
11

Future Proofing a Crisis

Introduction

The nature of the international tourism industry makes it prone to crises. Its service characteristics together with the number of potential external threats considered beyond its control, contribute to its susceptibility and make the risks difficult to manage (Evans and Elphick, 2005; Santana, 2008; Pforr, 2009; Nian *et al.*, 2019). Interruptions to services at the destination itself and within transit routes, as well as the (mis)perceptions of consumers in distant markets, contribute to an increased vulnerability to the short and longer term effects of a crisis

The UN World Tourism Organisation (UNWTO) considers a crisis, in the context of the travel and tourism industry, as ‘any unexpected event that affects traveller confidence in a destination and interferes with the ability to continue operating normally’ (2011). The terms ‘crisis’ and ‘disaster’ are often used interchangeably within the literature although it may be argued a difference in meaning exists (Rindrasih *et al.*, 2019). The scale and responsibility, or control factors within the causation of the event, appear to be the key elements used to distinguish the two terms. Faulkner (2001: 136), for example, makes the distinction between the two terms by defining a crisis as ‘a self-inflicted event caused by problems, such as inept management structures and practices or a failure to adapt to changes’; and a disaster as ‘a situation in which an enterprise (or group of enterprises) is confronted with sudden unpredictable and catastrophic changes over which it has little control’.

Within a tourism context, Bierman (2016) makes the distinction of crises as being either Category 1 or 2. Category 1 crises are beyond the control of management and include natural disasters, acts of terrorism and war, crime, political conflicts and sudden economic downturns. Category 2 crises result from management’s failure to act or implement processes to prepare for or deal with predictable risks such as high staff turnover, lack of insurance in a

situation of fire or flood, service and equipment failure, financial fraud and loss of data (Bierman, 2016).

For the purpose of this chapter discussion, a definition adapted from Beirman (2003: 4) relating to a destination crisis will be used, primarily focused on the large-scale nature of the crisis events discussed, these being considered as Category 1, and beyond the control of destination's management and tourism authorities:

a crisis is a situation requiring radical management action in response to events beyond the internal control of the organisation, necessitating urgent adaption of marketing and operational practices to restore the confidence of employees, associated enterprises and consumers in the viability of the destination.

From a travel and tourism perspective, crisis management refers to the planning and implementation of strategies directed towards managing the negative effects of crises and disasters, particularly on the local tourism industry (COMCEC, 2017). Consequently, crisis management is defined as:

an ongoing integrated and comprehensive effort that organizations effectively put into place in an attempt to first and foremost understand and prevent crisis, and to effectively manage those that occur, taking into account in each and every step of their planning and training activities, the interest of their stakeholders (Santana 1999: 8).

The output of crisis management planning is the development of crisis management response plans. These aim to build resilience amongst the local community and business operators by equipping them with skills and strategies to cope with a wide range of scenarios. Recognised as a concept in 1962, crisis management incorporates risk analysis and management: disaster planning, prevention, preparedness and response, as well as the overall recovery process, including relationship development with the media (Young and Montgomery, 1998; Granville *et al.*, 2016; Huertas and Oliveita, 2019).

Future crisis management plans must take into account the open system characteristics of the international tourism industry and additional factors required to contend with the increased frequency and magnitude of terror-related crises (Rindrasih *et al.*, 2019). Destination crisis management plans must be flexible, clearly outline decisional roles and responsibilities, utilise effective communication channels and ultimately be integrated into the destination's overall strategic planning processes (Evans and Elphick, 2005).

The impact of crises on the international tourism industry

The impacts experienced by a destination and its tourism industry will vary depending upon the type of crises and its magnitude, resulting in either short-term or long-term implications. Typically, destinations experience physical damage to the environment and tourism infrastructure and a decline in tourist visitation, which subsequently results in economic repercussions for the local community, including decreased spending, a loss of income for local operators and unemployment. Tourism crises tend to also affect the regions surrounding those initially damaged and exert both positive and negative impacts on the area. Kasperson *et al.* (1992) consider these secondary impacts as consequences that spread further than those directly impacted by the original crisis event. For example, during the 1990-1991 Persian Gulf War and the 2004 Boxing Day Indian Ocean Earthquake and Tsunami, where neighbouring countries too were deemed unsafe to visit, these destinations experienced decreased tourism demand (Rindrasih *et al.*, 2019; Evans and Elphick, 2005). Meanwhile, those destinations regarded as alternate tourist destinations experienced increased tourism visitation (Evans and Elphick, 2005). The media often play a role in sensationalising the crises and prolonging the recovery process of not only the immediate destination, but also the surrounding areas (Murphy and Bailey, 1989). Non-factual information about the affected area and distribution of adverse images may be reported, which in turn may contribute to the development of negative perceptions. A positive relationship between the local tourism industry and the media must be developed and media coverage focusing on the recovery of the destination encouraged, including those regions declared safe and business reopening. Investigation into the impact of crises on the performance of the tourism industry is relatively new, with inquiry previously inclined to focus around single events and destinations and little research conducted on their secondary impacts or spill-over effects (Rindrasih *et al.*, 2019). Additionally, the quality of this research varies and remains a challenge for destinations and tourism operators.

The impacts of terrorism on the international tourism industry

Without doubt, many industries are severely disrupted by the impacts of terrorism; however, the effects upon the tourism sector are notably profound (Evans and Elphick, 2005). These types of events are inclined to have the most immediate and greatest impact upon a destination's tourism and significantly reduces overall tourism demand (Drakos and Kutan, 2003; Buigut *et al.*, 2017).