“Managing Crisis in Tourism”

DR. Anang Sutono, CHE

Senior Advisor to Minister, Ministry of Tourism Republic of Indonesia

wonderful indonesia

[UNWTO, 2011] CRISIS MANAGEMENT

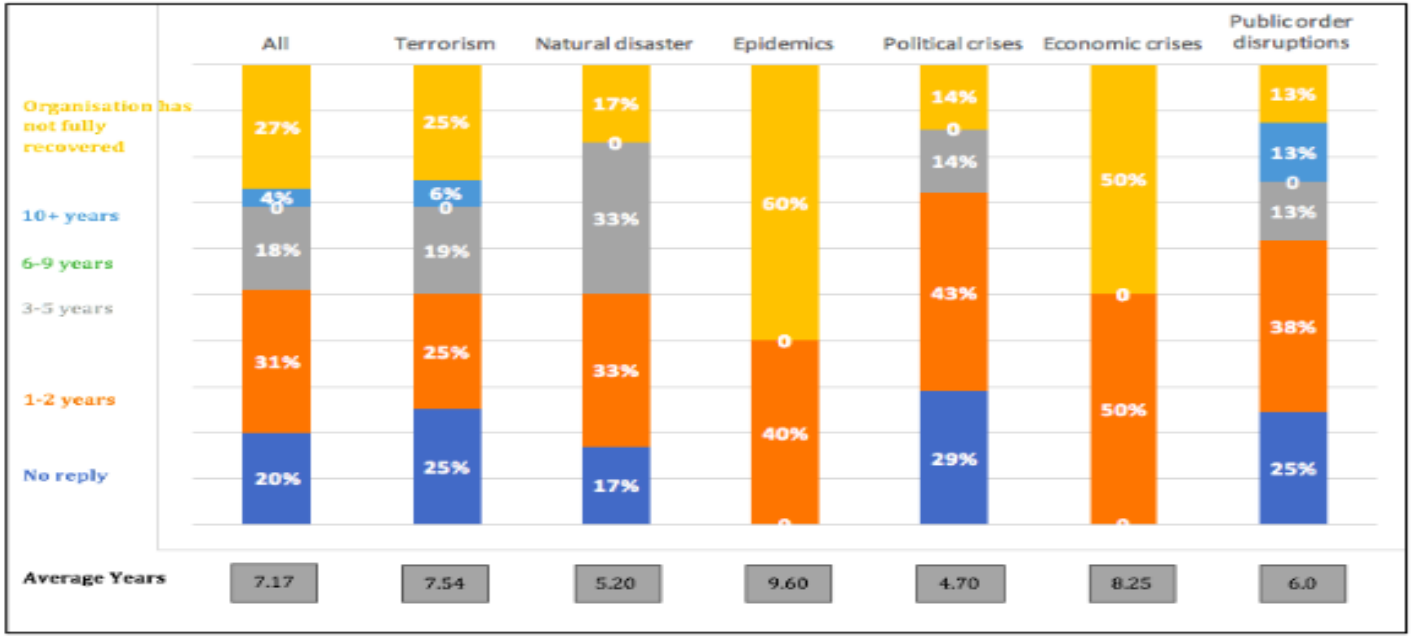
Crisis management consists of the **“strategies, processes and measures which are planned and put into force to prevent and cope with crisis.”**

Risk and crisis management is an integral component of overall tourism and hospitality management, practised at destination level by public sector agencies and communities, larger enterprises at destination level and by individual businesses.

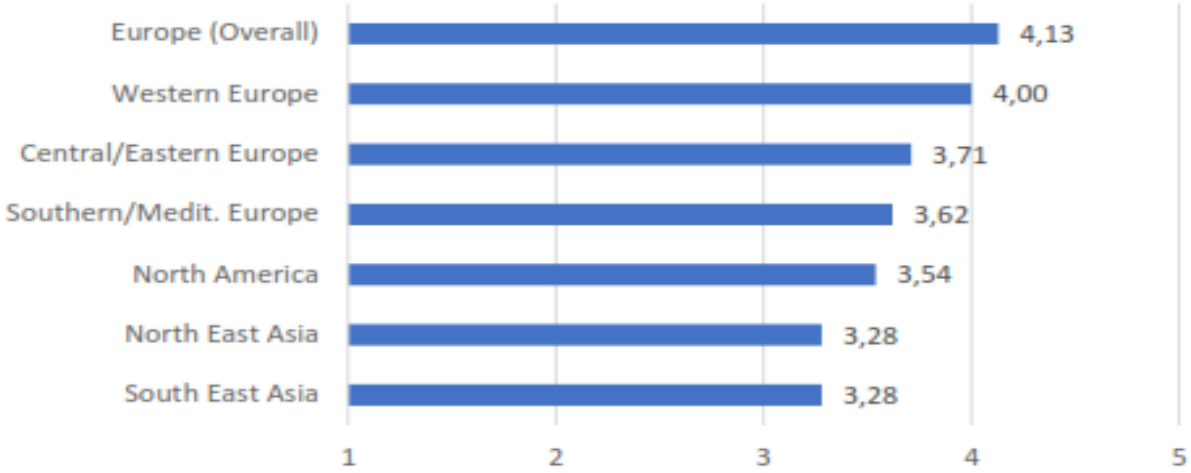
The UNWTO (2011) places tourism crises into five categories:

1. **Environmental** - including geological and extreme weather events, and human-induced situations such as climate change and deforestation
2. **Societal and political** - including riots, crime waves, terrorist acts, human rights abuses, coups, violently contested elections
3. **Health-related** - such as disease epidemics affecting humans or animals
4. **Technological** - including transportation accidents and IT system failures
5. **Economic** - such as major currency fluctuations and financial crises

LENGTH OF TIME TO RECOVER FOR OWN ORGANIZATION TO RECOVER FROM CRISIS



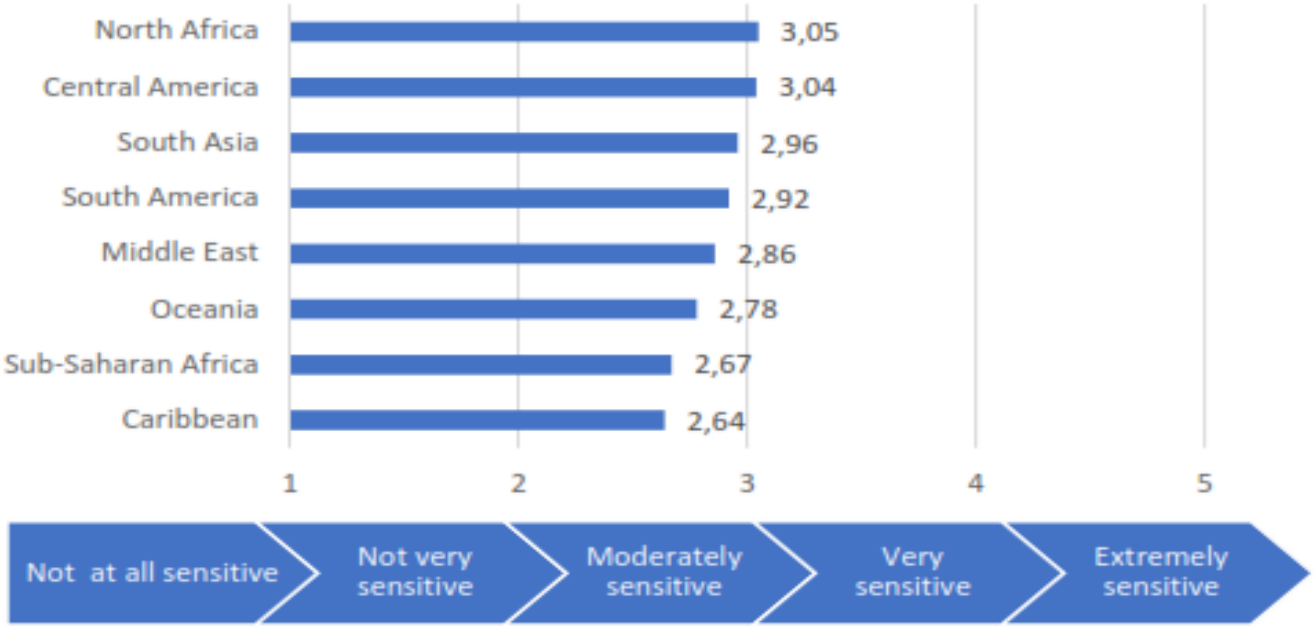
SENSITIVITY of TOURISM MARKETS to CRISIS (APEC, 2013)



ENVIRONMENTAL CRISIS AFFECTING TOURISM

Country	Event
Bangladesh	Floods, cyclones (e.g. Cyclone Sidr, 2007). Especially threatened by sea-level rise due to climate change.
Burkina Faso	Recurring droughts leading to desertification and loss of life (early 1970s, early 1980s)
Indonesia	Worst-hit country by Indian Ocean Tsunami (2004). Earthquakes (2005, 2006).
Iran	Earthquakes (1990, 2003) kill c. 40,000 people each time.
Malaysia	Indian Ocean Tsunami affects west coast (2004), severe floods (2006).
Mali	Drought + plague of locusts causes severe food shortages (2004-5).
Maldives	Indian Ocean Tsunami causes deaths and severe infrastructural damage (2004); especially threatened by sea-level rise due to climate change.
Pakistan	Devastating earthquake in Kashmir (2005), serious floods (2010).
Uganda	Severe floods cause widespread devastation, state of emergency imposed.

SENSITIVITY of TOURISM MARKETS to CRISIS (APEC, 2013)



Functions of Risk Management (PATA, 2011)

Identify risks or hazards before they become realities.

Create decision-making information by evaluating the probabilities, time-frames and potential impacts of each risk and then classifying and prioritizing them.

Use the decision-making information to formulate contingency action plans for mitigating the potential impact of each risk.

Monitor the likely effectiveness of these plans by reviewing data on evolving risks.

Revise the risk mitigation plans according to data from the tracking stage

Implement internal and external information policies to ensure stakeholder buy-in and support in monitoring changes in the risk environment.

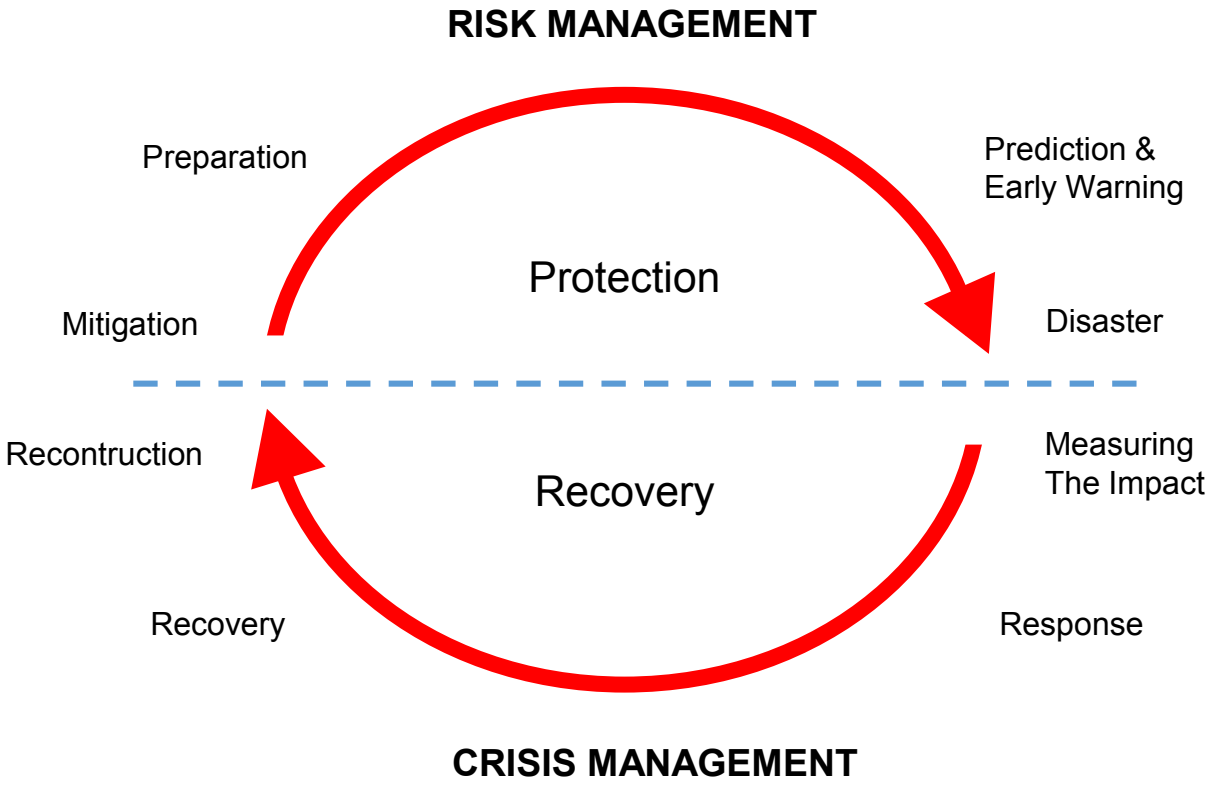
Crisis Management Frameworks in Tourism

Table 1.1: Crisis Management Framework

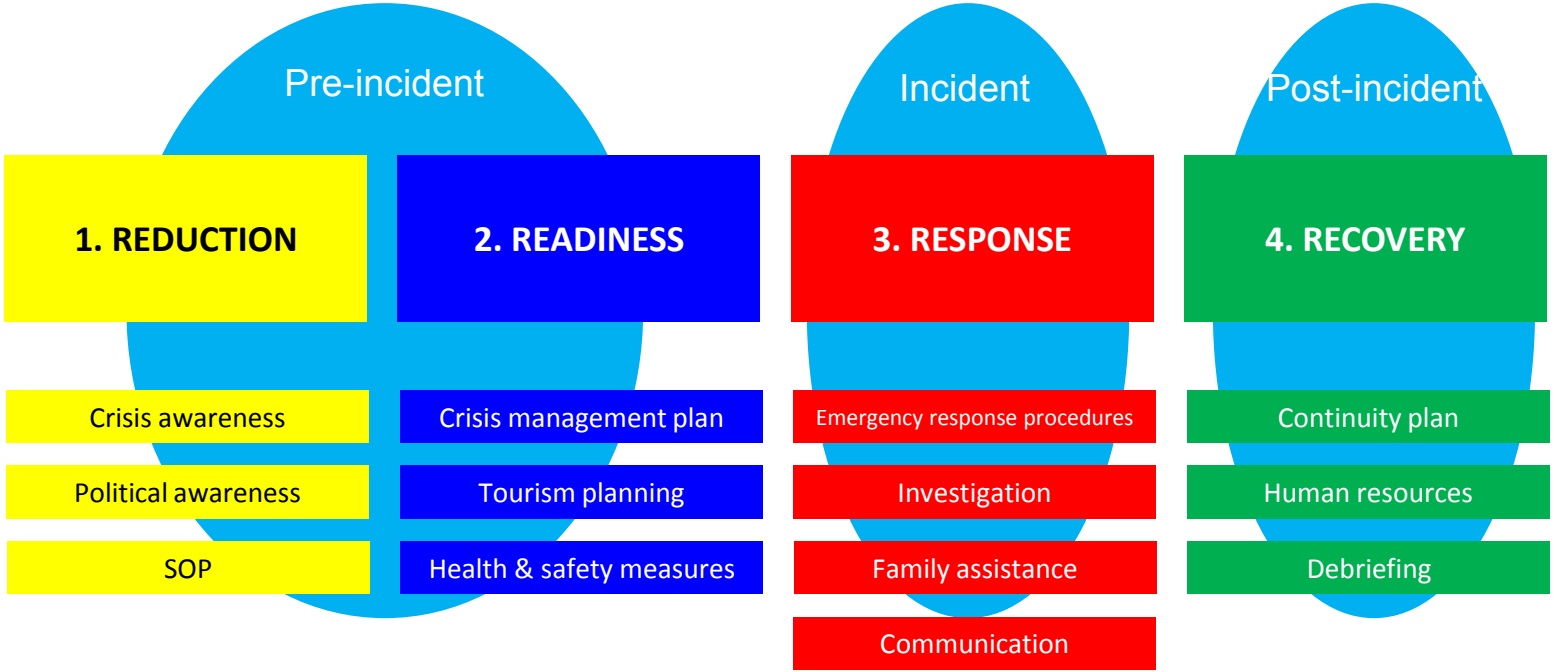
No.	Stage	Principal strategies & actions	Key stages
1	Pre-event	Contingency planning	Prevention, based on known information
2	Prodromal (onset of crisis situation)	Initiation of contingency plan	Response
3	Emergency	Protective actions during crisis	Response
4	Intermediate	Short-term needs addressed, clear communication strategy in place	Response
5	Recovery	Rebuilding/restoring infrastructure, facilities, and tourist attractions, coordinated and sustained marketing response	Stimulation of recovery
6	Resolution	Review of actions taken to feed into further contingency plans	Prevention, based on new learning

Based on Faulkner (2001)

RISK MANAGEMENT & CRISIS MANAGEMENT



4R's Concepts of Crisis Management



1. REDUCTION

1. REDUCTION

Crisis Awareness	Political Awareness	Standard Operation Procedures
Identify Risk and hazards	Secure political cooperation	Anticipate problems
Identify possible impacts	Increase political involvement	Revise procedures
Intelligence collection	Link tourism and Peace	Enhance stakeholders awareness

Focus items on Reduction may include:

- Positive focus reports on reconstruction and rehabilitation.
- Announcements of business resuming.
- Continuity plans while repair is undertaken.
- A proposed time line for recovery.
- Plans for new initiatives which may avert or minimize the impact on a repetition of the crisis event.
- Prepare a full recovery campaign in key source markets.
- Avoid actions which would be deemed to be insensitive to victims.
- Engage local community in the process of recovery.

2. READINESS

Crisis Management Plan	Tourism Planning	Health & Safety Measures
Establish crisis management team	Create awareness among industry	Establish local network
Crisis management plan	Train the trainer	Emergency services
Simulation Exercises	Advance decision making	Hazards handling system

2. READINESS

- Assessment of the likely nature of threat/ risk
- Assign staff and management roles and record their emergency contact details for dealing with the risk or threat.
- Train in expertise and duties required to deal with specific roles.
- Scenario for managing the first hour of a crisis event.
- Scenario for handling each stage of a crisis process.
- The spokesperson and key crisis communication messages.
- SWOT analysis of the terms of the risk/threat.
- Back-up procedures and personnel.
- Emergency contacts with police and emergency services.
- Sources and contacts for outside and emergency assistance.
- Know your key stakeholders

3. RESPONSE

Emergency response procedures	Investigation	Family Assistance	Communication
Leadership	Crimes	Information handling	Media
Crisis response	Legal & Political	Transportation	Hospitals
Internal – external communication	Insurance	Accomodation	Morgue (s)
Hospitals		On site support	
Morgue (s)			

3. RESPONSE

- A consistent message ideally with a single spokesperson.
- Brief key stakeholders and staff.
- Primary concern for victims and their welfare.
- Avoid blame.
- Assess damage and loss and be honest about it.
- Tell the truth but stress positives.
- Contextualize the crisis in terms of impact and time taken to recover.
- Maintain regular communication with stakeholders, victims, victims' families and media.
- Ensure the organization's web site is fully updated and publicize the fact that it is available.
- Establish phone hotline contact numbers.
- Activate social media communication
- Recovery is more important than price.
- Seek and welcome help and offer support to other companies which have been similarly affected.
- Plan and develop a timetable for recovery.
- Maintain contact with relevant rescue, medical and police authorities

4. RECOVERY

Business Continuity Plan	Human resources	Debriefing
Rehabilitation	Impact of reduced labor needs	Thank all involved
Normalization	Movitation & training	Follow up victims
Expansion	Increase crisis awareness	Update crisis management plan

4. RECOVERY

- Establish recovery objectives and time line.
- Involve stakeholders and local community in a recovery alliance.
- Stratify and prioritize your target markets, stalwarts, waverers, discretionary.
- Ensure that key prospective customers and the media are witness to the recovery process and that the enterprise/destination is open for tourism.
- Co-operate with other government agencies and emergency services.
- Establish negative and false perceptions and target them.
- Host people who have clout in your source markets.
- Offer incentives for customers to return to your destination or business but do so based on a financially sustainable strategy.
- Be positive and honest and communicate positive developments.
- Treat the media as a prospective ally rather than an enemy.
- Demonstrate appreciation to your supporters.
- Rebuild, developing an improved infrastructure.
- A crisis presents an opportunity to re-image your business and destination.
- Consult, monitor and review progress with staff and key stakeholders.
- Recovery is a team effort.

CASE STUDY : INDONESIA

REGULATION OF THE MINISTER OF TOURISM OF THE REPUBLIC OF INDONESIA NUMBER 14 OF 2016 ON GUIDELINES FOR SUSTAINABLE TOURISM DESTINATION

MANAGEMENT OF SUSTAINABLE TOURISM DESTINATION

PLANNING	ORGANIZING	CONTROLLING	EVALUATION
Sustainable Destination Strategy	Destination Management Organization	Monitoring	Climate Adaptation
Plan Management	Tourism Seasonality Management	Inventory in Tourism Assets	Tourists satisfaction
Sustainable Standard	Access for All	Inventory of Attractions	
	Property Acquisition		
	Safety & Security		
	Crisis & Emergency Management		

1. Crisis & emergency response plan
2. Financial and human capital
3. Communication procedures during & after crisis
4. Resources and training for staff, visitors and residents
5. Updated on regular basis

Study Case : **Japan**

JAPAN DISASTER

- EARTHQUAKE (2011)
- TSUNAMI
- NUCLEAR EXPLOTION(2011)

DEATH TOLL+ DAMAGE

- 15,894 Death + 2500 missing
- 45.700 Destroyed + 144.300 Damage

EFFECT

1. ECONOMIC
2. PHYSICAL
3. ENVIRONMENT

Conclusion

Tourism is dependent in the factors of the destination in which weather and climate is included.
Important

STRATEGY 1
Preventive Construction & Education

Coastal Infrastructure & like sea wall construction
Higher Ground Sites
Early Disaster Warning System
Regular Disaster Drill

STRATEGY 2
PROMOTION

- Launch " Japan Thank You
- Extensive Promotion : USA & Canada
- Launch Website : Promote Japan Revival In Tourism Industry

STRATEGY 3
REVITALIZATION

- Science and Technology Policies and IT systems, Diplomatic, and International Organizational Partnership
- Educational Purpose Tourism
- Smart Disaster Management with smart publiczing

STEP 1

- Confirm the safety of overseas visitors
- Educate and Explain to Overseas Visitors with real time information

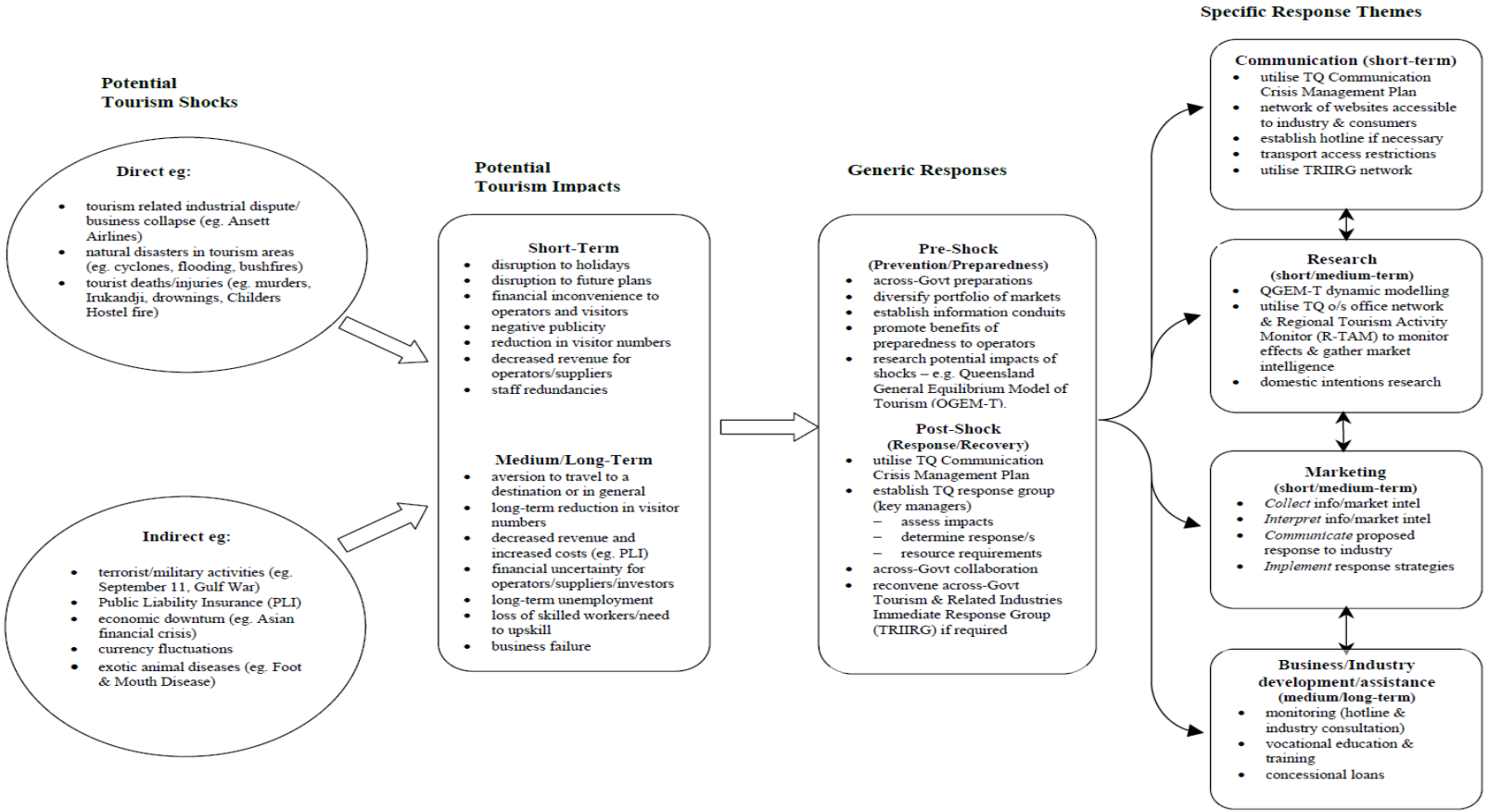
STEP 2

- Utilize Diplomacy
- Get International Connections about Japan's actual status

STEP 3

- Re-Penetrate Market with Promotion

STUDY CASE : QUEENSLAND CRISIS MANAGEMENT FRAMEWORK



Thank you,-

2nd ASEAN Crisis Communication Special Meeting
25 – 29 June 2018 | Impiana Hotel, KLCC