



Under the microscope

Are destinations properly prepared for future disasters?

Everyone in the destination industry has been affected by one crisis or another in recent years. Terrorist incidents, natural disasters and health scares have all eroded consumer confidence and hit tourism markets hard. Nancy Cockerell, LDR's Travel Market Commentator, looks at the lessons that have been learnt and asks what has been done by the World Tourism Organisation, governments and operators to prepare for future crises.

Preliminary figures published by the World Tourism Organisation (UNWTO) point to another very good year for global tourism in 2006. The estimated 4.5% increase in international arrivals worldwide marks the third year of sustained growth that started in 2004, when world tourism bounced back from three years of stagnation and decline.

The industry's performance is particularly impressive given the continued threats facing travel and tourism – from terrorist attacks and the Middle East conflict to health risks, including the fear of an avian flu epidemic, as well as different natural disasters such as hurricanes, floods, droughts and forest fires. This just serves to highlight the resilience of travel and tourism demand. Although different incidents clearly have a local impact, this is usually short-lived.

Nevertheless, the main lesson learnt by events such as the terrorist attacks on the US on 11 September 2001 and the outbreak of SARS (severe acute respiratory syndrome) in 2002-03 is that the industry cannot afford to count on this continued resilience. It must be prepared for the prospect – many would say 'certainty' – of renewed terrorist incidents and/or natural disasters and adopt a proactive, professional approach to crisis management.

Best practice in crisis management

Cooperation and partnership are the key words that spring to mind when considering best practice in crisis management, as aptly summarised by the UNWTO's Crisis Guidelines for the Tourism Industry. A series of 60 recommendations cover what to do before, during and after a crisis. The guidelines address four main areas, according to Geoffrey Lipman, UNWTO Assistant Secretary General and Spokesman for the association. These are communications, promotion, safety and security, and market research. According to Lipman, the three keys to good crisis management are:

- Ensure that communication is honest and transparent;
- Include all one's partners in the crisis response – stakeholders from both the public and private sectors;
- Make good use of information technology – by strengthening websites, creating electronic news bulletins and communicating more frequently by email.

Crisis management is also about learning from past events. In Chinese, the word 'crisis' (*wei ji*) is composed of two symbols that, individually, represent 'danger' and 'opportunity'. A crisis may well be a time of danger, but it is also one of opportunity, and there are a number of examples of successful crisis management that substantiate this argument.

Egypt is a case in point. According to Ahmed El-Khadem, Director General of the Egyptian Tourism Federation, the Ministry of Tourism's rapid and carefully planned response to the terrorist attacks in Luxor in November 1997 helped the country to get back on its feet as quickly as possible by rebuilding confidence among foreign tour operators and potential visitors. This, in turn, helped stem the damage caused by subsequent attacks in the first half of the current decade.

The top priority after the tragedy was revising security procedures to safeguard tourists from the moment of their arrival until their departure, says El-Khadem. A financial relief package was also quickly put into place to prevent bankruptcies of tourism businesses, as well as to avoid layoffs and allow tourism companies to meet their loan obligations.

The most serious effect of the Luxor incident was the damage done to Egypt's international image, says El-Khadem. It became perceived as a dangerous place where tourists could be targeted by terrorist groups – the worst possible image for a tourism destination. But the Egyptian government and tourism industry worked hard to remedy this negative perception by encouraging media coverage of new security measures and of presidential-level meetings on tourist safety.

Tour operator support

The importance of tour operator support – at least in a leisure-oriented tourism destination – is underlined by Basant Misra, Executive Chairman of the Temple Tiger Group in Nepal. During the many different crises that have beset the Nepalese tourism industry – from the Indo-Pakistani War in 1971 to today's political and civil unrest – 'the fatalist mindset of government has prevented the formation of a crisis cell that could unify the tourism sector and help prepare it for the next crisis,' says Misra.

Good media relations are critical in crisis management, he adds, as well as good communication with industry stakeholders. But also high up the list is the need for government to allocate an adequate budget for post-crisis promotion and to support foreign tour operators who programme Nepal so that they will continue to do so even in troubled times. Incentives to airlines that fly the Kathmandu route during a crisis and the strengthening of the national airline are two more recommendations made by the Temple Tiger chief.

The lack of a national tourism organisation (NTO) in the US, resulting in a weak commitment to tourism destination recovery marketing by the federal government, is widely perceived to have hampered the US's tourism recovery after 9/11. While the Travel Industry Association of America and other private sector bodies do an excellent job, as do some US states and cities, the government's abdication from its tourism marketing role with the closure in 1996 of its NTO, the US Travel & Tourism Administration (USTTA) – the only government in the world to have taken such a major step – means that international tourist arrivals in the US, which totalled 50.9 million in 2006, have still not returned to their 2000 peak of 51.2 million.

Asia Pacific's strong recovery

In contrast, the Asia Pacific region has recorded some of the strongest annual growth rates in international tourist arrivals since 2004, and this is attributed in no small part to one of the most successful crisis management campaigns of recent times, developed under the auspices of the Pacific Asia Travel Association (PATA).

Launched in 2003, PATA's Project Phoenix was a global consumer communications campaign aimed at re-invigorating travel and tourism in Asia Pacific after the battering suffered by the tourism industry and economies in the region after 9/11, the wars in Afghanistan and Iraq, the Bali bombing of October 2002 and SARS.



Project Phoenix had three objectives:

- To restore consumer confidence in the travel experience;
- To create a consistent single voice for travel and tourism in the region; and
- To drive business back to Asia Pacific destinations.

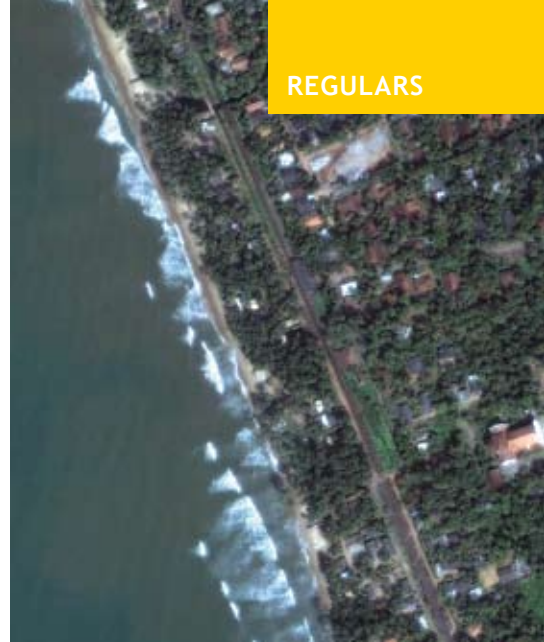
Funded in cash and in kind through contributions from NTOs, airlines, hotels, tour operators and other stakeholders, Project Phoenix was successful because it delivered an objective, fully integrated approach to recovery by working closely with global media to stimulate consumer interest in Asia Pacific travel.

'Clearly we have to work together to restore consumer confidence in our industry, PATA's President and CEO, Peter de Jong, said at the launch. 'Project Phoenix is PATA's blueprint for risk and reputation management in Asia Pacific travel and tourism – not just for SARS recovery but for other crises which may affect our industry in the future.'

Bali bounces back

Among the different destinations in the regions to benefit from the positive impact of Project Phoenix, the one that immediately comes to mind is Bali. The Indonesian paradise island has suffered more than its fair share of disasters over the last few years, not least the tragic bombings of 2002 and 2005. Despite a continuing shortfall in arrivals from Bali's main tourism generating markets, Japan and Australia, tourist arrivals overall are now recovering fast. December 2006's total was 62% up on the same month in 2005.

According to Brian Deeson, Senior Vice President of Accor's Asia Pacific & Greater China division, as well as PATA's Chairman Elect, confidence in the hospitality industry's ability to handle such crises in the future has been a major contributing factor to restoring confidence among tourists, tour operators and governments – most of whom have withdrawn travel advisories warning citizens not to travel to Bali.



A recent extensive, and widely publicised, security audit of Bali by Australia's leading private security company, SNP Security, which assessed improvements to safety and security on the island, also played a critical part in reassuring the foreign travel industry. SNP's Managing Director, Tom Roche, says that Bali today is in a visibly and vastly more improved security situation than ever before, thanks largely to the fact that the security efforts in Bali have been shared by private tourism operators on the island such as hotels, resorts and restaurants, as well the government itself at various levels.

The Chairman of the Bali Hotels Association, Michael Burchett, says the SNP audit was a timely exercise. 'We have one of the most beautiful places on earth in Bali, we just won the Readers' Choice award from *Travel and Leisure* magazine for the World's Best Island Destination and we feature some of the most spectacular resorts in the world – but people need to feel safe and secure, which is why this effort is so important,' says Burchett. 'I can confidently say that Bali is better prepared today than it ever has been to cope with the kind of threats we all face.'

An everyday part of operational management

The hospitality industry has learnt some major lessons from the different disasters and crises it has faced since the beginning of the decade. But one of the best things to come out of this, to quote Accor's Deeson, is that for hotels on the island of Bali, as well as in other disaster-hit destinations, crisis management – in particular, ensuring the safety and security of guests and staff – is now an everyday part of operational management.

On the island of Phuket and Thailand's Khao Lak resort, for example, which were so tragically affected by the December 2004 Indian Ocean seaquake and tsunami, this includes regular training exercises and continuous communication with guests, not to mention constant vigilance and dialogue with the different authorities responsible for tsunami warnings. The rule is to leave nothing to chance.

Nancy Cockerell is LDR's Travel Market Commentator