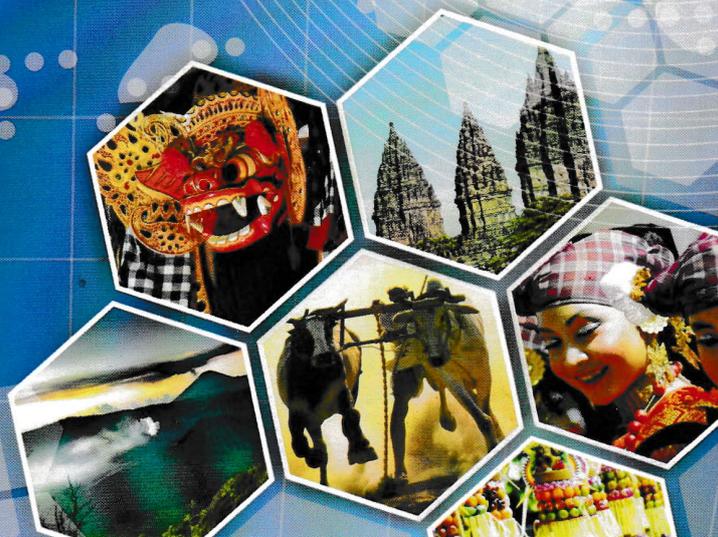




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**SUSTAINABLE TOURISM DEVELOPMENT:
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SUCCESS FACTORS OF PLACE MARKETING: MANAGING TOURISM CRISIS

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The objective of the conceptual paper is to present success factors in managing tourism crisis. This study provides a framework of crisis management model and analyses of tourism marketing practices from several aspects. The aspects of planning group, vision and strategic analysis, brand identity, public-private partnership are also discussed. The planning group consists of strategic content of public servant and company leader. The vision and strategic analysis describe the vision and mission to focus on managing crisis. The brand identity tends to emphasize strategic issues in place marketing and create the leveraging place brand and image with tourists. Public and private partnership focuses on how government, company and even universities are united to anticipate the impact of tourism crisis.

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The growing awareness of the threat of tourism crises and their potential to inflict harm is reflected in the number of academic publication devoted to the topic including special edition of journal. More manual and handbooks for practitioners are available and industry association, official agencies, and government bodies are involved in their production.

Tourism industry is nevertheless highly exposed to risks and prone to crises as the results of external events. Unlike internal events, which can be assessed and controlled by managers, external events are beyond their control and therefore inherently provide a greater degree of risk and uncertainty (Evans & Elphick, 2005). Any elements of tourism industry nevertheless need to be able to assess the risks that the business is prone to and have robust and clearly articulated contingency plans in place so that they are able to react quickly and effectively.

The Aim of the Study

This study paper reviews the literature relating to crisis management in tourism and identifies causes and proposes the model of crises management strategically. The model of crises managements integrates with strategic planning process, prepare detailed contingency, and define decisional roles and responsibilities. Furthermore the success factors are detailed analyzed.

The Importance of Managing Crisis

When the crisis breaks out, it is very important to secure the tourism condition. The tourism industry involves many aspects to be considered. There is a number of components that are interwoven. It consists of commercial and noncommercial enterprise and agencies that make tourism possible. Collectively they form a network made up inputs from a series of industrial rather than a discrete and homogeneous industry and some of the participants who are not the tourists namely local residents. Core industry sectors involve tourism administration and development, passenger transportation, hospitality, attraction, tourist operation, and travel industry. These may reach tourists directly or indirectly through tourist operators who combine separate ingredients into a single product and travel agency who are the retailers in the distribution chain. Hotels, restaurants, airline are interconnected to be influenced by crisis (Plog, 2005).

However, the tourism industry includes local actors, regional actors, national actors, and international actors. Local actors include 1) public sector actors -mayor or city manager, business development, urban planning department, tourist bureau, public information bureau; 2) private sector actors-individual, leading enterprise, financial institution, hospitality industry, travel agency, labor market, media, transport companies. Regional actors include regional economic development agencies, local

and state government, regional tourist boards. National actors include political heads of government and national tourist boards. International actors include embassies and consulate, inward investment agencies, and international enterprises.

A crisis can threaten reputation, lives and the survival of an organization (Seymour and Moore, 2000). A distinction can be drawn between disasters which impinge on travel industry and crises which are products of institutional stresses (Faulkner, 2001). The latter is amenable to control, but the two have qualities in common and are connected when catastrophes outside organization provoke a crisis within it. Every crisis is unique, yet characteristics generally cited include unexpectedness, urgency and danger. They are precipitated by catalyst powerful enough to undermine structures and modes of operation which repercussions for the profitability of commercial venture which might even be destroyed (Shrivastava & Mitroff, 1987). Lives and company and individual reputation may be put in jeopardy thereby eroding staff morale. Crises also reach a crucial point when change, for the better or worse is unavoidable and the experience may prove beneficial for people and organization (Prideaux, Laws, & Faulkner, 2003).

It is not only market that exhibits diversity but also tourism product. While encompassing some physical elements, tourism has some psychological and sociological meaning and the industry has to aim to understand and to satisfy both emotional and material requirements. In addition, its product possesses some characteristics such as inseparability, intangible, variability, perishability (Kotler, 2009). Maintaining the desired expectation and consistency is made difficult.

Promoting tourism means promoting the place. It is very important to handle crises immediately because promoting industry involves resources and target of tourism. Kotler and Gertner (2002) figure out the main target of tourism, namely 1)

visitors; 2) residents; 3) employees; 4) business and industry and export markets. The visitors market consists of two broad groups, namely business and non-business visitors. Within these groups there are sub-target groups that need to be carefully prioritized. Residents and employees include professional employees, skilled employees, teleworkers, investors, entrepreneurs. The business, industry, and economic investment category has the most important of consequences of crises. Businesses are becoming increasingly influenced. Export market means the ability of a place to produce more goods or services than other places, people, and business firms are willing to buy and many places have developed a strong export image.

The Type and Causes of Crises

A number of authors have sought to develop typologies of crises, which can be useful in developing an understanding of crises and developing appropriate managerial responses. Meyer (1986) for example in a very broadly based interpretation of what constitute a crisis identifies nine types of business crises: crisis in public perception, sudden market shifts, product failures, top-management succession, finances, industrial relations, hostile take over, adverse international events, and regulation and deregulation. Seymour and Moore (2000) categorizes crisis typology into two types namely 1) the Cobra type-the type of crisis is sudden, for example, a disaster which may come as shock (11 September); 2) the Python type-the type of crisis creeps a company gradually by poor management or high costs.

Tourism crises usually share these attributes, although certain crises situations can be predicted and lack of immediacy such as those facing destinations suffering from rising sea level due to global warming. They are also not restricted to the corporate arena and the phrases can be extended to describe situations in which

tourists and members of the tourism industry individually or collectively including destination, and faced with change which is potentially destructive for every or certain parties.

Causes of many tourism crises can be traced to development in the economic, political, socio-cultural, and environmental domains which affect demands supply in generation and destination countries. Economic downturn and recession, fluctuating exchange rates, loss of market confidence and withdrawal of investment fund can all engender a tourism crisis. Political events such as war, military coups, deteriorating international relations, the imposing sanction and terrorism will have a similar outcome. Civil unrest and growing crime and violence may act as triggers and natural disasters of earthquake, typhoon, volcanic eruption, and flooding and will almost inevitably do so. Deterioration in public hygiene and infectious disease also lead to tourism crises. Technology can be the trigger of crisis when technology fails to perform as expected.

Table 1. External and Internal Threats of Crises

Domain	External	Internal
Economic	Recession Currency fluctuation Taxation	Rising cost Falling revenues Unprofitability
Political	Government policy International relations Instability Terrorism	
Socio-cultural	Unrest Crime	Staffing Culture conflicts
Environmental	Natural phenomena Natural disaster Pollution Health scares	Over developments Environmental degradation
Technological	Computer system failures Mechanical failure Design faults Fire	Transport accidents
Commercial	Regulation Government intervention	Competition Labor dispute Management decisions Human error

The cause and the source of crises will help to decide its consequence and severity can be assessed on a scale from major to minor measured by items such as number of people implicated and cost incurred. The zone of crisis may be local, national, regional, and international with regard to geographical areas, and corporate, industrial (domestic and overseas) and government (local, national, international) with regard to decision makers.

Table 2. Selected Tourism Crises

1995	<i>Earthquake in the Japanese city of Kobe killed over 5,500 people and disrupted the transport service throughout the prefecture.</i>
1996	<i>Indian airplanes hijacked on a flight from Nepal, 178 passengers released after eight days.</i>
1997	<i>Asian financial crises and falling currency value depressed demand for intra regional travel and investment in tourism industry.</i>
1997	<i>Terrorist attack on tourist visiting an history site at Luxor Egypt killed 58.</i>
1998	<i>Abduction of 16 terrorists on an organized tour in Yemen, four of whom were killed.</i>
1999	<i>Industrial action by Cathay Pacific pilots over a labor dispute led to flight cancellation affecting of thousands passengers.</i>
2000	<i>Crash of Concorde plane chartered by a German tour operator at Paris killed 113.</i>
2001	<i>Foot and mouth outbreak in the UK restricted access to the countryside and damaged destination images.</i>
2002	<i>Terrorist bombing at the nightclubs on the Indonesian island of Bali killed 191 and injured 300.</i>
2003	<i>Severe acute respiratory syndrome virus epidemic in Asia and Canada impacted on tourist movement and air travel.</i>
2004	<i>Indian ocean tsunami in which over 200,000 estimated to have died including 2000 tourists in Thailand.</i>
2005	<i>Suicide bombings at Amman hotel killed 57 and injured 120</i>
2008	<i>Mumbai attack killed 195 and injured 295</i>

The Solution for Managing Crisis

a. Presenting the Model of Crisis Management

Crisis management is perhaps a self-explanatory term and there is no standard definition. Santana (2000) argued that crisis management is ongoing integrated and comprehensive effort that organization effectively put into place in 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 stakeholder. This statement is applicable to tourism crisis management

which entails planning and managing crisis in order to protect of tourism industry and other stakeholders and contain long-term damage.

General theories postulate that crises advance in stages which have been labeled prodromal (warning), acute (at the height of crisis), chronic (aftermath), and resolution. They can be conceived as a circular journey which begin and end at normality after moving through incubation; precipitating events; immediate consequences; rescue, salvage and first stage of adjustment; and full culture adjustment (Turner, 1976).

These authors depicted three intervals of pre-crisis, crisis, post-crisis which are likely to be of varying lengths. Exactly, there may be no time for action prior to crisis which arrives without warning and duration will depend on the particular, as the speed of recovery. Nevertheless, complete restoration of the status quo may be impossible.

Heath (1998) argued that the aims of crisis management according are 1) to plan and provide for possible crisis events which may occur-the pre crisis stage; 2) to reduce or mitigate the impacts of a crisis by improving the response management-the crisis; 3) to swiftly and effectively determine the damage caused by the crisis-the post crisis stage. Evans and Elphick (2005) provide the model of crisis management. The model contains three distinct phases of the crisis management: crisis management, operational crisis and crisis of legitimation.

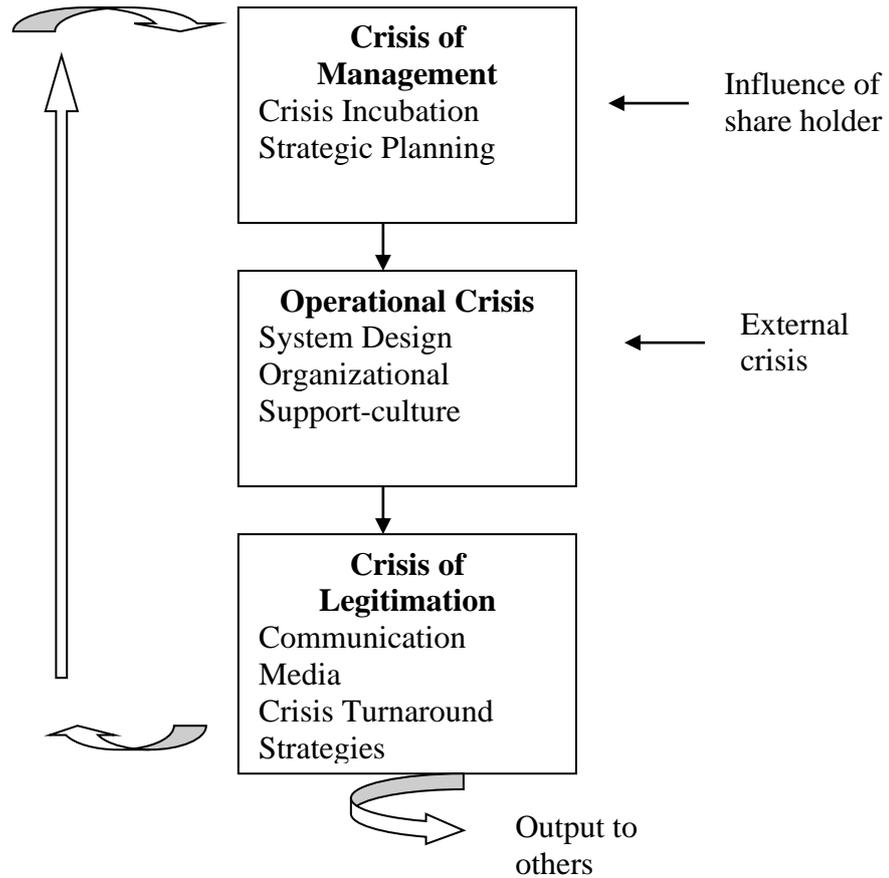


Figure 1.1. A Model of Crisis Management

In the first pre-crisis period, organizations both travel industry and government need to be aware of the possible scenarios that may take place and successful planning needs to involve a large number of staff in order to experience how to react in a real crisis (Harrison, 2000). In the pre-crisis stage, there must be a planning group. Planning group means an organ responsible for the process of planning and executing the marketing planning to cope with the situation (Kotler et al., 2002). This planning group must identify the major strengths and weakness of the any scenario of crisis management, and develop a vision on long-term possibilities based on the diagnosis. The other responsibility is to use available players in crisis management and to generate ideas, develop and implement the policy.

This planning group has also to set strategic planning. In strategic planning, it is important to prepare strategic plans for the uncertain future of the crisis occurrence. To enable planning, the management must build a system to gather the environment information, plan the crisis management, carry out the implementation, and control of the environment, based on the resources and target. In the strategic planning, there must be alternative strategy. This planning group must also investigate if there is necessary resources-organizing capacity-to carry out the plans. First, it is important to decide correctly about the other scenario to deal with the crisis. This decision should be defined matching with the real condition.

The strategic planning of crisis management must be prepared. The influences from the management and the shareholders at the company encourage the policy to be drawn up and reviewed each year. The policy featured the crisis and incident management structure, notification, activation criteria, information flows, response to the media, response plan, and training. The training includes general training, table top exercises and real time and live exercises with the aim to test the organization, communication, and the teamwork. The policy states communication and decision flows along with clear role description to ensure that the crisis is handled swiftly and effectively at an appropriate level.

In the second period, it is usually recognized as the crisis with the real case. The emphasis will focus on rescuers and to prevent a worsening of the situation and to be supportive to those involved particularly when involving loss of life. The rescuers include the emergency service as well as the crisis decision units who attempt to pull the organization through crisis. They may not be able to contain the crisis within the organization and significant control is needed on what strategies should be implemented.

The culture and structure of the rescuers and the communication flows play a large part in how effectively the crisis is managed (Smith & Sipika, 1993). The culture of an organization is often held as being of critical importance to corporate decision making. A lack communication between the rescuers can result in becoming crisis prone. In reducing the impact of the crisis the human face of management is important as this could determine whether the firm benefits or fails from the crisis.

In the final phase, it involves the period of turnaround and recovery. The communication processes are important, with the media hungry for news (Regester & Larkin, 2002). The government set up the campaign to restore consumer confidence. The tour industry (travel) contributes to this in attempt to recover the business. The industry consequently has to run advertisement campaign to the maximum period. The advertising used is flexible which can be added or cut at the last minute. Press inserts are not so flexible although very effective and were distributed over 6 weeks instead of 4. Direct mailing activities are continued as they were perceived as providing value for money.

Lessons and action that can be taken by government and travel industry are as follows.

Pre-Crisis Lessons

They have to draw up contingency plans which may be in the form of a crisis management policy as the travel industry is unpredictable, its product is perishable and unexpected crises may occur at any time. The communicational and decisional roles and flow diagrams are developed. This can be incorporated into crisis management policy with clear role descriptions to ensure that the crisis is handled swiftly and effectively at an appropriate level. Training should be encouraged as a part of the policy. As it increases familiarity and capability among those being trained

as well as making the organization aware of potential crisis situations. This could be in the form of scenario planning, paper based exercises, and live exercises.

Firms should not rush strategic decision making in the immediate aftermath of a crisis and should consider all options before making a choice. Firms must cooperate with the media, as poor management regarding the media could lead to the general public and the media being negative and judgmental about mistakes made in handling the crisis. Firms should identify groups that may be able to help in the time of crisis such as the local government. They must communicate and collaborate with them in times of crisis as well as in the pre-crisis stage. A debriefing forms as basis for refining the strategy for future management if crisis situation. By drawing knowledge of individuals and groups derived from their experience of managing in a crisis, the of organization learning is stressed. The organizations, to respond effectively to future crises, should be concerned with creating structures which are reconfigured to respond effectively, creating a culture that is responsive and flexible and developing managerial competences as part of the management development process.

Crisis of Emergency Lesson

The establishment of crisis management team and allocation of specific responsibilities and duties to relevant individuals is done. The safety and well-being people surrounding of the occurrence is assured. The emergency actions also include the protection of property, commencement of evacuation procedure, activation of emergency service, contacting of partners and implementation of systems of cooperation, adherence of official directives, and application for official aid if appropriate (Henderson & Ng, 2004). Baxter and Bowen (2004) also added that the media coverage is considered. The media have to able to report the progression of

crisis for all people. It can be through any media including television, radio, and applying the technology of Web 2.0.

Post-Crisis Lessons

The people in charge have to assist all normal business operations. The improvement of individual's facilities and customer service is enlarged. Government and the related industry have to conduct extensive advertising and promotional campaign and to enter into cooperation and collaborative initiatives. The activity also includes review and enhancement of crisis management strategy, gathering knowledge from lessons learnt and applying it.

b. Supporting Factors of Managing Crisis

Successful factors in marketing place to sustain crisis management point out the importance role of brand identity and public-private partnership. These success factors explain why place marketing activity is successful.

1) Brand Identity (Place Branding)

Place branding must be fostered when crisis happens. Place branding in place marketing aims at increasing the attractiveness of a place. A branded place makes people aware of the location and connects desirable associations. Places comprise many components such as name, symbols, packaging, and reputation (Shimp, 2000). Successful branding requires an understanding of how to develop a brand identity, a brand differentiation and brand personality. Joachimsthaler & Aaker (1997) studied alternative brand approach without using media and found that three guidelines to build a successful brand should be tied with the core identity. These issues are 1) senior managers should be carefully involved with branding efforts, 2) the importance of clarifying the core identity, 3) all efforts to get visibly should be tied

to the core identity. Core identity is also a central driving force in place branding including the major elements of place attraction. The attraction factors include the hard factors and soft factors. The hard factors include economic stability, productivity, cost, property concept, local support, communication infrastructure, and strategic location; while the soft factors include niche development, quality of life, professional and worldwide competencies, culture, personnel, management, flexibility and dynamism, and entrepreneurship.

2) Public-Private Partnership

Public and private partnership means cooperation between the public sector and private sector players (Rainisto, 2003). Public and private partnership is now confronted with new challenges that require participation and cross marketing between public place, private business and the university communities. Organizing capacity can be a bottleneck at all levels of place marketing and for the whole local place development. Partnership also provides a low cost opportunity to learn about a partner's skill and resources before making a major commitment or alliance. Partnership also helps to find others resources to support a place marketing project's resources. Moreover, public-private cooperation is found to be crucial for the success of a cluster policy on all level even in crisis situation. The marketing knowledge of private sectors is useful or necessary in the decision making process and public place players can be stimulators for instance by giving facilities and education in order to establish successful partnership with the private sector's players.

Conclusion

The evolution of a crisis can be also be viewed as a set of tasks for those who are in charge, here can be both government through tourism department and travel

industry who must detect signals, prepare, and try to prevent, contain, limit the damage, and pursue recovery (Pauchant & Mitroff, 1992). Practical measures to reduce the chances of a similar crisis recurring or another emerging should also be taken in order to reassure and restore confidence among tourists, industry partner, and investors. Government and managers in travel industry must anticipate and evaluate the likelihood of crises, devise policies designed to prevent them and formulate strategies for coping when they do happen.

Documented and tested crisis plan, detailing action and staff role and responsibility, occupy a central place in crisis management (Smith, 1990). Teams need to be identified in advance and duties allocated accordingly. Plans should be informed comprehensively. Internal and external communication is a key area, with many audiences to be addressed. The plan should end with publication, but it needs to be revised and monitored in the light of new circumstances. It also can not be relied on alone and organization should strive to foster a suitable culture with competent staff able to rise to the most difficult and demanding of occasions.

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