

# Crisis Management for Tourism Businesses

## 1. Introduction

The tourism industry in Jersey is critical to the economy of Jersey. The image of Jersey around the world is shaped by the experiences of the thousands of visitors that we receive every year and this directly affects investment.

The last few years have brought many challenges to our tourism economy; terrorism, disease and war have all made it harder to sell destinations around the world. This latest incident will be another setback, but we can work together to overcome the fears and worries of our visitors and rebuild their confidence. The mantra must be 'business as usual' as this is the best way to prevent negative effects from winning.

## 2. This Guide

The Economic Development Department and Jersey Tourism have developed this guide for the tourism industry. Its aim is to help tourism businesses through the first few weeks of this crisis; to give some advice and guidance and to signpost the many sources of further help and support. There are four sections:

- Looking after your customers
- Media messages and marketing
- Looking after your business
- Looking after your staff

## 3. Looking after your customers

News travels fast, so your customers will soon be in touch. What are you going to say to them? What should your staff say? It is important to brief both customers and staff on the situation as it unfolds. Your staff need to understand how enquiries are to be handled as they are your interface with the customer and they can win or lose business.

### 3.1. Customers that are with you now or over the next few days

#### 3.1.1. Safety

Your number one priority must be the safety and security of your staff, your customers and yourself. To do the right thing you need reliable information.

#### 3.1.2. Work through the following questions:

- What information/advice is being given by the police?
- What information is available on [www.gov.je/chiefminister/emergencyplanning](http://www.gov.je/chiefminister/emergencyplanning)?
- Is everyone aware of the Help Line number for enquiries about friends/relatives? It is likely that an information line will be set up, check [www.gov.je](http://www.gov.je)
- What facilities in your neighbourhood are operating/not operating?
- What transport systems are affected in your area?

Use the answers to these questions to prepare a bulletin for your staff and customers. The tone should be factual and calm with an absolute emphasis on following security advice. Even at this early stage the aim should be to operate 'business as usual' as much as is possible.

### **3.1.3. Websites**

We live in an era of instant communication and your customers will use websites to inform themselves. It is important that you review your own website and post some information on there immediately. This can be developed over the next few days but a brief statement reassures customers that you are well prepared.

### **3.1.4. Jersey Tourism Visitor Information Centre**

This is a good place to recommend to your customers for information and advice about Jersey. Address: Liberation Place, St Helier, JE1 1BB (next to the bus station).

Jersey Tourism VIC is open 7 days a week during peak season and Monday to Saturday lunch time at other times.

### **3.1.5. Emergency information will be broadcast on:**

- BBC Spotlight 'Channel Islands' – [www.bbc.co.uk/Jersey](http://www.bbc.co.uk/Jersey)
- Channel Television – [www.channelonline.tv](http://www.channelonline.tv)
- BBC Radio Jersey on 1026Kh2/292 meters or 88.8FM – [www.bbc.co.uk/Jersey](http://www.bbc.co.uk/Jersey)
- Local commercial radio 'Channel 103FM' on 103.7FM – [www.channel103.com](http://www.channel103.com)

## **3.2. Customers that want to cancel**

### **3.2.1. Cancellations and Customer Service**

In most cases customers will cancel for a reason that is genuine and important to them. If you or your staff are dealing with cancellations it is worth remembering that he/she may be a customer in the future. It is highly desirable to part on good terms if you can.

It is inevitable that some visitors to Jersey will decide to cancel or postpone their visit. They may feel that they would not be able to do all the things that they had planned so they would prefer not to come at all. If this happens where do you stand?

### **3.2.2. Your Cancellation Policy**

Your legal position will depend on your cancellation policy. If you do not have one in place it may well be something you want to consider for the future as it avoids any ambiguity. Having a written cancellation policy that visitors agree to at the time of booking will make life considerably easier should it be necessary to make a claim for losses from cancelled bookings.

Cancellation provisions within the contract can only be applied when these terms were made clear at the time of booking. When the booking is subsequently cancelled you have the right to invoice for whatever monies are outstanding (having deducted any deposit paid). If the guest then refuses to pay it might be possible to charge the amount against his/her credit card or you may have to resort to the Petty Debts Court. The consumer affairs and trading standards service can provide information about this procedure which applies to any claim under £10,000. Contact Trading Standards on 01534 448160 or email [tradingstandards@gove.je](mailto:tradingstandards@gove.je).

### **3.2.3. Credit card bookings**

Accommodation, theatre tickets and tours booked on the telephone will often be confirmed by credit card. It is important that customers are advised at the time of booking that their card will be charged in the event of cancellation and that the guest accepts that condition. To protect your position, it is best to give reservations staff a script to follow or issue a written confirmation. This will provide proof to the credit card company that you met their conditions.

### **3.2.4. What alternatives can you offer?**

Resorting to legal processes will probably be expensive in time and money so it is always better to find an outcome that pleases both you and your customer.

### **3.2.5. Credit Notes**

If the customer is entitled to a refund they may be persuaded to accept a credit note. This has the advantage of keeping cash in the business and allows you to keep your relationship with your customer. You will need to decide some basic issues:

- Validity of the credit note
- Any special condition e.g. is it transferable?
- Can it be used for other services than those originally booked?
- What will your accounts system need if the credit note is valid in a new financial year?

### **3.2.6. Transferring the booking**

Your customer may be willing to postpone their visit and wish to book for some new dates. The issues you need to think about here are:

- What is my policy if the new date is in high season and more expensive?
- How will I handle repeated requests for different dates?

### **3.2.7. Transferring within a group of businesses**

If your business is part of a group e.g. a group of restaurants, then it may be that you can offer an alternative to the customer that meets their needs. A hotel may be able to offer rooms in a different hotel; an attraction could offer a different venue for a function. The key here is to ensure that you are offering a good alternative to the customer so that they feel that they are getting good service and not being 'shunted around'.

### **3.2.8. Goodwill and flexibility**

You and your staff will be operating under pressure. Try to remember that this crisis will not last forever and your business is for the long term. If you can keep the goodwill of your customers in these difficult times it will pay dividends in the end.

### **3.2.9. Travel advisories**

The term 'travel advisories' is a general description of advice issued by governments to their own citizens. This advice is usually featured on the website of the Foreign and Commonwealth Office for UK citizens and the equivalent department for other countries. A travel advisory has a huge influence on the decision to travel and it also has an impact on a visitor's insurance cover. If a customer has already made a booking and a subsequent event leads to new advice being issued suggesting that a country is not safe to visit, then the insurance companies will usually cover any cancellation costs. It is useful to know what advice has been issued before you deal with enquiries. Be aware that the advice given is constantly reviewed so the situation may change.

## **3.3. Customers that have bookings for the next few weeks**

Once you have dealt with those customers who contact you, your next priority will be to protect the business that is 'on the books'. Do not assume that silence means that your customers are happy. Take action now to reinforce the 'business as usual' message.

### **3.3.1. Being proactive**

Some useful things you can do to protect your business:

- Review your bookings and identify any that are particularly valuable.
- Prepare a message for your future bookings in letter, telephone script and web form.
- Identify the positive reasons why customers should still travel.
- Contact all your customers and tell them that you are looking forward to welcoming them.

### **3.3.2. Reassurance and being positive**

Your customers will be anxious and have a lot of questions. To protect your credibility, adopt a policy of full disclosure about what is known and not known. The backbone of your message to your customers must be factual information that is regularly updated.

It is sensible to put yourself in the shoes of your customer and think about what they might want to do. If some activities are restricted then research some alternatives. Check with your neighbours, the Parish Hall and Jersey Tourism, and come up with some ideas for your visitors and then brief staff to suggest these. Remember that today's visitors will be ambassadors for Jersey when they return home.

## 4. Media Messages and Marketing

### 4.1. Dealing with the media

The Chief Minister will be the public face of Jersey for the world's media. In an era of 24-hour news reporting there will be great interest in the tourism industry and major tourism organisations will also be providing interviews and briefings.

You should work on the assumption that you (or your staff) may be contacted by the media and be prepared. Journalists will always seek out their own sources and look for an original angle on a story so do not be surprised if they contact you. An issue to settle very quickly is the question of who will speak to the media on behalf of your company.

In the early stages you will need to be able to answer common sense questions:

- What does the crisis mean for your customers?
- How many visitors normally come to XXX and what is that worth?
- How many visitors will stay away/cancel?
- How much business will be lost and how much revenue does that mean?
- What are you doing about it?

This sort of information will be what is required for the first few days or up to a week. Once the initial shock has subsided the demands will change and become more varied and complex.

### 4.2. Providing material to your own employees

Most travel companies need to deal with global media interest and will get demand for information 24 hours a day. While you may have a policy that limits contact with the media to nominated individuals, you should assume that all staff might be contacted for information. A simple 'Question and Answer' sheet is a good way of ensuring that all of your staff give a consistent message.

Check the States of Jersey and Jersey Tourism websites for the latest press releases and media briefings.

- States of Jersey: [www.gov.je](http://www.gov.je)
- Jersey Tourism: [www.jersey.com](http://www.jersey.com)

### 4.3. Positive Public Relations

In everything you do it is important to remember the victims and be sensitive to the loss and grief of others. Trying to keep your business afloat is the right thing to do but this must be done with compassion.

In the early days of a crisis it is very easy to believe that there is only bad news. The danger is that this will create a self-fulfilling prophecy – the tourism industry 'talks down' Jersey and therefore visitors stay away.

Taking a positive approach means being realistic but optimistic. Try to develop a focus on what visitors will be able to enjoy and emphasise the welcome they will receive from islanders. You may be asked to give an interview to the press on how

bad things are. Take this opportunity to tell your story but emphasise the actions you are taking to overcome your problems.

#### **4.4. Review Marketing campaigns**

Your review of costs will have included a look at what you planned to spend on advertising and promotion. You also need to think quickly about the next few weeks and check whether any booked advertising is appropriate. You may decide to cancel some advertising either because it will not generate business or because the message is wrong in the circumstances. Hong Kong Tourism experienced an example of this. They had booked colour advertising that featured the slogan 'A breath of fresh air' which was due to run at the height of the SARS outbreak when residents were wearing face masks. The cost of cancelling advertising is better than the bad publicity generated by insensitive messages.

#### **4.5. Check business trips and exhibitions**

During a crisis it is very important to be visible to your customers and to encourage a 'Business as Usual' atmosphere. Consider your costs but do not be too hasty in cancelling business events. If you are planning an overseas sales trip it is worth checking the mood in the overseas market. A good source of advice is VisitBritain – [www.visitbritain.org](http://www.visitbritain.org).

#### **4.6. Build your relationships**

If you receive business from Agents, Tour Operators or Incoming Handling Agents, get in touch with them. They will be able to give you good market intelligence and you can talk to them about what you can do together to encourage customers.

#### **4.7. Review your offer**

In a few days you will have some idea of how badly your business is affected. While your cost review will have generated some savings, you will need to act now to try to replace lost customers. In the short term you will need to offer customers some incentive and this can be a special offer, some added value, a discounted price, a loyalty bonus, a new feature.

Your marketing efforts will be much more cost effective if they can be done in partnership with others. Check with your neighbours, your competitors, Jersey Tourism and others on any joint campaigns that are planned and see if it makes sense to participate.

#### **4.8. Review your online presence**

If you have a website make sure it is working for you. Look at it every day – or delegate someone else to do this.

If you don't have a website, make sure you are benefiting from Jersey Tourism's website. Check that you have given up to date information to Jersey Tourism and keep them informed of any new offers. Update your Jersey Link offers on [www.jersey.com](http://www.jersey.com) or contact Jersey Tourism to use this service to market accommodation.

#### 4.9. Be flexible

The situation will change quickly and you will need to keep yourself informed and be willing to respond. All the agencies will be working on your behalf but you know your business and your customers better than anyone else.

### 5. Looking after your business

When customers stay away less cash comes into the business. This puts your business, and the jobs it provides, at risk. After the IRA bomb in Manchester in 1997, 40% of the businesses affected by the bomb went out of business, never to return. The tourism industry has shown itself to be remarkably resilient but prompt action is essential. The following steps may help you to be clear about your financial position and you can then discuss this with your accountant or bank manager.

#### 5.1. Assess the size of the problem

The first step is to come to a view about the nature and scale of this crisis. In these first few days all you will be able to do is arrive at your 'Best Guess'. No one will be able to give you certainty so you will need to assemble as much information as you can very quickly. The checklist below suggests some questions to ask.

Checklist:

- What is the government saying about this event?
- What is Jersey Tourism saying about this event and its likely impact?
- How long will the current situation last?
- Are there any similar examples from the past that I can look at?
- What are my customers saying?
- How many cancellations/enquiries about cancelling have I had?
- How strong are my forward bookings?
- How much media coverage is there?
- What is being reported around the world?

#### 5.2. Working assumptions

Having checked these sources you need to record your conclusions as a 'Best Guess' or 'Working Assumption'. This should answer two key questions;

- How long do I think the downturn will last?
- How much business will I lose?

##### 5.2.1. Best, middle and worst case

You may find it helpful to describe your thinking as a range of possibilities. So you may arrive at a set of Working Assumptions like this:

	How long will it last?	How much business will be lost?
<b>Best</b>	4 weeks	10% annual turnover
<b>Middle</b>	3 months	15% annual turnover
<b>Worst</b>	6 months	20% annual turnover

These are for illustration only. Looking back at your own figures over the last few years will be most useful.

### **5.3. Look at the effect on your cashflow**

In an ideal world you will have a record of your cash flow for the last 12 months to use as a reference point. This is VERY useful in a seasonal business. The effect on your cash position will depend on both assumptions. For example, a dramatic drop in business and a quick recovery will mean that you may need a bigger overdraft but for a shorter time. You will need to work through your different assumptions and sets of figures to arrive at a range of possible outcomes.

## **6. Looking after your staff**

Your staff are your biggest asset, but also your biggest cost. Involve them as much as possible so that they are an integral part of the process and if you have to make difficult decisions (shorter working hours and/or redundancies, for example) they will be more understanding. But, these difficult decisions will have to be taken by you alone.

### **6.1. What can I do to help?**

In times of crisis it is up to you to use the full potential of your resources – mainly your people:

Here is some food for thought and 10 top tips:

1. Make a rigorous appraisal of the situation before making any decisions.
2. Stay calm – staff will be anxious.
3. Keep yourself informed.
4. Listen carefully to staff.
5. Keep staff informed.
6. Keep everyone motivated.
7. Be clear and concise.
8. Be tough when necessary, but charming at the same time.
9. Stay relaxed and confident.
10. Let them get on with it!

### **6.2. Make sure**

You will need to make sure you know the following:

- That you really know your staff (who has the skills to help you in a crisis, where they live, for example).
- That you have contact telephone numbers for them all (including mobile telephone numbers). Your staff are properly trained (in all health and safety and evacuation procedures, for example) and can react quickly and easily to a crisis.
- That you listen carefully to your staff and keep your staff informed all the time.

### **6.3. Reviewing your staff costs**

The biggest element of cost in your business is likely to be your staff. If there is a significant drop in visitors you will need to take action to control these costs. Failure to do so may put the whole business – and all jobs – at risk. Consider all your options before letting people go. Good quality people are hard to find and redundancies should be a last resort.