

crisis management

in the tourism industry



Dirk Glaesser

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To those who dedicate their lives to tourism

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Preface

The tourism industry is like no other economic sector challenged by negative events. Its above average sensitivity towards these kinds of occurrences has given it such an exposed position that it already serves as an early warning indicator of critical situations for other sectors.

The destinations and businesses active in tourism have to face these challenges. Some years ago, companies could consider negative events as extraordinary and less likely. However, the developments of the last decade indicate the necessity to make crisis management a permanent part of the practical and scientific considerations. While doing so, organizations are confronted with the fundamental difficulty that despite the best intentions and highest efforts of prevention, risks cannot be completely controlled and therefore totally excluded.

Under these circumstances, besides the necessary implementation of measures which minimize risks, it is important to analyse negative events from every angle, to systematically identify critical success factors, to integrate them and take them into account when considering the strategic corporate orientation. Marketing is in this perspective very important. As many crises in tourism are causing impacts on companies and destinations whose products and services are objectively not affected or damaged – in other words subjective distortions of perception are taking place –, it is important to consider the store of knowledge of marketing for coping with crises but also for preventing them.

That is the aim of this book, which develops a general framework for crisis management and offers the basis for further analysis. It looks at the important area of prevention but also on how to cope with emerging crises; it discusses strategic dimensions but also operational techniques. It has one overall aim: To ensure a sustainable development for those working in the tourism industry and for those enjoying the services of this sector.

For the second edition of this book new chapters have been introduced, several restructured and the overall text has been completely revised and updated. New checklists, descriptive illustrations and additional representative case studies aim at giving a close and realistic insight into the practise of crisis management.

While preparing a book like this, which intends to offer a comprehensive approach to the topic of crisis management and which, above all, tries to connect the bits and pieces which are so important for understanding why some situations occur, in ways that no one would have expected, I had the assistance of an excellent team.

Firstly, I want to thank my wife Matilde for supporting me and having the time to discuss all the facets of this book. Prof. Dr. Peter Keller, a profound expert on the issues of international tourism policy was again a great help with his comments and advice. Ute Meyer, Stefanie Theuerkorn, Jens Oliver Glaeßer and Sarah Beswick helped me with plenty of comments to improve the script. Anika Mattheis, Maryen Blaschke, Tamara Nebel, Fabian Rüttschi assisted me in the research. I also want to thank Prof. Dr. Guillermo Aceves for his valuable comments from a U.S. point of view.

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1 Tourism in a changing world

Objectives

- To obtain an overview of developments which are influencing the tourism sector
- To understand the importance of the study of crisis management
- To understand the influence of climate change on the natural environment and the consequences for tourism

Key terms and concepts

- Technological progress
- Climate change
- Natural catastrophe

Nowadays, tourism is an absolutely normal part of our daily life. Even if there was travel to the Olympic Games or to the Knight Games in the ancient world, society's extensive participation in tourism started only a few decades ago.

The positive effects of tourism are varied. For tourists, a holiday means satisfaction as travel gives them the opportunity to bring their hopes and dreams to life. Furthermore, by holidaying outside their usual surroundings, tourists increase their knowledge of other cultures and ways of life, be it knowingly or unknowingly. This changed view of things helps to foster greater acceptance and tolerance among the human race.

As far as the national economy is concerned, the tourism industry has, in many countries, achieved such a leading position that it counts as one of the most important sources of income and foreign exchange. This growth will continue in the future and will contribute to make tourism the most significant industry in the world. Besides, tourism is, like no other industry, in a position to create prosperity and economic development opportunities even for places that would otherwise be considered as difficult to develop.

However, the positive development of the tourism industry is gradually being threatened by negative events. Incidents, that have taken place in the recent past, had economic consequences which were previously unheard of in other economic spheres. The Terrorist attacks in Egypt, SARS, 9/11, Tsunamis in Asia, are a few prominent examples of crises that caused economic losses to the tourism industry in the millions or even billions of U.S. dollars. But also indirect effects have a considerable

**Leading
position of
tourism**

impact like, for example, the rise in transport and travel costs across the globe, which especially threaten the competitiveness of long haul tourism destinations. At the same time, a number of other effects are becoming apparent such as image damage and the limitation on entrepreneurial room for manoeuvre from which businesses are still affected in both the medium and long term.

The reasons for the increased appearance of crises are complex. However, a first analysis shows that there are different areas contributing to this rising number of negative events.

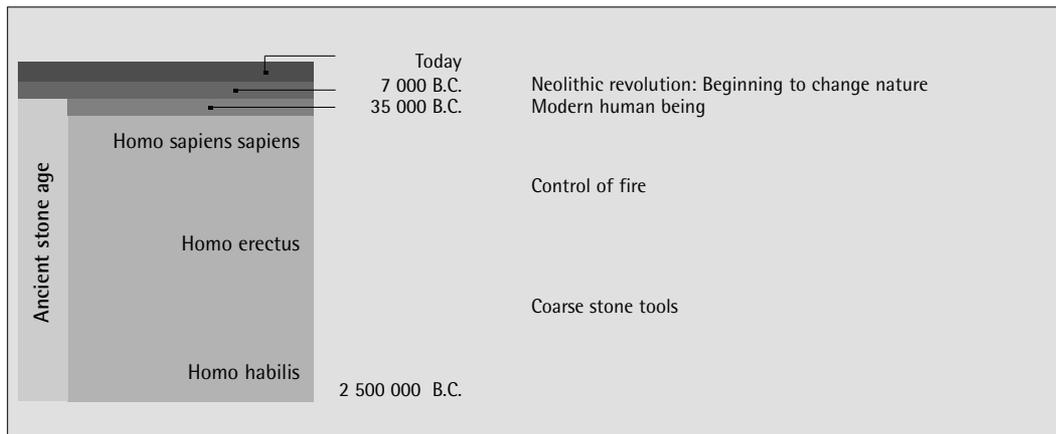
1.1 The living conditions of humans

Living conditions

Among the first ranking influences is the fact that living conditions in the most important source markets are changing at an increasing speed. These fast changes become especially clear when one looks at the social developments from a very early perspective.

Today's information indicates the existence of human beings on earth at around 2 500 000 years B.C. During the first one million years, human beings became accustomed to the use of stone tools. It took many generations for minor changes to occur. Man started to dominate fires some 500 000 years ago. Again, during many generations, he had the time to get used to these innovations and to its impact on his social environment. Man as we know him today, from his anatomy and physiology and especially from the size of his brain is only 40 000 years old. Even younger is the Neolithic revolution which is only 9-10 000 years old. Only at this moment, Man started to actively shape nature, to settle and to domesticate animals. Thus, life as we know it today only started some 9000 years ago.

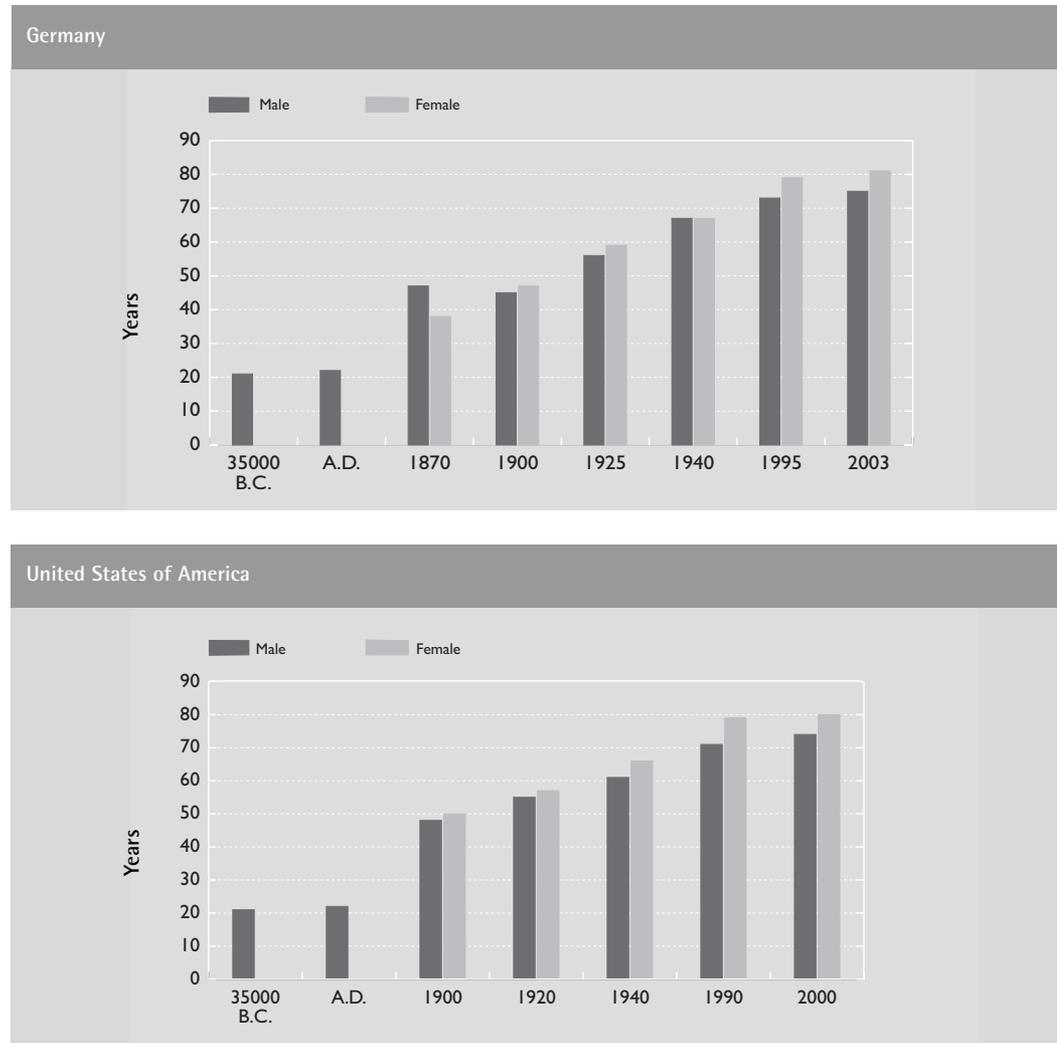
Diagram 1: Development speed



Average life expectancy

Age is another important factor of influence. 35 000 years B.C., the average life expectancy was around 20 years. As shown in the following diagram, changes over time in the average life span were only minimal. In fact, it only reached 35 years some 200 years ago. Since then, with the changes brought about by the Industrial Revolution and the ensuing developments in science and social structures, among others, life expectancy has more than doubled. Today, a woman in Western Europe has a life expectancy of some 80 years.

Diagram 2: Development of average age



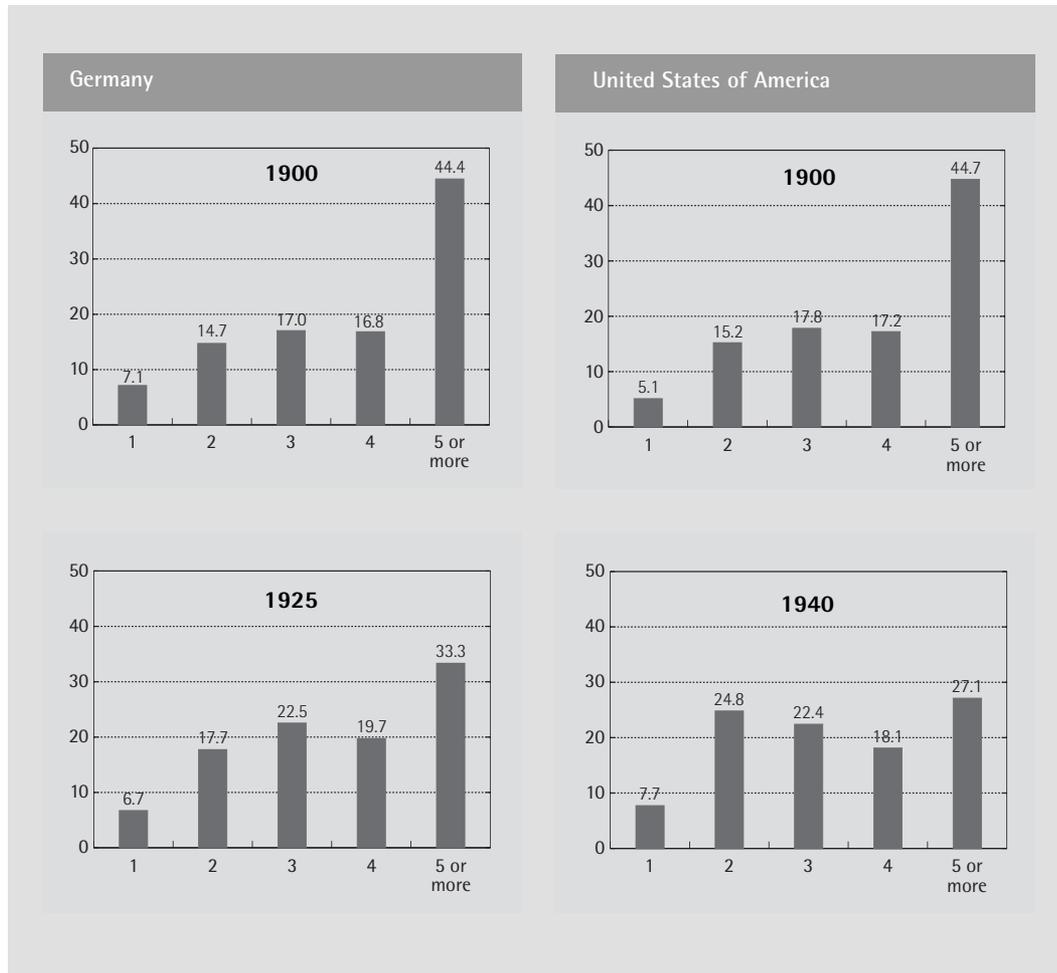
Taking these developments into account, it is hard to believe that only four hundred generations have passed since the Neolithic revolution. It also becomes clear how technical developments in the past several generations took longer to happen, whereas in this day and age several technical revolutions take place within one generation. Looking at telephone use since it was introduced, it took around sixty years before one could speak of wide dissemination. The personal computer on the other hand needed only thirty years to become part of our daily life. The cell phone achieved this in only twenty years.

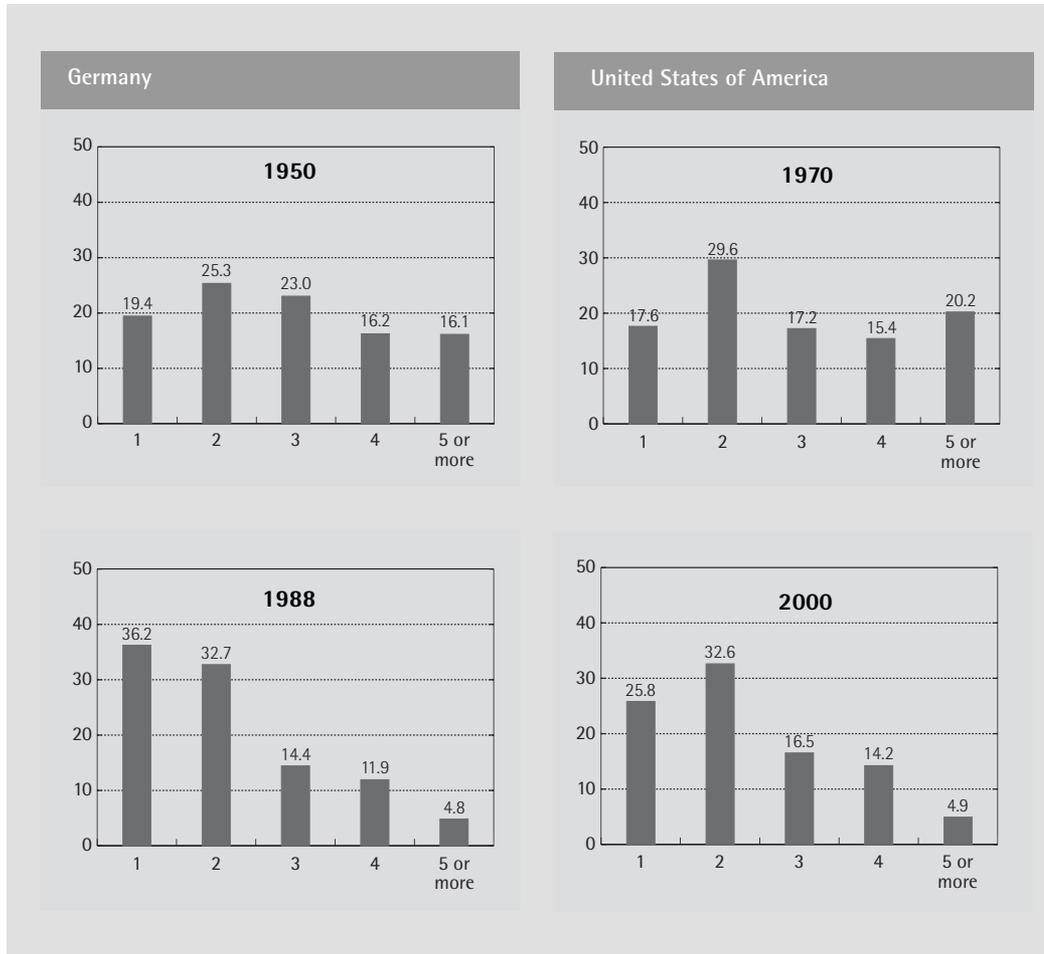
However, these technical changes, which we consider to be positive developments, can also have negative impacts. The first PC virus appeared in 1993. Twenty years later we speak with normality about the existence of these damaging programs, which can change the overall social structures worldwide in seconds.

Demographic trends

The demographic trends of human beings are also changing. Looking at the development of the average household size over the last 100 years, we can observe that at the beginning of the last century, the majority of households, specifically 44 per cent, contained five or more people. At the beginning of the twentieth century, there was a clear tendency towards smaller households. In 1998, 36 per cent were already single households.

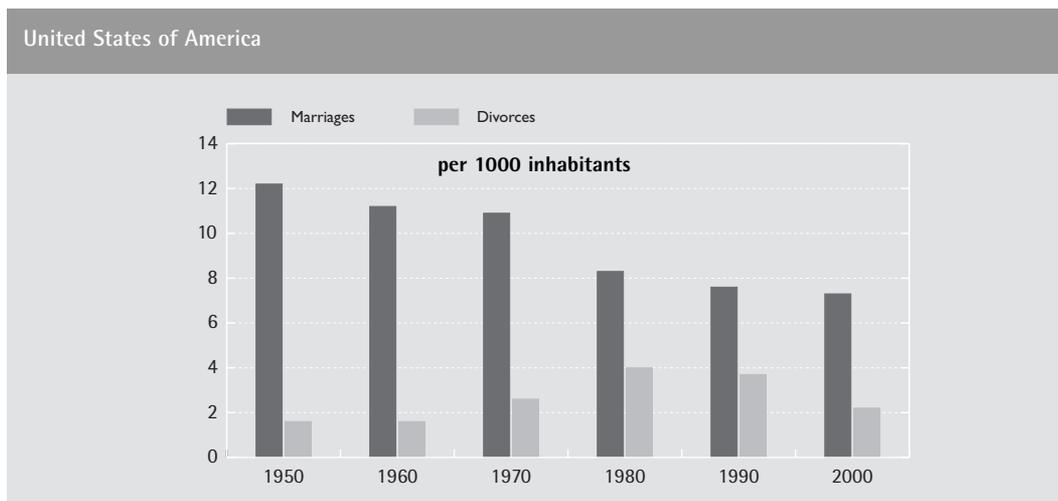
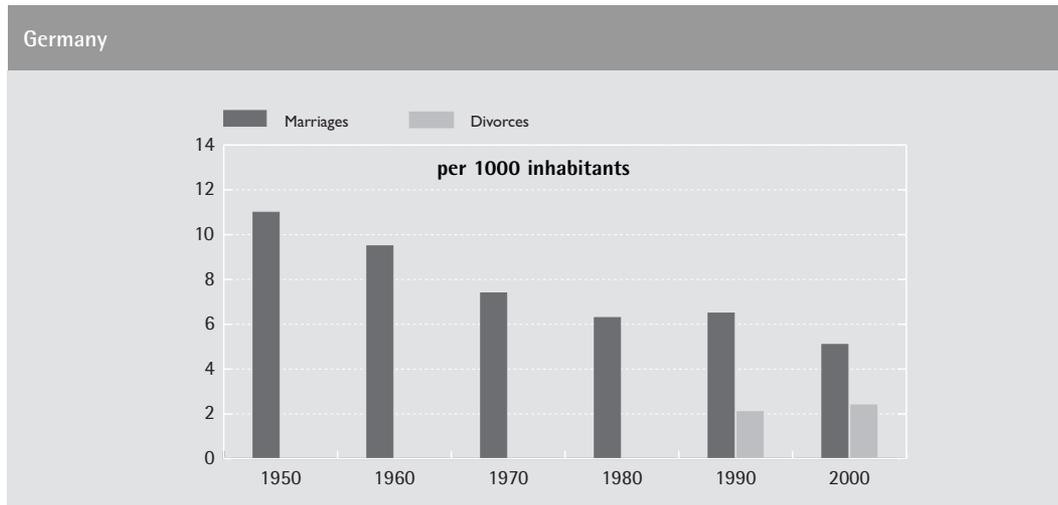
Diagram 3: Size of households (in percentage)





In addition to this, it can be observed that marriages are taking place at a much later age. There is a wider existence of unmarried couples and the average time of marriage is permanently decreasing. In the extreme case of the United States, some 40 per cent of marriages end in divorce after only 15 years. For younger couples, i.e. under 45 years old, this quota of divorces reaches 50 per cent. And, if a couple was already divorced, new marriages normally last much less.

Diagram 4: Marriages and divorces



Supply of information

These are only some factors that describe the environment in which human beings live today and indicate the challenges they are faced with.

One of these challenges is the worsening supply of information. This might surprise at first as we live in an age where there is precisely no lack of information. In fact, there will be more data produced in the next three years than in the last 300 000 years in total. With the oversupply of information it can be difficult to filter that which is considered to be important. In addition, the changing family environment makes it more difficult to transmit information to the individual that is tailored to their individual needs. This is of crucial importance for an improved perception and processing of information.

Furthermore, demographic developments cause insecurities, which were previously dealt with by traditional family communities but are now resting with the individual. This represents an enormous challenge for the individual. Therefore, we can observe that more and more occurrences, which are normally considered as dangers are now labeled as risks. By this, the 'unavoidable' shall be made 'avoidable'. While dangers are sourced in the environment and cannot be influenced by man, risks are often traced back to decisions and are associated to individuals.

Secondly, individuals aim to find institutions, which can be used to cope with these insecurities. This includes the State, which is confronted with tasks and expectations which it has not previously been responsible for. But also private companies are affected by these changes. Increasingly, companies are made responsible for occurrences and situations which do not form part of any contract nor which have been considered in the past as part of their scope of responsibility.

It remains to be mentioned that human beings are creatures of habit. What Man has learned once, he aims at continuing. He tries to avoid changes that are too big or tries to postpone them at least up to such a moment that they are impossible to avoid. Man has difficulties in adapting and absorbing all the changes in the technical environment as fast as they take place. Large and small technical revolutions do not happen across generations any longer but rather within one same generation. Eruptive changes are the consequence and there is a natural defense reaction that needs to be overcome. This is very often only possible when situations are carried to an extreme.

Creatures of habit

1.2 Natural changes

Man has always attempted to become independent from the powers of nature. Technological progress has helped him in this effort; but this progress can be partly considered a result of this continuous effort of independence. Thousands of years ago human beings were seeking protection from natural adversities in caves and attempted to shield themselves from nature. Nowadays they are experimenting with natural environments such as the Biosphere experiment in Arizona (USA) and an increasing number of tourist attractions such as indoor skiing-arenas and fully climate-controlled leisure parks.

However, despite these intensive efforts, the powers of nature cannot be controlled fully. It seems that exactly the opposite has happened in the meantime. During the past 100 years, more than 50 000 natural catastrophes have been accounted for worldwide, which collectively claimed more than 4 million human lives. In the past fifteen years between 500 and 700 natural catastrophes have been registered annually. This does not take into account the unnumbered droughts and famines which cost the lives of many more millions of people. Interestingly, those catastrophes, which have geological origins such as earthquakes or volcanic eruptions, remain constant



View of part of the fully climate-controlled Gaylord Opryland Resort in Nashville, USA. The immense size, enormous number of attractions, exposition space, restaurants and more than 2800 hotel rooms, make it possible for tourists to stay inside the installation for several days without being in contact with the warm and humid weather.

Great natural catastrophes

Natural catastrophes are classed as serious if the region is clearly unable to help itself, making interregional or international assistance necessary. Great natural catastrophes account for half of the overall loss on average.

in numbers. Differently, those catastrophes, which originate from extreme weather conditions such as floods, windstorms, landslides, cold spells, forest fires, are increasing constantly. Even before the devastating Tsunami in Asia, the year 2004 was considered the most costly year for the insurance sector in terms of natural catastrophes. With insured losses of 40 billion US\$ and economic losses of 130 billion US\$, the insured losses of 26 billion US\$ from the year 1992 were exceeded significantly. This trend will continue in the future.

Diagram 5: Great natural catastrophes

Decade	1950-59	1960-69	1970-79	1980-89	1990-99
Number	20	27	47	63	91
Economic losses in US\$ billion (2003 values)	42.7	76.7	140.6	217.3	670.4

There are several important reasons that explain this increasing number of natural catastrophes. Firstly, there is the exponential increase in world population and the developments linked to it such as urbanization, water shortages and use of exposed areas. If the population continues to grow by 1 billion every 10-15 years, by mid 21st century, the density of the population will be 50 per cent higher than today. This will have an especially strong impact on cities, which have absorbed an above average percentage of the population growth in the last fifty years. While in the 1950s only 30 per cent of the world population (about 2.5 billion) lived in cities, this figure has changed to some 50 per cent of the 6 billion people of today. And this tendency is very likely to continue. Areas, which are exposed to a high level of natural risks, are increasingly used because of tourism interests but also because of the deficit of further areas of expansion, especially in those fast-growing urban zones.

Population growth

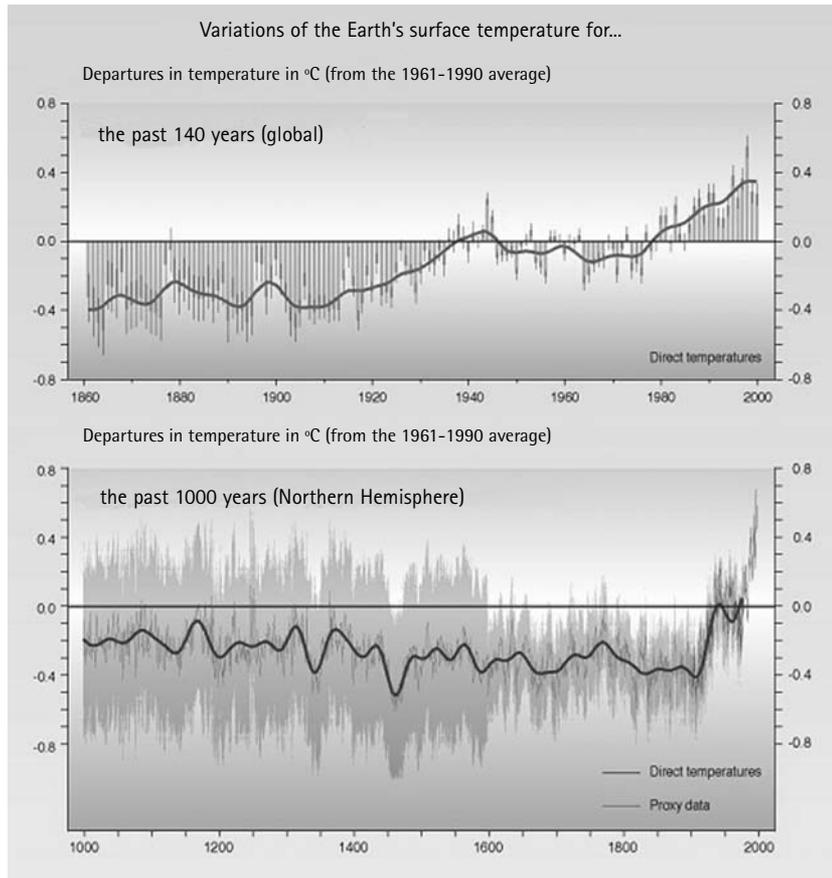
The strong tourism development of Florida, which is explained by the agreeable climatic conditions, the nice beaches, changed a mostly agricultural geographical area into one of the most densely populated areas of the United States. Despite the known tracks of hurricanes and their extensive damage, this is an area which is not avoided but rather looked for. The record of the most expensive natural catastrophe was caused by hurricane Andrew in 1992 with losses for the insurance industry of 17 billion US\$. Other areas such as the Alps where there are frequent avalanches, demonstrate that the use of particularly exposed areas for tourism is extremely risky.

Climate change

Without any doubt, the climate change is also playing a fundamental role in the increase of natural catastrophes. As the following chart of the Intergovernmental Panel on Climate Change (IPCC), an institution of the WHO and UNEP, shows, the average global temperature increased by 0.7 degrees during the last 100 years. Taking into consideration that the average difference between the moderate periods and the ice ages was only 5 degrees, this is a value to be taken seriously. Today, we can observe some of its consequences: melting of glaciers, shortage of snow at traditional ski destinations, warming of the oceans and the resulting increase in the water level of the oceans, but also the increase of floods

through extraordinary rainfalls and storms in areas which were until recently spared of these occurrences.

Diagram 6: Climate change



Source: IPCC

Our extreme confidence in technological achievements has caused natural events to trigger not only more often but also stronger damages than necessary. As most of the engineering measures help to protect us against floods or make buildings earthquake-resistant, they at the same time make us forget that these measures bring little to protect us against larger events. The absence of consequences from regularly smaller and medium-size natural occurrences gives us misleading confidence. Events which finally exceed a certain threshold like the earthquake of Kobe in 1995, Northridge 1994 or Mexico City in 1985, the flooding of Red River in the north of the United States and the south of Canada in 1997, the flooding in central Europe in 2002 or the devastating Tsunami in Asia at the end of 2004, is hitting largely unprepared populations and administrations.

Technological achievements

Questions for review and discussion

- Can all negative events be avoided?
- Why has the importance of crisis management in tourism risen?
- Which role does the family play in coping with insecurities?
- What are the driving factors of the worldwide population growth?
- How is the use of high-risk areas assessed by the tourism industry? E.g. construction in coastal or mountainous areas.

Suggestions for further reading

Intergovernmental Panel on Climate Change (2001), *Climate Change 2001: The Scientific Basis*, Cambridge University Press, Cambridge.

Luhmann, N. (2005), *Risk: A Sociological Theory*, Aldine Transaction, New Brunswick, N.J.

United Nations Population Fund (2004), *State of World Population 2004: The Cairo Consensus at Ten - Population, Reproductive Health and the Global Effort to End Poverty*, UNFPA, New York.

World Tourism Organization (2003), *Climate Change and Tourism*, WTO, Madrid.

Useful websites

www.world-tourism.org

www.ipcc.ch

www.unfpa.org

2 The basics of crisis management

Objectives

- To obtain an overview of the linguistic development of the term 'crisis'
- To be able to understand the scientific discussion on the crisis phenomenon
- To be in the position to define 'crisis' and to disassociate it from various other terms
- To learn the system and activity of crisis management in tourism
- To understand the role of mass media for information dissemination as well as influencing the recipient's opinion
- To name the dissemination influence variables

Key terms and concepts

- Crisis
- Negative event
- Crisis management
- Tourism, tourist
- System theory

2.1 What is a crisis?

2.1.1 The origins

The word crisis comes from the Greek 'krisis', which means differentiation or decision. Within the legal sphere, the term was used to describe the differentiation between just and unjust whilst, in theology, it described the separation of salvation and damnation. Medical terminology used the expression for the break in a development that had previously been continuous. In the sixteenth century, with the revival of classic medicine the word became part of everyday language. The use of the term 'crisis' became evident in all areas of politics, society and the economy and, by the mid-19th century, people were already complaining about its overuse.

The increase in the linguistic use of the term crisis was accompanied by a renewed scientific discussion of the 'crisis' phenomenon. Various scientific findings can be classed as either referring to

危机

The Chinese equivalent for the word crisis is 'Weiji'. It is formed from the first letter of danger 危险 'Weixian' and opportunity 机会 'Jihui'. This composition of the word clearly reflects the real characteristics of a crisis.

persons/institutions or as contributions to the individual/collective model depending on their focal points.

As a rule, the human being is the focal point of considerations concerning individual models. In this case, the individual experiences the crisis as an intensification of the actual situation, which, in extreme cases, can lead to his or her end. Contributions to the individual model come from medicine and psychosomatics, psychosocial development theory and crisis intervention (crisis intervention is a collective term for theories about human behaviour in exceptional circumstances and therapy concepts). For collective models, on the other hand, social systems are analysed under certain circumstances that could be described as a crisis. Economics, political science and communications research all contribute to the collective model.

Furthermore, by using the subdivision practised in political science, system-and decision-oriented approaches can be distinguished. Within the

framework of decision-theoretic approaches, crisis is understood as a dangerous and extraordinary situation in which a decision must be made under time pressure. Investigations carried out from this angle concentrate on the state of an acute crisis and acquire knowledge on the workflow organization in a crisis.

In systemic approaches, crisis is seen as a critical change in important variables that endanger or destroy either parts of or the entire system. The majority of the contributions to this area come from political science and the aim is the development of early warning systems. Due to their analysis of actual use and overuse, the results are especially useful for the organizational structure of the company in situations of crisis. The following diagram shows the areas of knowledge within crisis research.

Diagram 7: Areas of knowledge within crisis research

	System-oriented approaches	Decision-oriented approaches
Individual models	<p>Medicine:</p> <ul style="list-style-type: none"> • Turning point is the decision between life and death during the course of an illness <p>Psychology:</p> <ul style="list-style-type: none"> • Perception of an occurrence or situation as an intolerable difficulty which exceeds a person's resources and coping mechanisms • Failure of behavioural patterns • Danger of identity loss 	Individual cognitive problem solving qualities of decision makers in crisis situations
Collective models	<p>Social sciences:</p> <ul style="list-style-type: none"> • Crises as phenomena of societies: endangered national interests during conflict due to a threatening escalation towards war (e.g. Cuban crisis) • Crises as phenomena of societal subsystems: <ul style="list-style-type: none"> - Politics: real changes to the patterns of political relations (e.g. coup, revolution) - Economy: exogenous economic shocks; phases of downward trends in the economic cycle 	Collective decision behaviour in crisis situations

Source: Based on Linde (1994)

2.1.2 Decisive characteristics of the term 'crisis'

National economics was the first to look into crises. The approaches understood crises predominantly as cyclical economic problems. Business administration only started to take an interest later and this was prompted by the conditions that accompanied the crude oil shortage of the 1970s. The limitations that were, until then, unknown and the ever more frequent insolvency of companies prompted an economic investigation, the consequence of which was the emphasis on coping with crises.

Business administration predominantly terms crisis as a process that negatively influences the development of a company to a considerable extent (Krystek, 1987; Schulten, 1995). In this sense, the crisis either endangers or makes the survival of the affected company impossible.

To determine a crisis situation, the question must be asked as to whether the organization still has the ability to achieve important corporate goals. However, only those goals that exert considerable influence over the future survival of the company are of significance. The initial specifications of these high-ranking goals include solvency, that is, the ability to fulfil business payment obligations, and success expressed through minimum profit or return on investment. The advantage of this narrow version of the term 'crisis' was the simple definition of crisis conditions within a company. Its financial base allows the simple derivation from accounting through a target/actual comparison.

However, this advantage of a simple definition is confronted with the disadvantage that the actual causes of the deviation from corporate goals, which occur earlier, are not covered. For this reason, the inclusion of the company's success factors that form the basis of solvency and success as a further criterion is important. Defined by Porter (1998a) as competitive advantage, these factors determine the present and, more specifically, future success of the organisation.

From this perspective it is important for a prompt determination of a crisis situation to concentrate on the seriousness of events. It must be assessed whether actual or potential events within the company or its environment influence its competitive advantage or other important business goals. Advantageous in such a contemplation of crisis is the early opportunity to analyse these events within the framework of preventive crisis management. Moreover, the crisis situation can thereby be better determined than through the previously demanded 'survival threat' to the organization. The objection to the latter is that, as a rule, it is only possible to determine this threat correctly when the crisis is already in an advanced state. It is then already too late for the introduction of crisis management countermeasures.

Furthermore, concentrating on the seriousness of events takes into account that certain areas never face a threat to survival. In tourism, for example, destinations are organizational units, which, despite a considerable number of negative influences, are not threatened in their existence. The risk of a threat to survival would apply to businesses active within the destination but it would not necessarily have to be so.

Another characteristic of a crisis is the development possibility over the course of time. This process character is marked, on the one hand, by its temporal limitations, on the other, by its ambivalence. The latter is a prerequisite for the actual crisis management, that is, the sensibleness of the use of

Important
corporate goals

Seriousness
of events

Intensity of the time pressure

The intensity of the time pressure can essentially be broken down into the following three components:

- Limitation on the time available, i.e. the decision time;
- Individual sensitivity of the participants towards external pressure;
- The magnitude of the problem.

Process
character

countermeasures. Only after the so-called turning point of the crisis can it be decided whether the previously ambivalent crisis situation will take a clearly positive or negative course.

**Time
pressure**

In addition, the fact that it is not possible to determine the onset of a negative event implies immediacy in view of the prior warning time and the available reaction time. Because crises, considered as processes, progressively limit opportunities of action, a need for decision and action is triggered, which is perceived by the participants as time pressure.

**Undesired
development**

Crises are also characterized by extremely badly structured decisions that can be traced back to information deficit or even too much information, restrictions on information processing, complexity, etc. The conclusion often reached in this context, that crises are unplanned processes, proves to be imprecise. As crises in certain areas can, with planning, be easily anticipated and, therefore, influenced, the term 'undesired development' in relation to the formulated corporate goals is more precise. Both exceeding and falling short of goals can be undesired. Activities described as demarketing, which are of use in the undesired exceeding of corporate goals, should not, however, be the object of further considerations.

**Exceptional
situation**

At the same time, a crisis is an exceptional situation, the onset of which is uncertain. Consequently, all preparations with regard to negative events have only eventuality as a characteristic. The number of theoretically possible events and the accordingly considerable expenditure demand restrictions and concentration of the precautions. Even organizations such as armies or the police whose exclusive task is the identification and planning of such processes cannot prepare for every event. On the one hand, this has to do with the number of influential factors that contribute to complexity and, on the other hand, with their continuous change. The possibilities for companies are, in comparison, even more limited because the preparation for and the coping with crises are never seen to be corporate goals.

Definition: Crisis

A crisis is an undesired, extraordinary, often unexpected and timely limited process with ambivalent development possibilities. It demands immediate decisions and countermeasures in order to influence the further development again positively for the organisation (destination) and to limit the negative consequences as much as possible.

A crisis situation is determined by evaluating the seriousness of the occurring negative events, which threaten, weaken or destroy competitive advantages or important goals of the organisation.

2.1.3 Catastrophes, turnarounds, structural changes and conflicts

The term 'crisis' should be disassociated from various other terms that are also connected with negative events or are used instead of it, in order to ensure its standard use within the framework of the rest of this book.

Catastrophes

Catastrophes are negative events, which, in contrast to crisis, have a clear inevitable outcome. Consequently, the catastrophe is missing the crisis' ambivalence towards development opportunities. A connection or a simultaneous occurrence of a catastrophe and a crisis can be found especially in

tourism, where catastrophes that occur in the environmental sphere trigger a crisis for the affected organization.

Turnaround is understood as countermeasures used when an organization falls short of its goals. These activities, which concentrate, in part, on an acute crisis, aim for an abrupt reversal of the development. Thus, they concentrate on a particular part of the crisis, the object of which is coping with the crisis. Turnaround, consequently, portrays a special case within crisis management.

Turnaround

Structural changes are changes in the economic structure and take place in economies on a regular basis. They are not to be traced back on seasonal or cyclical influences but are a consequence of, for example, changing demand structures, technological progress, discovery of new products, raw materials or production technologies. From the viewpoint of a destination or a company, those changes of a so-far continuous development, i.e. the structural changes, require a process of adaptation. If this necessity of changes is not identified or handled in good time, the organization is more prone to crisis. Generally seen, the management of structural changes normally belongs, because of its principally long-term development, to the sphere of normal management activities.

Structural changes

Clashes between personal groupings, which can take place inside or outside the company, are described as conflicts. In contrast to crisis, conflicts can be of an unlimited duration and can even be desired. Thus, they must not necessarily have negative consequences. It is, however, possible that conflicts are the cause of a crisis.

Conflicts

2.1.4 Classification of crises

Typologies of crises found in literature are extensive and thorough, for which reason only those important for the further contemplation of this book will be examined.

It has already been shown that crises go through a development process. This leads to a phased subdivision of the crisis process becoming practice. As a rule, it is possible to differentiate between two to four phases of a crisis. The presently predominant three-phase crisis process is used as a basis in this book. Using time pressure as a characteristic, this divides the phases of a crisis into potential, latent and acute crises.

Potential crises are characterizing a phase in which the crisis is only an imaginary construct. They are, as such, neither ascertainable nor existent, for which reason this situation is described by Krystek (1987) as the ‘quasi normal condition of the company’ in which it constantly finds itself.

Potential crises

Latent crises describe the phase in which the crisis has already broken out but is not yet identifiable with the normal quantitative instruments available to the company. Countermeasures in this phase are not yet subject to noticeable restrictions.

Latent crises

The phase of an acute crisis is the period of time in which the destructive effect of the crisis is perceived and the company strives to cope. The symptoms apparent in the acute crisis phase – which should not, however, be confused with the causes – are, as a rule, recognized as an indication of crisis within a company. The perception of a crisis situation is revealed by means of company reporting.

Acute crises

The differentiation between natural and human-induced crises is particularly significant in tourism. Crises triggered by negative events in nature, for example, natural catastrophes (tropical cyclones, storm tides, floods, avalanches and earthquakes) differ considerably in their effect from human-induced crises; that is, events triggered by humans. As a rule, negative events attributed to humans as a trigger

Natural and human-induced crises