



SARS: lessons in strategic planning for hoteliers and destination marketers

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Abstract

Purpose – The purpose of this paper is to review the impact that the 2003 SARS epidemic had on tourism and summarize the lessons that were learned from this crisis. To offer both practical and strategic tips for hoteliers and destination marketers in the Niagara region should a similar crisis affect this region.

Design/methodology/approach – Findings were derived from the analysis of both secondary and primary data. The popular press and academic journals as well as reports, briefs, and presentations were analyzed. A questionnaire was designed to investigate the impact of SARS, management during the crisis, recovery strategies, and formal planning.

Findings – Provides information on how industry dealt with a major, extended crisis. Recognizes the importance of an integrated strategy for dealing with a crisis.

Research limitations/implications – The paper concentrates on the effects of an epidemic in two large North American cities. The strategic and practical tips may not be suitable in other jurisdictions.

Practical implications – This paper provides information on how the tourism industry can prepare itself for a crisis or disaster and describes how all stakeholders must work together to better deal with the effects of a crisis.

Originality/value – This paper summarizes the effects that SARS had on the tourism industry and offers practical and strategic tips for preparing for and managing crises.

Keywords Diseases, Strategic planning, Health and safety, Tourism, Hotel and catering industry, Canada

Paper type Research paper



Introduction

In the summer of 2003, the unprecedented epidemic, Severe Acute Respiratory Syndrome (SARS), had a devastating effect on the tourism and hospitality industry and put tremendous strain on the health care system. This effect was worldwide for tourism but most noticed in Beijing, Hong Kong, Singapore, and Toronto (KPMG, 2003;

Pine and McKercher, 2004). The Toronto tourism and hospitality industry felt an immediate impact from this previously unknown disease.

SARS was first discovered in the southern province of Guangdong, China, in late 2002. At that time, very little was known about the disease, including, how it originated and the way it is transmitted. By May 15, 2003, over 150 cases of SARS, worldwide, were reported to the World Health Organization with Canada reporting seven cases including two deaths (www.who.int/csr/don/2003_03_16/en/index.html). On May 18, 2004, WHO reported that “the chain of human-to-human transmission [of SARS] appears to be broken” (www.who.int/csr/don/2004_05_18a/en/index.html). In all, the virus killed approximately 800 people (WHO, 2006) and infected many thousands more. In Canada there were 251 reported cases of SARS and 43 deaths. The economic impact of SARS, though difficult to ascertain due to multiple crises in 2002 and 2003, is estimated to be in excess of \$15 billion worldwide and continues to impact tourism even today (SARS, 2003a, b, c).

The SARS epidemic gave researchers an opportunity to examine the effectiveness of strategic management in dealing with a highly uncertain event. The two sectors most directly affected by the SARS outbreak were the tourism industry and the health care and social assistance sector. Therefore, the purpose of this paper is to:

- review the impact that the 2003 SARS epidemic had on tourism, in particular hotels and attractions, and summarise the lessons that were learned from this crisis; and
- offer both practical and strategic tips for hoteliers and destination marketers in the Niagara region should a similar crisis affect this region and recommend preparedness plans.

Methodology

This paper is concerned with offering tourism and hospitality operators both practical and strategic tips for limiting the negative impacts of a crisis or disaster. Findings were derived from the analysis of both secondary and primary data. Extensive coverage was given to the SARS epidemic in both the popular press and academic journals as well as through reports, briefs, and presentations by members of concerned and associated organizations (e.g. WHO, Conference Board of Canada).

In addition, a questionnaire with 28 questions was designed to investigate the following areas: the impact of SARS on the hotel performance; measures and actions used manage the SARS crisis during the outbreak; recovery strategies implemented after the SARS outbreak; and extent of the formality of the strategic planning system of the hotels.

The first part of the survey included two questions. In the first question respondents were asked to estimate, using a five-point Likert scale, the impact that the SARS crisis had on their hotel's performance. In the second question respondents were asked when their business went back to normal operating levels or when they thought it would. A nominal scale was used to measure this variable. The second part of the questionnaire dealt with the measures respondents' organizations used to during the SARS crisis. A total of 11 nominal scale questions were designed to identify the measures organizations used during the crisis period. Part two of the survey included an open question, which asked respondents if there were any other actions used to deal with the crisis.

The third part of the questionnaire was designed to measure the respondents' attitude toward the recovery strategies employed after the SARS outbreak. The fourth part of the questionnaire, which contained five questions, measured the extent of formality of the strategic planning systems adopted by the hotels. The first question measured the time frame of the company's long-range plan. In the second question respondents were asked how often this plan was reviewed. The third question was used to measure the formality of the process used for analysing the organization's strengths, weaknesses, opportunities, and threats (i.e. SWOT analysis) and finally, in the fourth question respondents were asked to ascertain the nature and components of the strategic plan (i.e. mission statement, long-term objectives, action plans, scenario plans, and crisis management plans).

An introduction letter which included a link to the web-based questionnaire was sent by e-mail in May 2004 to 125 hotels in Greater Toronto Area (GTA). Specifically, the e-mail was directed to potential respondents who held a management position of department head or higher. Of the 125 e-mails sent to potential respondents, 29 were returned as undeliverable due to invalid addresses. A total of 17 completed questionnaires and one incomplete questionnaire was received. The actual response rate was 18 percent (17/96).

SARS in 2003 – impact on tourism in Toronto

Based on the trends of the last 20 years of the twentieth century, it was widely assumed that tourism, on a global scale, would continue to grow however, events in the first part of the twenty-first century have slowed, and even setback, tourism growth (Mason *et al.*, 2005). By 2003, the tourism industry was beginning to recover from the effects of 9/11 and other terror attacks aimed at tourists (e.g. Bali). However, 2003 turned out to be a very difficult year for tourism in Canada and worldwide. The Iraq war, currency fluctuations, Mad Cow Disease (BSE), problems in the airline sector both nationally and internationally, and SARS all took their toll on the fragile, recovering tourism industry in Toronto and other destinations.

It was anticipated, however cautiously, that 2003 would mark the recovery of the tourism industry in Canada. Indeed, the results of the first two months of 2003 suggested that the recovery had, indeed, started. Demand for accommodations, across Canada, were up slightly in January and February. However, this demand was slipped with the first reports of SARS in Canada. PKF Consulting (2003) reported that over two million room nights were lost, across Canada, in the second quarter of 2003. Loss in room nights went from almost 23,000 in March (down 0.4 percent) to over 662,000 in April, a loss of 11.1 percent over 2002. May and June saw massive room night losses with over 590,000 (– 9.1 percent) in May and 732,000 (– 10.4 percent) in June (PKF Consulting, 2003).

The accommodation sector of the Greater Toronto Area (GTA) was the hardest hit area in Canada. PKF Consulting (2003) reported that Quarter 2 occupancy rates in the GTA were down 20 points to 48 percent indicating a loss of 1 million rooms and \$111 million in lost revenue. Not unexpectedly, the downtown core experienced the greatest losses in the GTA as leisure and business travelers cancelled plans to visit the city (47 percent occupancy in 2003 versus 72 percent in 2002) (PKF Consulting, 2003).

According to the *Tourism Expenditure Monitor*, published weekly by KPMG, the Toronto tourism and hospitality industry lost a reported \$342.5 million from March 2,

2003 (date of the first SARS related death) to mid-July, 2003 (KPMG, 2003). Industry-wide reports showed that the tourism industry, as a whole, suffered a tremendous loss in both visitors and revenue. KPMG reports that between April 6 and May 4, 2003 tourism related expenditures in Toronto decreased by 45 percent or approximately \$97 million. Indeed, the week of April 27, 2003 saw the most dramatic decline in terms of tourism expenditures in Toronto. KMPG (2003) estimates that, during this week, tourist expenditures fell about 60 percent compared to the same period in 2002. This loss in revenue amounted to almost \$35 million in one week. Toronto hotels, according to KPMG, were probably the most affected tourism sector with an estimated 75 percent loss in revenue.

KPMG noted that all tourism sectors experienced a decline in revenue in the eight weeks following April 6, 2003. The estimated losses, as calculated by KPMG, in the various tourist sectors during this time period, are outlined in Table I.

Many hotels and tourism related organizations were caught unprepared for such an epidemic. The common strategies adopted during this period were cutting costs, laying off workers, and closing facilities and floors/wings of lodging areas (e.g. hotels). Industry experts claimed that the magnitude of the impact on the tourism industry was even larger than that experienced after 9/11 (<http://cmbi.bjmu.edu.cn/news/0305/197.htm>). Indeed, SARS had a profound and continuing impact on the tourism and hospitality organizations. The tourism fear factor related to Canada as a destination choice was felt nationwide even though the crisis was isolated in the Toronto region.

In terms employment, the Toronto tourism sector experienced losses of 12,100 jobs (www.fin.gov.on.ca/english/media/2003/nr-jobsapr.html). The majority of job losses were concentrated among workers in the accommodation and food and beverage sectors. In addition, many other workers had their hours reduced (Tufts, 2003) in response to the decrease in the number of visitors. In some cases the reduced hours were part of a work sharing agreement between the employer, the employees, and Human Resources Development Canada (www.hrsdc.gc.ca/en/cs/comm/news/2003/030625a.shtml).

The tourism industry in Toronto was affected on many distribution levels and interrelated support services as a result of the SARS epidemic. For example, the annual meeting of the American Association for Cancer Research that was scheduled to take place in Toronto was cancelled (Smith, 2003). This conference was expected to draw upwards of 16,000 participants. The loss of this conference and others such as The Registered Nurses Association of Ontario was devastating to the hospitality industry. In total, in Toronto, nine major conventions were cancelled as a direct result of SARS (Matthews, 2005). Many other conferences organizers hesitated to bring their delegates to a perceived risk area and therefore delayed their plans to hold a conference in Toronto.

Tourism sector	Estimated losses (\$ millions)	Estimate loss (%)
Accommodations	68	38
Recreation and entertainment	43	24
Transportation	24	14
Food and beverage	16	9
Other tourism expenditures	29	15
Total	180	

Table I.
Tourism revenue losses
in Toronto – 6 April to
1 June 2003

It is interesting to note the differences in impact that 9/11 and SARS had on the tourism industry. PKF Consulting (2003) reports that losses associated with 9/11 were felt in the first month (i.e. 51 percent total room nights lost and that each subsequent month saw a major reduction of losses. Within four months, the losses, for Canada, due to 9/11 were negligible. In contrast, the losses attributed to SARS escalated from February through to peak tourist season in the summer months.

Although the Niagara region received little attention, compared to Toronto, in the media during and after the SARS epidemic, Niagara's tourism industry was nonetheless severely affected. In fact, there was a decrease in tourism-related expenditures in most Canadian markets during the SARS epidemic (KPMG, 2003). In terms of the accommodation sector, the Niagara region experienced a loss of over 122,000 room nights in the second quarter of 2003. This loss translates in a loss of \$19 million in room revenue (PKF Consulting, 2003).

The Niagara region experienced a \$8.8 million decrease in tourism related revenue for the week of July 13 to 19, 2003, as compared to the same period in 2002 (KPMG, 2003). Tourism expenditures in the Niagara region declined 41.4 percent in the first week of the 2003 summer tourist season as compared to the same period in 2002 (KPMG, 2003). KPMG notes that the decline in tourist expenditures in Niagara Falls, specifically, in 2003 was greater than for the other six major Canadian cities. This decline is due, in part, to the high percentage of international visitors to the city, including visitors from the USA. See Table II for a comparison for losses in Niagara Falls and Toronto.

In order to determine the impact that SARS had on hotels in the GTA, data was collected in the spring and summer of 2004, a year after SARS hit Canada. The main purpose of this survey was to measure the following four areas:

- (1) the extent of the impact of SARS on hotel performance;
- (2) measures and actions used during the SARS outbreak;
- (3) recovery strategies implemented after the SARS outbreak; and
- (4) the extent to which strategic planning systems were formalized in the hotels.

Over 82 percent of respondents reported that SARS had an extremely hard or very hard impact on their hotel's performance. This result is not surprising given the massive drop in tourists and the World Health Organization's travel advisory. Interestingly, almost 12 percent reported that SARS had a negligible impact on hotel performance. Despite the apparent hardship caused by the SARS epidemic, the

Tourism sector	Toronto	Niagara Falls
Accommodation	70,029,000	7,599,000
Recreation and entertainment	16,158,000	3,512,000
Transportation	25,670,000	1,809,000
Food and beverage	44,710,000	5,412,000
Other expenditures	29,767,000	2,864,000
Total	186,331,000	21,196,000

Source: KPMG (2003)

Table II.
Comparison of change in
tourism expenditures in
Niagara Falls and
Toronto for 2 March to
31 May 2003

majority of respondents believed that business would return to normal by 2004 (11.8 percent) or 2005 (82.4 percent).

Most respondents (89 percent) reported that during the SARS outbreak the company sent detailed information to managers on how to respond to the crisis. The second most frequently used measure was asking employees to take vacation or unpaid leave (78 percent). Just over 70 percent of hotels (72 percent) redirected their marketing and sales efforts with just over 60 percent offering deeply discounted packages to boost their hotel occupancy (61 percent). Almost 60 percent of respondents reported that they had laid off employees (59 percent) while 12 percent cut management salaries.

It appears that working actively with industry associations and governments was the most frequently used strategy in the recovering stage (66 percent). Offering large discounts to lure customers back (22 percent) and changing strategic plans had been assigned (22 percent) appear to be less common as recovery strategies. Only 6 percent of respondents reported using guest rooms for purposes other than accommodation (e.g. rent as commercial offices). Filing an insurance claim (i.e. "Act of God") was reported by one hotel (Government of Canada, 2003).

These results are consistent with other data. For example, the Toronto Board of Trade reported that the SARS impact was considerable. Approximately 75 percent of businesses were affected with 20 percent of these organizations were considered to have been affected in a major way. Over 75 percent of the hospitality sector in Toronto experienced a downturn in revenue during the SARS crisis and one in ten businesses, in general, and one in five hospitality sector businesses, were forced to lay off staff.

All respondents indicated that their hotels had a strategic plan, which included a mission statement, long-term objectives, and action plans. Almost half of these hotels (47 percent) said their strategic management plan included scenario plans and more than half of these hotels (56 percent) also indicated that the strategic plan included a crisis management plan. Over half of the respondents reported that the time frame of their strategic plans was five years or longer (56 percent) and exactly half of hotels reviewed their strategic plan annually. It is interesting to note that, anecdotally at least, hotels that review strategic plans more frequently and that have a shorter time frame for the plan reported experiencing less severe impacts from SARS on their organization's performance than did those hotels that did not review their strategic plan frequently.

Crises and disasters: dealing with epidemics

There are many definitions of crisis and disaster (Faulker, 2001; Parsons, 1996; Preble, 1997; Stafford *et al.*, 2002). A crisis is defined as internal. That is, a crisis is the result of risks stemming from within an organization itself. In contrast, a disaster is external. Disasters are a result of risks originating from outside the organization (Stafford *et al.*, 2002).

The SARS epidemic was what Parsons (1996) refers to as a highly uncertain environmental event which had great negative impact on the affected organizations. Faulkner suggests that a disaster is a:

... [situation] where an enterprise (or collection of enterprises in the case of a tourist destination) is confronted with sudden unpredictable catastrophic changes over which it has little control (Parsons, 1996, p. 136).

There is no doubt that the SARS outbreak of 2003 meets the definition of disaster as outlined by Faulkner (2001).

It is almost certain that the world will experience another epidemic, similar in severity to SARS in 2003, or pandemic. Epidemics, which vary in severity, occur every one to three years and happen when there are more cases of a disease in a community or population than would normally be expected. In contrast, pandemics, which are essentially epidemics that occur on a very large scale (e.g. entire country, region, or globally), occur at unpredictable intervals and are more devastating than epidemics. In the past century, influenza pandemics occurred in 1918-1919, 1957-1958, and 1968-1969 (www.pandemicflu.gov; Pandemic preparedness, n.d.). There is speculation that the next pandemic might come in the form of the H5N1 virus, also known as bird or avian flu.

The World Bank estimates that the global cost of a bird-flu pandemic could be 3.1 percent of World GDP which, in 2007, is over \$1 trillion. Milan Brahmabhatt, the World Bank Lead Economist for East Asia and the Pacific, notes that a pandemic's immediate impact would be seen in a "severe demand shock for services sectors such as tourism, mass transportation, retail sales, hotels and restaurants, as well as a supply shock due to workplace absenteeism, disruption of production processes and shifts to more costly procedures" (<http://go.worldbank.org/QIB54LB5L0>, para. 10).

The World Health Organization and many governments worldwide have developed, or are in the process of developing, pandemic preparedness plans focusing on an influenza pandemic. The reasons stated for developing such plans are two-fold. First, having a plan in place eases the impacts of a pandemic. Second, preparation results in immediate improvements in infrastructure which can ease the effects of epidemics and other disease threats (www.who.int/csr/disease/influenza/pandemic/en/).

Similar to governments implementing a preparedness plan, organizations adopting strategic management processes have better ability to deal with an uncertain environment (Ansoff, 1979; Miles and Snow, 1978). Whether companies that adopt strategic management practices deal with "highly unexpected, sudden changes" more effectively than those organizations that do not adopt these practices is unknown.

The very nature of crises suggest that they are unexpected, but brief, events with few managers possessing either first-hand knowledge or practical experience in dealing with the particular situation (Parsons, 1996). Barton (1994, p. 59) argued that "companies having a crisis management plan in hand can reassure the public and speed the return to normal operations". This assertion appears to be supported by Stafford *et al.* (2002) in their research on how Washington, DC hotels responded to terrorism after 9/11. In particular, they found that "recovery strategies pursued collectively by the [industry] yielded positive results" (Stafford *et al.*, 2002, p. 99).

Many studies have concluded that a strategic management or strategic planning system can help organizations align their organizational resources to their environments and thus increase their performance (Olsen *et al.*, 1998). Dev and Olsen (1989, p. 171) tested the tenet that "there exists an optimal pattern or 'fit' between the environment and the firm's business strategy that separates the more successful operations from the less successful ones". The findings indicate that, for higher performance companies, there is a "match" between the state of the environment and a firm's business strategy. These findings suggest that a strategic emergency preparedness plan allows organizations to be better equipped and more in control of

their brand management positioning strategies through organized methodical approaches to crises.

Few studies, however, have addressed the question of whether or not strategic management can help companies prevent and mitigate negative effects of a crisis in particular one stemming unexpectedly from the outside environment (Preble, 1997). A review of strategic management textbooks revealed that very little has been discussed explicitly on whether or not strategic management will prevent crisis. However, there is a general consensus on the notion that strategic management processes help organizations deal with change effectively.

Strategic management is a process of “developing and implementing a strategy that allows managers to exercise more control over the firm’s direction and to chart a course that enhances the firm’s performance” (Saloner *et al.*, 2001, p. 20). David (2003, p. 15) suggests that strategic management allows an organization to be “more proactive than negative in shaping its own future” and “exerts control over its own destiny”. Shrivastava and Mitroff (1987) indicate that a sudden crisis has a devastating effect on an organization, or even a community in its vicinity, when that organization or community is unprepared to deal with the crisis. They further note that corporations that develop strategic plans will have better capacity to prevent and cope with crises.

There are some criticisms of strategic management. In particular, some authors note that strategic management will not prevent a crisis because it tends to focus on an offensive strategy (Glaesser, 2003; Nykiel, 2005; Preble, 1997) that tries to eliminate or contain the problem. Further, it fails to recognize the low possibility but potentially high impact event. Edgar and Nisbet (1996) further asserted that “long range strategic planning is of little benefit to businesses operating in the hospitality industry”, as crises are inevitable in the hospitality industry (Barton, 1994). They suggested that the companies in hospitality industry should not try to overcome their environment but, rather, should change and adapt with the environment.

Anecdotal evidence suggests larger organizations (e.g. chain hotels) deal with disasters, such as SARS, better than smaller organizations (e.g. independent hotels). For example, Accor sent detailed information on how to respond to SARS, the previously unheard of illness, to all the managers of its 3,800 hotels worldwide (Bradsher, 2003). Ritz-Carton launched a post-SARS recovery effort within the hotel that consisted of a re-launch and renewal countdown in Hong Kong, Shanghai, and Singapore. The advantages that larger organizations (e.g. chain affiliated hotels) have are that they have strong brands, better communications technology, proven record of management experience, strong financial support, and successful management systems (Lattin, 2002).

Practical tips

Crisis management offers a strategic planning framework for both anticipating and dealing with a major crisis. According to the nature of crisis development, crisis management can be divided into four stages (Yu *et al.*, 2006):

- (1) pre-crisis stage;
- (2) acute crisis stage;
- (3) chronicle crisis stage; and
- (4) review stage.

These stages are reviewed below. By implementing a crisis management plan across the organization, tourism operators will be in a better position to mitigate the effects of a crisis when it occurs.

The pre-crisis stage

This is when action can be taken to prevent or mitigate the effects of potential crises. Every hotel, regardless its size, location and affiliation, should develop a sound understanding of how specific crises might affect the tourist industry, in general, and, specifically, their particular organization. Further they should develop crisis contingency plan and integrate it into their strategic planning systems to effectively detect and avoid or at least minimise the potential crisis. There are four main elements of the crisis management responses and strategies for tourism operators in the pre-crisis stage.

First, organizations must develop a crisis management plan (Barton, 1994; Higley, 2006) and integrate it to strategic planning systems. Since crises pose threats to existing strategies and strategic actions, companies should develop strategic plans and programs to deal with these crises. Strategic plans allow organizations to develop their capacity to cope with crises when they do occur (Preble, 1997; Shrivastava and Mitroff, 1987). In conjunction with the development of a crisis management plan is the need to work with various stakeholders.

Managers should be appointed to work with destination marketing organizations (DMOs) and government agencies to identify the early warning signs of a potential crisis. Further, these managers should be responsible for creating and training a crisis management team to manage the impact of the crisis should it occur (www.pandemicflu.gov/). The tourism sector is constantly faced with the decision as to what information should be made available to tourists but also has a duty to inform guests and the public of the associated risks of the crisis.

Third, management should review the strategic plan frequently to see if there is a need to change any strategic directions or decisions. A strategic plan with a horizon of five years or less ensure that the organization is up to date with both potential threats and the developed response. Finally, a process of acculturation and training for handling crises both formally and informally and throughout all levels of the organization is vital for the crisis management plan to be effective in the event of a crisis (Yu *et al.*, 2006).

The acute crisis stage

This refers to the point-in-time when the effects of the crisis are felt and cannot be reversed. It is necessary for tourism organizations to take the appropriate action to protect employees, customers, and property. During this stage the emphasis is on management responses, mobilization, and action which includes establishing a crisis management command centre and securing facilities. The strategy is to implement crisis contingency plans, including:

- identifying likely impacts and risks to the organization given the nature of the crisis;
- informing managers and employees on how to handle the specific crisis;

- ready availability and familiarity with emergency and crisis response equipment and information. The main objective would be to have a central information point plan;
- using media as communication vehicle focusing on restoring consumer confidence to the hotel product and service (Braun-LaTour *et al.*, 2006; Faulkner, 2001);
- re-directing marketing and sales efforts For example, focusing on local and adjacent areas, forming strategic marketing alliance, and working with local organizations such as the DMO or convention and tourism bureau; and
- implementing cost cutting strategies.

The chronicle stage

This is a period of self-analysis and recovery. The emphasis during this stage is on recovery and reconstruction. The main responses during the chronicle stage are conducting a damage audit, monitoring various systems, cleaning, repair, and restoration of damaged property, counseling victims including employees, restoring consumer confidence, and developing investment plans.

The review stage

This is when the organization reflects on the crisis as a whole including what went right in terms of planning and where improvements can be made. The review stage does not occur until routine is restored. In some cases a new, improved state established. The goal of the organization and the destination during the review stage is one of reflection and attempting to convert the lessons learned into an opportunity (Yu *et al.*, 2006).

Crisis management will not help an organization or country avoid the crisis but, rather, will enable those who have a plan to manage the crisis (Flynn and Lenaghan, 2007). The World Health Organization suggests that every nation should develop a pandemic plan. "Organizational preparedness is essential in successfully minimizing or avoiding the peril altogether" (Flynn and Lenaghan, 2007, p. 506). Indeed, there can be unintentional system breakdowns from the overwhelming complexity of the tourism product itself.

Strategic tips

There are a number of strategic tips for hotels and destinations that can be offered based on a review of the SARS epidemic in Toronto. In this case, ideas and actions are offered that make sense and are a matter of fact for dealing with crises. However, what makes sense might not be easy to implement or achieve. The strategic tips offered here include: collaboration and cooperation within an organization through established plans that permit speed in communication processes and control of public concerns.

As a case in point, perhaps one of the single most important factors necessary in combating the next epidemic is global collaboration and cooperation (www.globalization101.org/index.php?file=news1&id=37). SARS spread quickly throughout the world aided by ease of international travel and in part because SARS, as a disease, was essentially unknown in 2003. In conjunction with global collaboration is the need for transparency when dealing with crises. Flynn and

Lenaghan (2007, p. 506) suggest that “when a crisis is dealt with behind a veil of secrecy, it leaves all beyond the hem to question management’s effectiveness” as is what happened in the case of China’s handling of SARS. SARS was detected in November, 2002, in Guangdong province but news of the new disease did not surface until February, 2003. Thus, collaboration in dealing with the outbreak was delayed by months.

Global collaboration between health organizations and governments is essential in the event of another epidemic or pandemic. However, collaboration must also take place on a national and local level. The Ontario government was criticised for its slow response to the SARS crisis. For example the Ontario legislature, which had been on break since December 2002, was not recalled until late April, 2003. The recall corresponded with the World Health Organization’s travel advisory in April and the outcry from the tourism industry. Despite its slow response, government involvement, at all levels, was key in both managing the outbreak and the recovery. This collaborative strategy began to build trust and camaraderie with inclusive concerns of all stakeholder levels being involved in the recovery planning between government and industry.

The city of Toronto and the Toronto Transit Commission (TTC) collaborated with a series of advertisements encouraging Torontonians to become tourists in their own city. The campaign consisted of using well-known figures from Toronto encouraging Torontonians to take advantage of the city sights, restaurants, and accommodations. The 20-second broadcasts were aired on the subway system every ten minutes. Such collaboration could be done with relative ease in any jurisdiction and builds upon the interdependency between different industries and societies within.

Inherent in the “tourist in your own city” strategy is the need to increase or at least maintain the marketing budget of an organization and destination. Communication is a key in the fight against bad publicity and negative press is communication. It has been suggested by some that the SARS epidemic was “more about psychology than epidemiology” (www.nationalreview.com/comment/comment-seeman042503.asp). Seeman suggests, for example, the probable cases of SARS were combined with suspected cases in the media thus amplifying the severity of the disease.

Community action is a key strategy in dealing with the impact of a crisis on a destination. Implicit in community action is the need for various stakeholders to join forces to minimize, if not alleviate, the impact of a crisis on their own organization and on the destination (e.g. Toronto, Niagara region) as a whole. In the case of Toronto, the Toronto Tourism Industry Coalition was formed and included leaders from industry, labor, and government. Its mandate was to develop plans and solutions to promote Toronto as a viable option for travel. Critical thinking uses problem-solving analysis.

The Coalition concentrated on four areas including: raising the profile of the city and promoting it as a safe destination; organizing familiarisation trips and site tours; portraying the merits of the city and identifying new markets; and alleviating fears of travelers (www.meetingscanada.com/newsletters/June_2003.html). This collaborative strategic handling embraced the fundamental normal and ethical position of an industry. Giving particular attention to crisis situation planning allows for the analysis of possible consequences and impact containment strategies.

Conclusions

Getting started with a crisis management plan can be a difficult, albeit very necessary, task. A starting point for crisis management planning is outline below and incorporates both the strategic and practical tips for the tourism industry. Organizations must develop a crisis management and preparedness plan in order to minimize the negative impacts of a crisis or disaster. A well-developed plan will enable organizations to react quickly and effectively should a crisis occur. In acting effectively, organizations must be aware of public brand management and internal management while working with the industry and community as a whole to minimize or alleviate the impact of a crisis or disaster (Figure 1).

The Niagara region relies very heavily on the tourism and hospitality industry as a major contributor it the region's economy. Recent significant capital improvements, such as the casino and the Butterfly Conservatory, have reflected the importance of tourism to the region. The Niagara region is uniquely positioned as a tourist destination due in part to natural environment and related infrastructure but also because of its physical location. Over 50 percent of all travelers enter the province of Ontario through Niagara. The region is often referred to as the Gateway to Ontario, Canada. Indeed, the major of visitors to the region are international.

With such a large emphasis on tourism, international visitors in particular, it is important that the Niagara region not be caught unprepared for a crisis or disaster. To be unprepared and unable to handle the fallout from an event such as SARS would have a devastating effect on the local economy and tourism industry, particularly as its

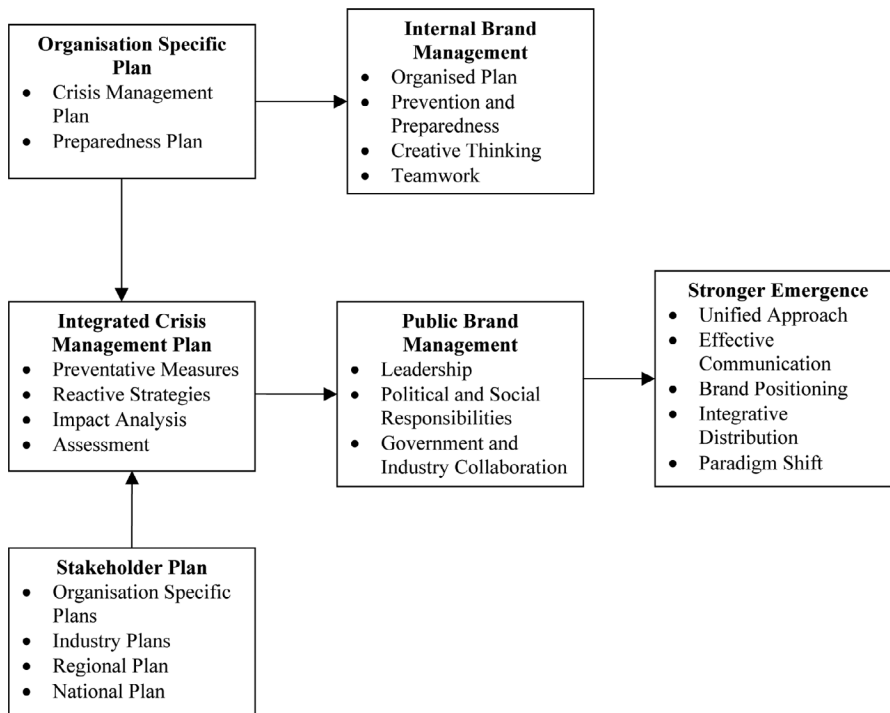


Figure 1.
Proposed model of crisis
management planning and
implementation

focus is on international visitors. A well-developed and integrated preparedness plan and management plan are vitally important if the tourism industry is to survive a crisis or disaster with minimal impact to visitors, businesses, and locals.

It is not a question of if another epidemic, or worse pandemic, will hit Canada and globally but rather, when. It is vital that tourism operators in the Niagara region, and around the world, learn from the SARS epidemic and implement a plan for dealing with the next crisis. The key is to start planning now. The next major crisis, be it an epidemic, pandemic, or natural or human made disaster, cannot be averted however, its impact on an organization or destination can be minimized with well thought out planning.

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