and health and wellness tourism
- ▶ **Extensive marketing**, extended to emerging markets in Russia, eastern Europe and North Africa + new markets such as China, Middle East and Sub-Saharan Africa
- ▶ Appeals to **domestic tourists** and **Tunisian diaspora**
- ▶ Proactive approach by government in leading on an inclusive approach to stakeholders/ funding / encouraging evolution towards a renewed and more diversified product
- ▶ **Improved security** at tourist locations

Tunisia (3)

- ▶ Domestic and International **support for government actions**
- ▶ In 2017 an **increase in flights** was reported, and the authorities anticipated 30% rise in arrivals compared to 2016
- ▶ **Withdrawal by Britain, France, Germany of travel advisory warnings** strengthens European markets
- ▶ Sea-front hotels had **high occupancy levels** in 2017
- ▶ However: domestic/diaspora tourists have lower daily spend

The Gambia (1)

- ▶ 171,000 arrivals in 2013 (peak year), **very seasonal**
- ▶ Heavy **reliance on 'winter' beach tourism**, foreign-owned hotels
- ▶ **'Guilty by association'** effect of Ebola outbreak, 2014/15
- ▶ Political crises in 1994, 2017 result in sudden drops in visitor arrivals (flight, tour cancellations)
- ▶ Longer term: **Sea-level rise** due to climate change



reeGambia
Gambia Ebola Free

The Gambia (2)

- ▶ **Weak leadership** by public sector, lack of investment in training and promotion, market research
- ▶ Despite weaknesses, those involved **remain optimistic**:
 - ▶ After crisis, **rapid financial support** for hotels (e.g. tax holidays)
 - ▶ **Loyal tour operators**: planning to maintain or increase capacity for 2017-18
 - ▶ The Gambia Tourist Board has a larger budget for marketing and product development
 - ▶ Key staff trained under ‘**responsible tourism**’ management programme

The Gambia (3)



- ▶ Longer term:
 - ▶ Plan for more **cultural and ecotourism** products away from the coastal strip
 - ▶ Emphasise that The Gambia is **extremely safe**

- ▶ Strongest lesson learned from recent crisis is: **need for inter-departmental emergency response plan**



Case Studies

Non-OIC Case Studies

South Africa (1)

- ▶ Strong **wildlife tourism**, with shopping and cultural tourism (especially re. apartheid era)
- ▶ Highest arrivals in Sub-Saharan Africa - approx. 9 million per year since 2007
- ▶ However, overall static, and long-staying, high-spending tourists are declining, **replaced by short-stay traders from neighbouring countries**
- ▶ **Deterioration of safety and security and environmental sustainability** (due to deforestation and loss of habitat)



South Africa (2)

- ▶ International perception that South Africa is **unsafe**
- ▶ **Currency fluctuations**
- ▶ **Weak support for tourism** by government
- ▶ **Obstructive environment for tourism** (bureaucratic government-run tourism organisations, stringent visa regulations, poor support for private sector, limited finance for new attractions, infrastructure, promotion)
- ▶ **Poor understanding of the value of tourists** locally and nationally in peripheral destinations, and of the role of domestic tourists
- ▶ **Variable quality of tourism products** and staff

South Africa (3)



Strengths + efforts to maintain sector:

- ▶ Good infrastructure surrounding **strong wildlife product**
- ▶ **‘Good news’ stories** by bloggers and strong use of social media across several platforms, use of PR firm
- ▶ Diversification into **MICE sector**, building on skills gained during 2010 World Cup

United Kingdom (1)

- ▶ World's 6th most popular destination (35.8 million in 2016)
- ▶ **Foot & Mouth Disease** (affects livestock) caused major crisis in 2001
- ▶ **Poor risk awareness and lack of preparedness** escalated a *risk* into a *crisis*
- ▶ Negative images of countryside, many cancellations
- ▶ **Poor leadership** by public sector
- ▶ Government underestimated the importance of tourism to the rural economy



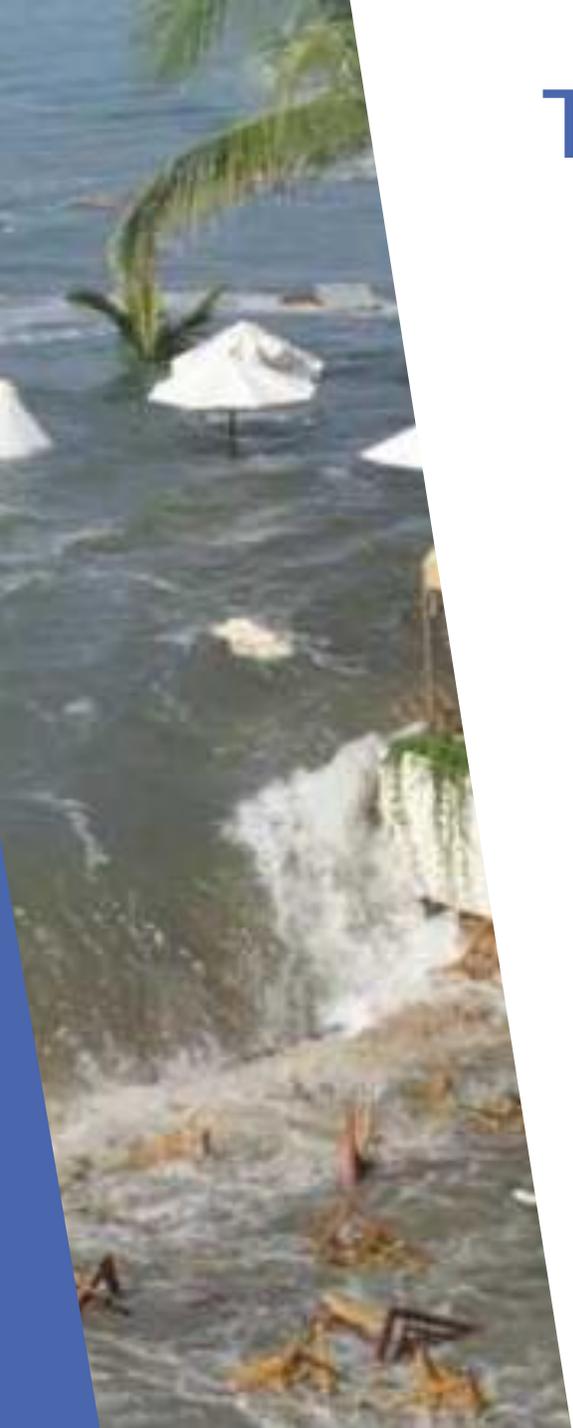
United Kingdom (2)

- ▶ After the crisis: higher profile for tourism in government agenda, reform of **tourism sector**
 - ▶ Better **stakeholder cooperation**
 - ▶ Tourist boards provide good **promotional activity** and business support such as training and networking
 - ▶ Rural tourism receives **support through grants and promotion**
 - ▶ **Better enabling environment**, though public sector funding cuts since 2008 have affected all government activity, including tourism
- ▶ Floods in 2014-16 affected domestic tourism
 - ▶ Extreme weather events due to climate change?

United Kingdom (3)



- ▶ UK tourism benefits from **strong brand recognition** and good quality, diverse offer
- ▶ Government spend on domestic tourism: **‘staycations’**
- ▶ **Appears unaffected by terrorism attacks:** market awareness that these can happen anywhere, and measures are taken to improve security
- ▶ Business owners anxious about **withdrawal from the EU**
- ▶ Concentration of international tourists in a few areas: better dispersal desirable



Thailand (1)

- ▶ **Several crises since 2000**, including health-related, societal & political, terrorism, natural disasters (tsunami, floods)
- ▶ Despite this, **tourism is remarkably robust**:
 - ▶ Civil unrest is not directed at foreigners
 - ▶ Positive social and cultural capital during years of successful and peaceful tourism stands the industry in good stead when a crisis occurs
- ▶ **World's 9th most popular destination** (32.6 million arrivals in 2016)

Thailand (2)

- ▶ The Tourism Authority of Thailand (TAT) is **experienced at countering crises**
- ▶ The government allocates money to **rebuild damaged infrastructure**
- ▶ TAT and the private sector collaborate to:
 - ▶ Present a unified message to key markets
 - ▶ Present reliable and reassuring information
 - ▶ Reduce prices
 - ▶ Adjust their product and promotional offers to attract market segments less sensitive to shocks, e.g. domestic / regional markets

Thailand (3)

▶ Strengths of tourism:

- ▶ Diversified product
- ▶ Good understanding of market trends
- ▶ Experienced staff
- ▶ Good use of social media
- ▶ Robust enterprises at all levels (large to micro)

▶ Weaknesses:

- ▶ Negative publicity on ecological damage / animal welfare
- ▶ Lack of crisis management plans and 'learning culture' in private enterprises



Sri Lanka (1)

- ▶ Robust tourism sector until 1983, when **civil war** broke out
- ▶ 2000-02 investment, peace agreement
- ▶ 2004 Indian Ocean **tsunami** damaged 25% of tourism infrastructure
- ▶ **End of civil war** in 2009 stimulated dramatic increase in arrivals: from 438,000 in 2008 to 2.05 million in 2016



Sri Lanka (2)

The tsunami triggered significant change in the tourism system:

Before:

- Fragmentation over responsibilities between public and private sector
- Declining length of stay
- Low levels of investment
- 'Brain drain' of qualified tourism personnel overseas



Since :

- Reorganisation of tourism sector (Tourism Act 2005)
- Disaster Management Act
- New infrastructure (especially roads)
- Clearer investment code for overseas investors
- PR initiative for domestic / diaspora tourism
- More involvement of communities

Sri Lanka (3)

- ▶ Efforts to stimulate **domestic tourism** (new festival each month)
- ▶ Significant **upgrading of infrastructure**
- ▶ **Product diversification**, including dive tourism, religious tourism for domestic tourists / diaspora / Buddhists from other parts of Asia
- ▶ **Targeting of new markets**: India, China, Russia
- ▶ Improved **digital marketing**

OIC Member State Tourism Crises

OIC Member State Tourism Crises (1) - Main Challenges - Types & Impacts

OIC Member States are vulnerable to the same challenges as other countries. The most important category is 'societal-political'

Consequences of crises include:

- ▶ **Heightened perception of risk** and erosion of customer confidence
- ▶ **Physical damage** to tourism infrastructure
- ▶ Decisions by consumers to **cancel or postpone trips**
- ▶ Removal by tour operators of holidays from brochures and websites
- ▶ **Reduction in flights by airlines**
- ▶ **Decline in tourist arrivals** and occupancy levels
- ▶ Loss of jobs and a **fall in the economic benefits**, including reduced incomes and tax revenues

OIC Member State Tourism Crises (2) - Conclusions

Critical success factors:

- ▶ Recovery can be swift for countries with **well-established tourism sectors with strong customer loyalty**
- ▶ **Strong government commitment and leadership** in strategy, policy, and understanding of market trends
- ▶ **Close collaboration** between public and private sectors, supported by the general public
- ▶ **Reduction of bureaucratic procedures and incentives** to encourage foreign investment
- ▶ Longer term: **training programmes** to build human resource capacity

Policy Recommendations and Actions

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Policy Recommendations for OIC Member States

Policy recommendations developed by adapting strategies and actions from international experience to the situation of OIC Member States

Recommendations cover both Public Sector and Private Sector

Key Actions (1) - Pre-Crisis Contingency Planning

Recognise risks
and potential
threats

Identify threats
most likely to
occur

Prepare plans for
each of the most
likely threats

Ensure good
working relations
with national DRR
unit

Establish a
tourism crisis
recovery task
force

Designate a Crisis
HQ location and
spokesperson

Ongoing market
research into
reaction to crises
of different
markets

Intelligence on
numbers of
tourists in
principal tourist
areas

Maintain up-to-
date list of
foreign consular
officials

Key contacts of
business, trade
associations and
DMOs

Maintain good
relations with
media, trade and
tourists

Set up clear
channels of
communication
for tourists

Key Actions (2) - Prodromal Phase: Warning Signs of the Crisis

Prepare draft press releases based on UNWTO's 'Toolbox for Crisis Communications' templates

Place Crisis HQ in state of readiness

Ensure designated spokesperson is ready and aware of situation

Frequent communications with national DRR unit

Key Actions (3) - Emergency Phase: Protective Actions

Activate Crisis HQ

Provide medical, food
and other assistance
for safety and welfare
of tourists, employees
and residents

Arrange emergency
evacuation procedures

Government DRR Unit
to inform tourism
sector of hotline for
enquiries by media and
general public

Assess most urgent
infrastructural repairs

Key Actions (4) - Intermediate Recovery Phase

Carry out emergency
infrastructural repairs

Ascertain physical
damage to tourist
plant

Disseminate consistent
and accurate messages
via media / social
media

Close public:private
sector cooperation to
ensure consistency of
messages and actions

Review taxation policy
to identify possible
assistance for tourism
businesses

Communicate fiscal
and other support
through trade
associations

Key Actions (5) - Recovery Phase - Mid Term

Legislate to encourage overseas investment

Improve security, including training in-country personnel to respond to terrorism threats

Run promotional campaign, including familiarisation trips for journalists, bloggers, trade

Provide financial support for repair and upgrading of tourism facilities

Share government research into market developments with tourism businesses

Address reputational damage through recruiting specialist skills

Key Actions (6) - Recovery Phase - Long Term

Maintain close contacts at government-to-government level, with the media, trade, and targeted markets / segments

Undertake programmes through public:private sector partnerships (e.g. training, product development)

Rebuild destination image through matching products to less crisis-sensitive market segments

Highlight history, culture, and Islamic traditions of hospitality and welcome

Implement longer term infrastructural improvements

Key Actions (7) - Resolution Phase

Evaluate measures taken to
rebuild the tourism industry

Modify future contingency plans /
pre-crisis planning in the light of
evaluation

Conclusions/Prospects (1)

- ▶ Tourism must be represented within **national crisis management strategies**
- ▶ A good **contingency plan**, constantly updated, is vital
- ▶ Public sector leadership, cooperation with private sector and strong trade associations are essential
- ▶ **Accurate information** from a reputable source (e.g. the NTO) can counteract sensationalist reporting

Conclusions/Prospects (2)

- ▶ Recovery efforts are most effective if the disaster or crisis is a one-off or rare occurrence
- ▶ If the underlying causes of the disruptive event remain unresolved (e.g. long-running tensions), the country's image will be hard to repair
- ▶ Ignoring the issue is unlikely to succeed in the long term if crises of a similar nature continue to occur
- ▶ Diversifying products, targeting different markets and improving security can help recovery