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Crisis Management in Hotel Business

The Case of Holiway Garden Resort & Spa in Bali and the
Volcano Agung in 2017/2018

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Abstract

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Crisis Management in Hotel Business - The Case of Holiway Garden Resort & Spa in Bali and the Volcano Agung in 2017/2018, 107 pages, 4 appendices

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The purpose of the research was to develop an approach in crisis management especially for hotels according to their compiled special characteristics and unique areas. With the application of the developed fields of crisis response for hotels to a case study hotel and crisis, it was the objective to determine, review and evaluate the actions of the hotel towards the crisis. With the help of the case study the established theoretical knowledge will be shown in practice. The study was performed by the student Miriam Renner in order to gain a bachelor's degree in Tourism and Hospitality Management with the *Saima University of Applied Sciences* in Finland and the *Hochschule für Technik und Wirtschaft des Saarlandes* in Germany.

Data for this study was collected by the writer of the thesis with her own observations by staying at the case study hotel during the crisis and by interviewing experts in the hotel field, that are part of the management in the case study hotel.

The information for the theoretical part of the research was gathered mainly from literature but also the internet was used to find special data or details.

The results of the study show that it is advisable for hotels to consider crisis management before a crisis even happens in order to handle the crisis successfully. The theoretical approach can be used for hotels of all sizes and different crises, although the focus is on natural catastrophes.

The final result of this thesis was a developed generic crisis plan for the case study hotel.

Keywords: Hotel Management, Crisis Management, Crisis in Tourism, Crisis Response, Crisis Communication, Generic Crisis Plan, Mount Agung, Bali,

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1 Introduction

Crisis management is a present topic in tourism which has faced an unending chain of incidents for some time. Several examples, like the 2004 Tsunami in Thailand (Salzburger Nachrichten 2016), demonstrate that crisis management is an essential part of management in tourism.

The tourism industry is continuously growing and worldwide outbound travellers want their holidays to be more exotic and paradisiac (ITB World Travel Trends Report 2016, p.3). An area that can easily cover those needs with its great variety and contrast, is the Asia-Pacific. Holding culturally rich countries such as Cambodia, Indonesia, Myanmar and Thailand it is advertised very appealing, not only for Westerners (Roll 2006, p.33). The region's hotel industries' worldwide market share increased from 4.7% in 1980 to 24.3% in 2004 and it is still growing (Gardini 2010, p.19). But besides beautiful nature and friendly inhabitants, the Asia-Pacific region has statistically the most natural catastrophes, for example, the 2016 Nepal earthquake or the 2004 tsunami in Thailand 2004, which claimed over 200,000 victims, including numerous tourists (Salzburger Nachrichten 2016). As one of the most recent disasters, the eruption of Mount Agung in Bali, Indonesia can be used as a current case study for crisis management.

It is not the first eruption of the Balinese volcano; in March 1963 an explosion of Mount Agung killed around 1,148 people and injured 624, not only with the 7.5 km long lava stream but also due to dangerous pyroclastic clouds or lahars, which is a downpour mix of rainwater and eruptive material of the volcano. Back in time, the area around the volcano was not as populated as it is nowadays. Mount Agung, as an active volcano, is a present threat for people living nearby and the tourism industry in the area that might have been forgotten or just underestimated. (Indonesianvolcano 2015)

According to Maslow's hierarchy of needs, the need for safety comes directly after the *needs for basic amenities of life*, like *air, water, food, clothing and shelter* (Management Study Guide 2017). Transferring this to the tourism sector, it can be said that travellers choose their potential destination and their lodging establishment by considering if they personally can feel safe there.

During a holiday, the proverbial most precious time of year, a time where one does not want to worry about anything, especially not about one's basic needs, it is prerequisite for hotels to deliver safety. Without feeling safe, which can be challenging with an active volcano in the immediate surroundings, it might not be easy to enjoy one's precious sunny days, relaxing at the beach and escaping everyday life, which representing the biggest holiday motifs (ITB Academy 2015, p.24).

The goal of every hotel is to ensure satisfying service and guests who are pleased with their room/lodging (Freyberg & Zeugfang 2014, p.25), which fundamentally includes their safety in every situation. Consequently, hotels and other lodging establishments need to be prepared for numerous situations, not only when speaking of natural catastrophes but also for example food poisoning or accidents and their worst-case scenarios, to ensure safety in their area of action.

It can be concluded that crisis management in tourism, especially in lodging establishments like hotels, is one of the most important topics a manager of such must be aware of.

This paper will depict various research questions about this topic, explained in the example of the volcano eruption 2017/2018 of Mount Agung and the Holiway Garden Resort and Spa of Bali in Indonesia, in the middle of the mentioned and endangered Asia-Pacific region.

Therefore, the topic will cover an actual and current event and could help to improve the awareness of hotels facing natural threats like volcanic eruptions and point out the relevance of crisis management, a crisis plan and suitable preparations.

1.1 Aims and limitations

The main aim of this report and the main research question is the analysis of the applied crisis management in the case study, conscious or unconscious. With theoretical research about hotel and crisis management, the measures taken by the case hotel will be reviewed and evaluated. Not only the main learnings will be highlighted, but also possible improvements for further similar situations.

A theoretical part will introduce the specialties in managing a hotel, the definitions and characteristics of a crisis in tourism, with the focus on natural catastrophes and hotels, and how they can overcome and prepare for the negative consequences of a crisis with the help of the right (crisis) management. These theoretical sub questions will point out what is special about managing a hotel in comparison to another non-service orientated organization, as well as what a crisis in tourism in general is, what crisis management is and how it can help.

As empirical sub questions, the initial situation will be outlined and concatenated with the theoretical aspects of hotel and crisis management. As an illustration of the research findings, this will lead to a developed general crisis plan, suiting the needs of the case study hotel for managerial and communicational decisions.

To ensure a detailed research, the author of the thesis will delaminate the research about one special event of crisis management in a hotel in Bali, Indonesia.

The term crisis management is also to be differentiated from the term of risk management, the report will only address decisions related to crises.

The report will only focus on the hotel industry, not the hospitality industry. Consequently, facilities such as restaurants, campsites or private accommodations are excluded and will not be part of any analysis.

To summarize, the content of the single chapters will mainly concentrate on managerial and communicative decisions, not on operational strategies, such as actual emergency plans for saving the physical facilities of a hotel.

The legal framework, for example national laws, special laws for tourists or hotels, insurance directives or the economic situation of Indonesia will not be considered.

Finally, the experts interviewed in the hotel industry, do not represent the view of the whole industry towards the concerns about the media and the government or the case crisis in general.

It will be assumed that the earthquake on the 5th August 2018 has nothing to do with the ongoing eruptions of Mount Agung. Although Bali was also affected by

the convulsions, it is another incident that happened besides the case study crisis and will not be taken into account. (Handelsblatt 2018.)

1.2 Research methods

The goal of this research is, as with most other research projects, to find credible answers to the limited posed main and sub- research questions, or perhaps the confirmation of existing facts, while ensuring the quality and validity of the information (Preece 1994, p. 12).

The main data collection method will be an observation of case study destination and hotel, a primary research. This signifies the enquiries are made especially for this project topic and reason, the researcher can act the most suitable way towards the research questions, which ensures the reliability of the collected information. (Preece 1994, p. 97.)

With this qualitative method, all reactions and actions taken by the involved persons and managerial decisions that are made can be easily recorded and categorized. This includes crisis planning, emergency meetings and physical preparations. Ethical issues must be taken in consideration. (Robson 2007, pp. 84-86.)

This approach can be used to observe a wide range of situations in the case study hotel and can generate rich qualitative data. On the other hand, it can be very complex, time consuming and difficult to analyze and interpret. The reactivity of the observer towards what can be seen, could be a disadvantage as well. (Robson 2007, pp. 84-87.)

Another primary research method that was used to develop this report constitutes interviews with the hotel owner and manager Maria Dörr, as well as with her executive employee, Hermann Sattler. Together they make all the significant decisions regarding the crisis. While Ms. Dörr has an overview over all the departments of the hotel, Mr. Sattler, due to his position in the company, was focusing on marketing measures and maintenance actions. Hermann Sattler kept himself up-to-date about the case crisis to a very detailed extent and gained himself expert knowledge about volcano eruptions. In addition, due to his ability to understand Indonesian, he can keep track of the local public view, for example in local

newspapers or social media. As the press spokesman, he gave interviews to German news channels and radio shows that were interested in an insight of the situation from a person on the spot.

For the research, one interviewer is talking to one person at a time and on the basis of a semi-structured interview procedure, so the interviewer was easily able to adjust questions according to the course of the conversation and the research questions. This way of data collection will cover an overall focus. (Robson 2007, pp. 73 – 78.)

Other advantages of this method are that there can be relatively little resistance of the interviewee, no special equipment is needed and that, due to the face-to-face situation, the interviewer can show empathy and has the chance of directly assessing the value of the answers. Therefore, good social skills are needed. Furthermore, with a loose structure it can become difficult to keep on topic within a conversation and not to let one's own feelings or views influence the respondent. To minimize interviewer bias, the researcher does not give any personal opinions during the interview, uses a similar tone of voice, clothing and location throughout. Apart from that, there is a need for good preparation for this kind of information gathering and the performance and analyzing can be very time consuming. (Robson 2007, p. 78.)

Especially, but not only for the theoretical part of this survey, qualitative secondary research data collection is also used. Secondary research data is already existing information which was not developed for the purpose of this special research. These are studies, surveys or outcomes from external research companies that are supporting finding the answer to the research questions (Internal data would evolve from a study the researcher made before on a different topic or for a different reason), press releases of the government, academic books as well as press and newspaper articles, printed and unprinted. The advantages of this secondary research are outlined as it is a typically cheap form of research and not as time consuming as primary research. There is a wide range of qualitative and quantitative analyse available which can provide subsidiary knowledge. But these sources have been produced for another purpose, so there

is a risk of interpreting the data wrong. Moreover, there can be a doubt of credibility and a risk for plagiarism. (Robson 2007, p. 89.)

The books used in this report are from a wide range of years. But this should not be seen as a disadvantage, as older sources can provide a different view on modern and timeless situations and some facts in the economy or research methods are simply unchanging. Furthermore, most books used are in German language due to a more successful library research in Germany.

The depicted research methods in this report were chosen and used due to the suitability to the research questions, as well as according to the reachable existing experts, already existing information, skills, budget and time of the researcher (Robson 2007, pp. 92 – 93).

The reason for the use of multiple methods in the project is explainable because there is no restriction to use just one data collecting method. Different methods were used in different phases of the research project and already existing data was compared or confirmed with the author's findings (Robson 2007, p. 92).

1.3 Theoretical Framework

At the start of the research part of this paper, hotel management is explained as well as the tourist product, of which the hotel industry is a part of. The industry has certain characteristics and thus, a basic understanding of the next chapter, crises in tourism, is created in order to comprehend how and to what extent a crisis hits this industry with its special characteristics.

Hotel management will be explained on the basis of different areas which are either only occurring in the hotel business or need to be managed particularly well in a hotel.

In chapter three, crisis in tourism and their determinants will be explained. As this thesis will deal with a special case study of a natural catastrophe, the specialties of this kind of crisis will be drawn up. After all, it is necessary to know what a company needs to deal with as consequences of a crisis, so they can find solutions for these potential outcomes.

In chapter four, Crisis Management in Hotels, all information in the previous chapters will come together. Through the specialties in the tourism industry and hotel management, the author developed a composition of answers towards a crisis: the areas of Crisis Management (communications, management, operational). On the basis of the previously developed areas of hotel management, the areas were explained. As a generic crisis plan is a very good preparation for managing an actual crisis and because the author developed one for the case study, this will be pointed out and explained as well in chapter four.

The initial situation of the case study is described in chapter five, including brief information about the case country, an introduction to the case study hotel, Holiway Garden Resort & Spa, and a depiction of the process of the crisis, the volcanic eruption of Mount Agung.

In chapter six, the measures taken by the case study hotel towards against the crisis are carried out with the special areas of crisis management (communications, management, operational).

The last chapter reviews and evaluates the measurements described in chapter six and, with this knowledge, a generic crisis plan for Holiway Garden Resort & Spa was developed.

All content of the chapters is aiming to answer the research questions that are posed in chapter 1.1, Aims and Limitations.

1.4 Previous studies

Although as previously listed, crisis management and communication are important factors in the hotel industry, academic research and literature has not given appropriate attention to the topic. Searching for related terms of the research on the main internet database for academic papers, Google Scholar, gives numerous results. This fact proves that researchers see crisis management as an essential part of hotel management. However, a more detailed read into the literature listed reveals that the articles and online books are mostly not specifically about crisis management or communication in the hotel business, but focus on a wider topic of hotel management itself, general crisis management, or just

special crisis cases in tourism. The detected appropriate sources give interesting insights, but the information needs to be transferred and linked with different sections to develop suitable data for the topic.

To conclude, crisis management and communication in hotel business has not developed itself as a separate discipline, but is seen as an important part of management in tourism.

2 Hotel Management

The hotel industry is an essential part of tourism and represents a significant part of the tourism value chain. A hotel is a so-called pure tourism company, whose basis of existence depends on the offer of tourist services in the area of the hotel. It is difficult to give an exact definition of the term “hotel”, because of the wide range of diversity in services and hotel types. However, an undisputed characteristic and main feature of a hotel is the fulfillment of the need for room and board, but consists of a large number of combination and individual services. (Gardini 2010, pp. 2-3.)

The German Hotel and Catering Federation (DEHOGA) defines a hotel as an accommodation company that provides a reception, daily services such as housekeeping and minimum one restaurant for hotel and walk-in guests. A hotel should comprise a minimum of 20 guest rooms, most of them with their own bathroom (Gardini 2010, p. 5).

There are different forms of organization. In the individual or standalone hotel industry, a hotel is a legally and financially independent organization and run privately. The hotel owner bears the full entrepreneurial risk, including the corresponding sales, costs, profits and personnel management. But the hotelier also gets the full gained profit. These hotels mostly dominate in the lower and middle price and quality segment and are mostly small and medium sized companies. (Gardini 2010, p. 11.)

In addition, the individual hotel industry has many advantages that can be used in competition. The owner can decide independently and can unfold his or her

entrepreneurial mindset. Thus, these companies are strongly influenced by the personality of the hotelier and have a personal atmosphere. They are characterized by rather flat working hierarchies and high flexibility. The direct contact with the guest enables a quick reaction to the wishes of guests and a high degree of individuality. The personal presence of the hotelier is often a sign for quality of guests. The disadvantages of individual hotels can include the unlimited liability of the owner, the permanent work overload of the hotelier, where daily tasks prevail and time is hardly left for strategic planning. Often knowledge of hotel management is missing, the business thinking does often not have priority. Due to irregular working hours and heavy workload, the private life of a hotelier is often neglected. (Freyberg, Henschel & Gruner 2013, p. 21.)

In comparison, hotel groups or chains operate under a single and centralized management. They appear on the market with the same name and offer the same standard of quality in each of the hotels in terms of their services. (Gardini 2010, p. 11.)

Characteristic of the hotel industry is the classification of hotels according to their offers and quality categories. The purpose behind this is to sort the multiplicity of provision of the different hotels and thus to provide the opportunity to compare them, especially for foreign tourists. This sorting is measured by giving stars from one to five. Where one star stands for "tourist quality", two stars imply "standard-quality", three stars stand for "comfort-quality", a hotel with four stars is "first-class-quality" and five stars stand for "luxury" quality". In such a classification system, quality is basically associated with the presence and condition of countable criteria and equipment features, and can be understood as input-oriented. Thus, hotels can also be allocated incorrectly, since the hardware for a certain category is present, but they do not necessarily correspond with the offered service level or product concept. Therefore, the use of this star concept is controversial. (Gardini 2010, pp. 13-14.)

The basic range of performance and organizational areas of a hotel business are divided into the accommodation area, the catering area and the supplementary area. The services that are offered result from a combination of material assets (e.g. room, food, drinks) and a variety of different services. The accommodation

and the catering are the core services. The supplementary services are additional services that, in their design, represent an important differentiator for hotel companies in their respective customer and market segments. (Gardini 2010, pp. 50-53.)

In addition to these special characteristics of hotel management, the hotel performance as a service can be characterized by the following essential features, which are also used to explain and illustrate other hotel management specialties in this chapter.

First is to say that hotel service is intangible and abstract. The activities taken to satisfy the needs of the guest are not tangible and are consumed immediately in making. Therefore, the performance is abstract. The guests have very different expectations of the hotel service and the same performance is judged differently by different guests. Potential guests cannot see or compare the hotel performance beforehand, as it is possible with tangible goods.

Another characteristic of hotel service is that it contains a combination of material assets (e.g. dishes and drinks) and personal services (e.g. consulting services).

A very important point is also the fact that the hotel service needs the guest as an external factor to actually create the service. That means that the guest needs to be personally present for the creation of a service. This person influences the process of the creation, for example, by time specification, scope and quality.

In addition to that, a hotel service is not storable or transportable. The creation of the hotel's service must be temporally synchronized with the sale and the consumption and locally matched to demand. Sale and consumption of the service performance coincide in local and temporal terms; this is the so called *uno-actu-principle*. Thus, many requirements must be met, such as bed capacity and available staff when and where they are needed. This shows the site-dependency. The compensation of fluctuations in demand is not possible due to its intangible character and its non-storability. As a result, unsatisfied demand cannot be compensated by a later delivery, the demand either no longer exists or was covered by a competitor. Services decay if they are not consumed, so they cannot be sold at a later time or in a different place.

Furthermore, the hotel service is to be regarded as a complementary service. It is linked to other tourism services (e.g. transportation service), as well as the initial offering (e.g. cleanliness of the beach, guaranteed snow) and the derived offer (e.g. tourist attractions) at the destination.

It is also worth mentioning, that the hotel is substitutable in a number of ways. The service of a hotel can be replaced with the service of another hotel or other forms of accommodation (e.g. holiday apartment). It can also be substituted by other services (e.g. videoconference) or goods (e.g. caravan purchase).

The demand for hotel services has, especially due to the substitutability, strong fluctuations in demand. This makes it very unstable and dependent on many different factors that the hotelier most of the time cannot foresee (e.g. weather, natural disasters) or influence (e.g. fashion, trends, economic developments). Thus, the demand has pronounced rhythms that vary considerably over time, depending on location or group of guests (= seasonality), meaning that the sales of a hotel may fluctuate heavily over a period of time.

The last special characteristic of a hotel service is the intensity of the personnel service. The hospitality that is expected by the guest can only be achieved in direct contact between the service provider and the guest. To archive that, the human factor is crucial in managing the hotel's performance. This manifests itself in high personnel costs. The replacement of human labor is rather limited and, because of the unstable demand, the strain on the personnel fluctuates and makes planning difficult. This will be further explained in chapter 2.2 Human Resource Management. (Freyberg et al. 2013, pp. 54-55.)

As a result of these specialties of hotels and their services, there are consequences in management that need to be observed.

Freyberg, Henschel and Gruner (2013) describe throughout their book *Hotel management* the most important areas of a hotel. The following chapters will describe the particularities of hotel management with the help of these areas.

2.1 Marketing and Communication

Marketing and Communication is a really big part of hotel management, and a big part of related literature is dealing with it.

From a practical point of view, hotel marketing can be understood as meaning that the requested (hotel) performance, at the right time and in the right place, with the right price, on the appropriate sales channel with effective sales promotion, advertising and public relations work, offered to the right guests, to achieve a reasonable profit (Freyberg et al. 2013, p. 213).

Hotel marketing has significant differences from consumer goods marketing, especially due to the characteristics of the service:

The immateriality of the hotel product creates the need for a great deal of explanation and visualization. A pictorial representation in advertising of the performance of a hotel is much more complicated than with material assets.

The hotel product is not transportable or movable. As a result, consumers need to be motivated to make use of hotel services at the hotel's location. This not only influences the choice of location for a hotel, but also inter-company marketing, in which the natural and socio-cultural factors of the original tourism offer must be taken into account.

Furthermore, the hotel product is complementary; the service is always linked to other services provided by other touristic providers, such as tour operators, travel agents or public bodies such as municipalities. Thus, hotel marketing is also influenced by the marketing of the named service providers.

The relationship between service creation and performance causes the service process to be highly dependent on demand fluctuations.

As the hotel service consists of many different services and can also be designed differently, based on different expectations of very different guests, this results in a strong individuality and a low standardizability of the hotel service. This makes it difficult to compare it with the services of competitors or to measure the quality

of hotel services. However, this also makes the hotel service easily interchangeable.

By seasonality or the effect of noneconomic measures (trends, nature: volcanic eruption) on the demand, a high sales risk arises. (Freyberg et al. 2013, pp. 213-215.)

In order to create a market diagnosis and forecast, it is necessary to obtain information about the demand, the competitors and the environment through various sources of information and research methods (Freyberg et al. 2013, p. 217).

Through this information, the marketing goals (target state) can be derived. These goals fulfill monitoring and control functions by determining which result should be achieved by a specific behavior of the hotel in the market (Freyberg et al. 2013, p. 228).

As a consequence, the marketing strategies can be formulated to achieve the planned goals, which represent the link between the marketing strategies, the marketing goals and the operative measures (Freyberg et al. 2013, pp. 230-231).

Marketing strategies specify the framework in which the marketing instruments are to be selected. They are selected in a way that is most appropriate in a given situation to reach marketing objectives. In this sense, the marketing mix is the tactical component of marketing (Freyberg et al. 2013, p. 235.)

By determining the marketing measures, an individual so-called marketing mix is created.

Due to the special features of the provision of services, it is assumed that an extended understanding of marketing orientation is necessary: *Process, People and Physical Facilities*, in addition to the traditional 4 external tasks of marketing: *Price, Place, Promotion and Product* (Freyberg et al. 2013, p. 255).

Included in the traditional tasks of marketing is the *Price*-tool. This encloses all measures taken in the strategic and practical pricing, as well as discount policy and payment conditions to reach the set marketing goals. These decisions are mostly made in the long-term.

Place stands for the distribution and location policy of a company. This depends on the type of business and should particularly respect the target group and the investment costs. Moreover, this can be done directly, by distributing from the producer of a good or a service to the customer, or through an intermediary, such as a travel agency in tourism. (Freyberg et al. 2013, pp. 255-259.)

Promotion describes the communication policy of a company, which is especially important in crisis situations. This refers to targeted and planned information measures that are suitable for inducing guests and the public to behave in a certain manner that contributes to fulfill the marketing goals and ultimately the company's goals. It is closely related to the performance policy, as the intangible character of hotel performance can be better visualized with the instruments of communication policy. The used tools are mainly the classic communication tools, such as advertising, public relations and sales promotion. The communication can happen indirectly (e.g. through mass media) or directly (e.g. service newsletter from the hotel).

Due to the technological progress, communication nowadays happens a lot online and through social media. As a result of this high use of internet and the consequential change in information technology in recent years (in personal and social life), a special consideration is needed not only for the marketing strategy, but also for the communication. (Freyberg et al. 2013, pp. 260-264.)

The special features of internet marketing can mainly be described in two aspects. First, a high receiver potential: there is an almost unlimited receiver potential through worldwide networking. Secondly, through interactivity the customer's requirements and wishes can be better considered and a much more individualized product design and pricing and marketing can be guaranteed.

Through social media (e.g. Facebook, YouTube, Instagram), a more interactive contact to the customer can be created, which has a far greater value than a mere exchange of information.

Evaluation portals can improve the reputation of the hotel with positive ratings of former guests and their good experiences. Interaction with the guests and continuous information via social media (example below: Instagram) leads to strong customer loyalty and provides regular impulses for a new booking.

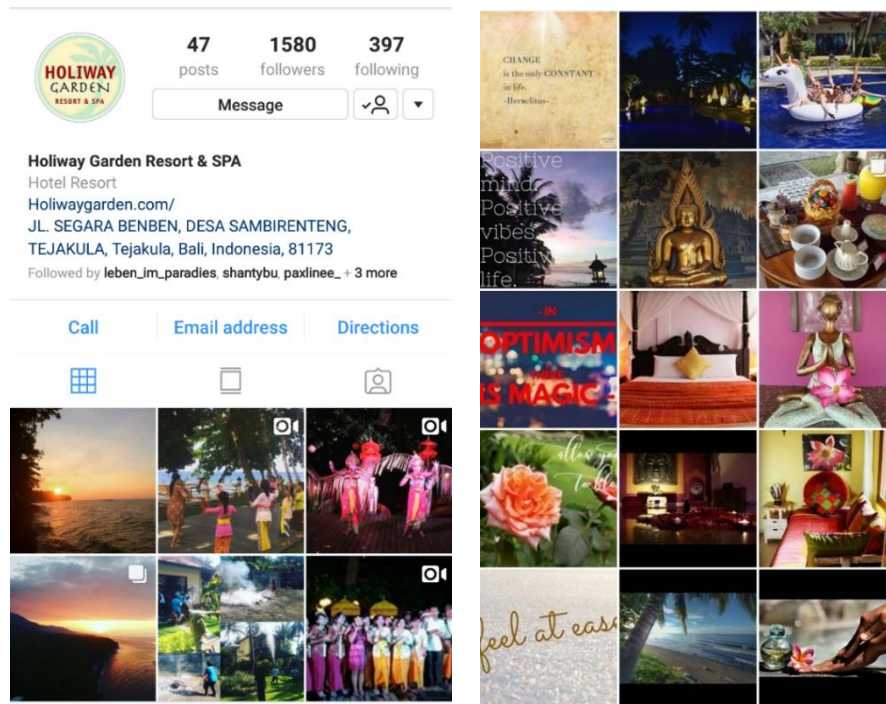


Figure 1. Instagram Page of Holiway Garden Resort & Spa (Instagram 2018 b.)

Through the use of social media, incentives for the guest to speak for themselves about their positive (or also negative) experiences with the hotel can be created; this offers a high degree of credibility through the personal character (recommendation marketing). The example below shows the content in which the hotel of Holiway Garden was tagged in pictures on the social media platform Instagram.

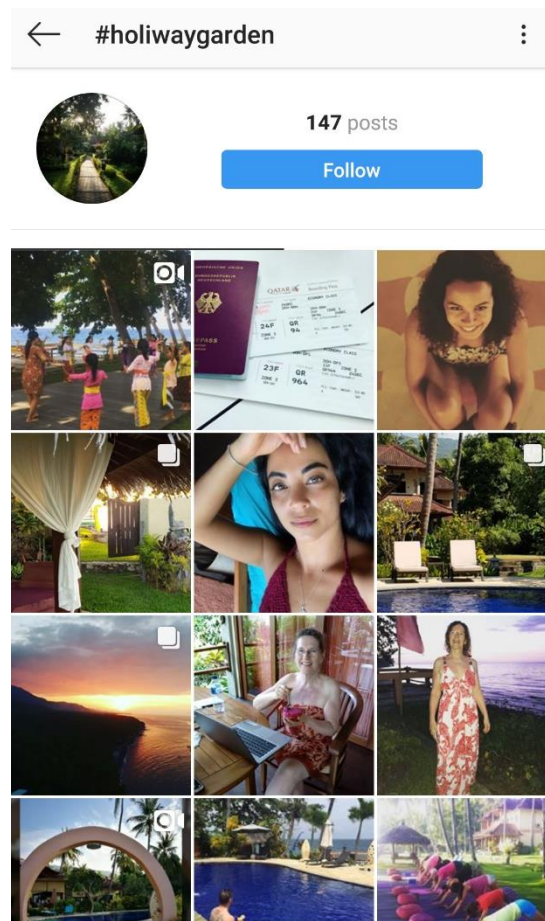


Figure 2. Pictures Holiway Garden Resort & Spa is marked (Instagram 2018 a.)

Since social media marketing has a personal character, you have to develop your own authentic communication. In terms of content, the emphasis should be on experiences, current events and special news.

By analyzing the target group, which is also required for the creation of the *Product* in the Marketing Mix, it is possible to develop an online strategy of how the company should best present itself (e.g. reputable, relaxed, youthful) and what tools or procedures should be used.

Because of the interactivity of online and social media marketing, a fast reaction time and a flexible and timely adaptation to operative developments, like a natural catastrophe, is required.

If internet marketing is correct and target group specific, this increases the market efficiency and increases the chances of success. (Freyberg et al. 2013, pp. 260-264.)

The product policy, named as the *Product*-tool in the marketing mix, deals with all measures that refer to the design of hotel services in conformity with the market and customer needs.

As one tool of the so-called extended marketing, *Process* deals with the optimal customer-oriented design of the service and customer contact situations. Processes can be direct and indirect activities. Direct activities create an added value at the customer interface in the moment the consumer experiences the service. Many of those processes are supported by indirect activities, such as back office activities. These actions support the service before, during and after its consumption. Within the marketing mix, *Process* is the element of service that sees the customer experiencing a hotel's offering. It is best to be seen as a service that your customer participates in at different moments of their stay. As an example, a marketing process from the customers point of view could be the greeting when arriving in a hotel, the restaurant service, or the evening entertainment during the stay.

Moreover, *People* as an extended marketing tool, uses employees to differentiate from others in competition. Therefore, internal marketing is important, in order to motivate and empower employees to fully satisfy the customer in every phase of the service offered. The staff that is in customer contact represents and personalizes the hotel for the guests.

The *Physical Facilities* are an extension of the product policy. It points out the importance of other aspects beside the hotel room or the overnight stay as the core product of a hotel, which nevertheless, contributes to the quality perception of the guest. Examples of this can be the design of the hotel or other infrastructure like a Spa. The hotel facilities must be adjusted to the staff's and guests' needs and meet their expectations and requirements. Guests will not be satisfied if the hotel facilities are shabby or do not meet their expectations. Employees in the sales department cannot work without the availability of required technology, or will be unhappy to work with no employee area. (Freyberg et al. 2013, pp. 235-259.)

The figure below shows the extension of the marketing mix for non-touristic organizations to the marketing mix in tourism.

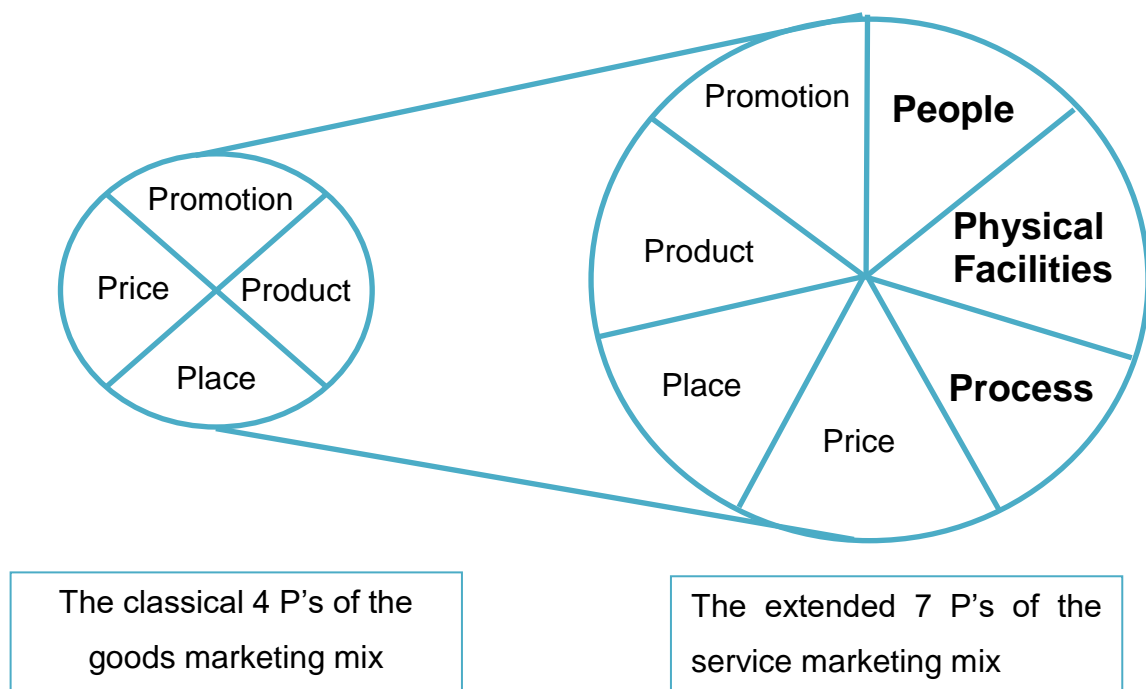


Figure 3. Illustration of the differences in the marketing mix (c.f. Freyberg et al. 2013, p. 259)

2.2 Human Resource Management

Human Resource Management has an important role in the hotel industry, as the offered service is very labor-intensive. This importance continues to grow as a result of changing environmental conditions that express themselves in a more intense competitive environment for hotels, such as innovations in technology and the economy. The Human Resource department is a key factor in the success of a hotel; the management must deal with the high personnel costs and find qualified and motivated employees. The summarized task of Human Resource Management is *to provide, deploy and develop employees in the right number, with the right qualifications, in the right place and at the right time*. To make this possible, solutions must be found, that exclude or at least minimize conflicts between economic and social goals. (Freyberg et al. 2013, p.143.)

This chapter mentions the special features of hotel management and their further effects on the personnel management process.

The high personnel intensity also leads to high personnel costs, which can account for up to 45% of the company's sales. There are much fewer options for rationalization if sales are stagnating. In this situation, the correct planning of the personnel requirements, employee selection and personnel deployment can again be emphasized.

The fluctuating demand for labor through seasonal changes, different daily, weekly or annual rhythms, has consequences in terms of personnel.

Due to different burdens on employees caused by the non-storability of the hotel service (peaks and droughts), personnel planning must be adapted to the demand.

Since hotel services sometimes need to be offered at rather "unattractive times" (e.g. reception shifts at night), in contrast to other service institutions such as banking, to still motivate employees, they must be redeemed for these unpleasant working hours by a variety of working activities.

The qualification level of the personnel in hotels is rather low compared to other branches. In addition, the hospitality industry is not very active in further education, but personal development still needs to be promoted.

A possible high employee fluctuation leads to high costs in recruitment and training, which also influences the personnel planning and the personnel development. A good employee motivation strategy and a corresponding style of leadership has a positive effect on fluctuation.

Through these mentioned points, an efficient handling of the production factor personnel is very important. Furthermore, it can also be said that a good reputation as an employer is also of importance and beneficial. (Freyberg et al. 2013, pp.144-148.)

2.3 Cost Management

According to Freyberg et al. (2013) the creation of hotel services means the consumption of goods and services which are quantified in terms of cost. Hotels have high cost level, expenses of more than 90-95% of operating income are not uncommon. Large capital-intensive investments are necessary in a hotel and they also have a strong impact on the cost structure through borrowing costs and depreciations, in addition to the personnel costs and cost of goods. Most of the expenses in a hotel are fixed costs, such as capacity costs and standby costs; the employment-related variable costs are rather low.

Furthermore, the cost structure in a hotel is rather inflexible and as a result, cost management needs to distribute the incidental fixed costs to as many services as possible, so that the fixed cost share decreases with increasing utilization per unit. Moreover, the scope of costs and the cost structure of a hotel are dependent on factors like: fluctuations in demand, volume and character of the services offered (e.g. bed and breakfast, yoga hotel), quality of hotel service (first class vs. low budget), company size, ownership of the property (owner vs. tenant). The location of the hotel determines opening hours, guest structure and thus also the length of stay. With frequent use, the laundry and cleaning costs are higher than those with a longer average stay.

To sum up, cost management includes hotel management in terms of cost and taking into account the influence of the factors mentioned above. At the same time, cost pressure in the hotel industry is also increasing due to the general increase in the prices for production factors. Furthermore, it must be taken into account, that cost reductions are only possible up to a certain point so that the quality of the hotel service does not decrease. (Freyberg et al. 2013, pp.179-181.)

2.4 Investment and Financing

According to Freyberg et al. (2013) investment and financing in the hotel industry are both, a matter of starting-up a business and securing it.

In order to maintain competitiveness, hotels are forced to adjust their services to the changing needs of their guests or even create new desires. Market requirements must be considered and continuous modernization and adjustment investments for a marketable hotel product must be made; this often requires new investments.

The founding of a hotel often involves leverage to start the money cycle. The fiscal scope in a hotel can only function if the financial resources to procure the production factors (e.g. personnel, food) are available and can be regained through the sales volume and the consumption of the services. It must be remembered that consumption, sale and production of the services in a hotel take place at the same time.

The management should regularly identify the capital requirements for investments and ensure that sufficient capital is available to achieve the company's goals.

Investment can also be made with the aid of debt capital. As investments secure financial resources in certain objects, whether immaterial or tangible, they are an expression of the capital appropriation. These investments can be either fixed assets or current assets. An example of investment in fixed assets is new constructions or modernization, they contribute to the corporate purpose for a long time, but therefore also have long-term capital requirements. Current assets include the purchase of goods and raw materials (e.g. sanitary items, beverages), which only have a short-term capital requirement and are dependent on the revenue. (Freyberg et al. 2013, pp.267-269.)

2.5 Food & Beverage Management

In the book *Hotelmanagement* (Freyberg et al. 2013), Food and Beverage Management is explained why it plays a key role in the economic success of the gastronomic departments. It deals with the planning, implementation and control of all gastronomic activities. In larger hotels, the Food and Beverage department has its own manager, who directs the heads of the subordinated departments (e.g. bar, kitchen).

Also, food trend analysis and target group-oriented tender planning is part of the Food and Beverage Management. Moreover, it is important for a hotel to optimize the production process, beginning with storage to preparation and serving of food and drinks. Without an optimized production process, and if perishable goods are not handled in a proper way, this can be a source of a (local) crisis as well, guests could be food-poisoned.

The Food and Beverage department can be a source of revenue and image carrier, but hoteliers mostly see it as a partial offer of the entire hotel service in order to make it more attractive and to be able to set higher room rates. In the long term, gastronomy should at least cover its costs and with the help of an appropriate concept, achieve profits.

Due to high personnel costs and cost of goods, the Food and Beverage department generates, as mentioned, a rather low profit for the hotel. However, with a reputative Food and Beverage area in well-managed hotels other benefits can occur. For example, hosting banquet events or seminars leads to a high room occupancy rate.

In case a cooperation with tour operators is wanted, full board, half board and all-inclusive options must often be available.

There are important factors for the success of catering facilities, which need to be considered, along with the gastronomic concept:

Efficiency: achieve a set goal with the optimal use of resources, for example with a limited menu and the standardization of work processes.

Calculability: attention is given to the determinants that can be calculated, such as the duration of stay, average expenditure of guests and the number of employees required for certain opening times and certain types of service.

Predictability: meeting the expectations of the guests that were generated for example through advertising. Those expectations can include the price, the product, the quality or the friendliness.

Control: a permanent examination of the work processes must be ensured, for example with a special focus on food quality or the services of the employees. This can be facilitated by standardization of these processes. (Freyberg et al. 2013, pp. 205-207.)

2.6 Quality Management

The authors Freyberg et al. (2013) state that Quality management becomes more and more a central part of the management. The quality should always correspond to a chosen standard, despite, for example changes in guest behavior or necessary cost savings.

In general, *quality* stands for the value of a product. In the hotel industry this means how well the hotel service is overall suitable for the (target) guest. Not only the hardware, such as the hotel room itself, but also service, competence and reliability of the personnel have gained importance. Further aspects that, according to the literature, contribute to the quality of hotel services are aesthetics (e.g. architecture), natural factors (e.g. quality of the beach) and the created environment (e.g. location of the hotel). The quality of the hotel service is the result of a comparison process of the guest, between his expectations and the perceived partial services as described above, hardware and software. Correlations between the quality expected by the guest and the quality experienced can be caused by several facts. For example, that the actual guests' expectations and expectations of the hotel management in what they think the guests want vary, that there is a difference between the needs of the guest and the services offered, or that there is a difference between the actual performance of the service and the offer of services, or that the actual provision of services does not correspond to the hotel's previously announced performance promise for example through

advertising or the company's mission statement. Quality management must aim to identify, close and avoid these gaps in the future. The more the expected performance and the actual performance of the hotel service differ, the more difficult it is for the hotel to satisfy their guests and to create customer loyalty. Considering this, guest satisfaction and the quality of the hotel performance can be put on the same level. Through various measures, for example, improving the processes, refurbishments, reorganization or training of employees, the quality of the service of a hotel can be improved.

In conclusion, it must be the endeavor of every employee, at every operational level of the company, to ensure that quality is produced and constructed. This applies to both the development of products and to the production processes in the company. To achieve quality improvements in products and production processes, the quality of working conditions must also be considered. The cooperation of all employees in a common learning process is required to increase the marketability and quality of the company's products and services. (Freyberg et al. 2013, pp.73-82.)

3 Crises in Tourism

The Oxford Dictionary defines the term crisis as *a time of intense difficulty or danger when a difficult or important decision must be made* (The Oxford Dictionary Press 2010). In this sense, the term crisis can be used in many different fields and situations, for example in politics, economy or even in one's personal life. This research paper concentrates on crisis in tourism, especially in natural catastrophes.

Crises in tourism are most of the time a serious incident for the involved parties, like hotels. It can cause a critical change of significant variables that can endanger or destroy parts or even the whole system that is known so far. It comes along with a substernal time pressure, that brings a strong necessity for decision-making and taking action by the management. Crises situations often contain a high degree of uncertainty, since individual companies or institutions can only influence certain events to a limited extent, and at the beginning there is often an

information deficit. A crisis can develop very differently. The collapse of a company or a tourist target area is just as conceivable as the successful management of the crisis. A crisis can develop over several stages and thus possesses process character, which means that it has a dynamic course limited in time. But, as time and the crisis progress, the opportunities for action by companies diminish. Consequential effects of a crisis can be medium to long term; they can still be present even after their disappearance from the center of the media and public interest. (Dreyer, Dreyer & Obieglo 2001, p. 4.)

Projecting this onto the hotel business, to a more economic aspect, a crisis can be understood as a process which negatively influences the corporate development. In this sense a crisis can endanger the continued existence of a hotel or even rule it out. (Glaeßer 2005, p. 27-28.)

To sum up, it can be argued that every crisis is unique and different, whatever the cause might be, but it always comes with three main characteristics: unforeseenability, urgency and danger.

The tourism industry itself is often described as the world's biggest industry. The total contribution of tourism and travelling to the GDP (General Domestic Product) in 2015 was USD 7,170.3 bn, so 9.8%. Overall, tourism supported and generated in 2015 over 283 million jobs, in direct and indirect forms, which is a total of 9.5% of the world's employment (World Travel & Tourism Council 2016). The UNWTO predicted for 2017 *the highest international tourism results in seven years* with an increase of 7% in international tourist arrivals (overnight visitors). A total of 1,322 million was predicted to be reached, which is above the sustained trend of 4% since 2010. UNWTO Secretary-General Zurab Pololikashvili summarizes that *international travel continues to grow strongly, consolidating the tourism sector as a key driver in economic development. As the third export sector in the world, tourism is essential for job creation and the prosperity of communities around the world.* (UNWTO 2018.)

It can be concluded, that a damage of the tourism sector, possibly caused by a crisis, may have serious implications for a national economy.

But it is necessary to emphasize that the tourism industry has shown a high degree of resilience over the last years, with many unforeseen events happening that have affected tourism and travel. As tourism is notably vulnerable to crises of all types, it reacts to external shocks with much stronger downturns compared with the world economy as a whole. The urge to travel is big, the industry always returns to growth when recovery starts. (Lynch 2004, p. 2.)

Mary Lynch (2004) describes in her Crisis Management Guide for Tourism Business a missing overall and simple view during a crisis, due to many different kinds of touristic companies involved (e.g. hotels, restaurants, airlines, tour operators, destinations). But missing simple view is not the only reason that the media can act as a crisis multiplier. The media are sending stimuli that are handled by human beings in a complex process and lead to certain reactions, such as booking a trip or cancelling it (Dreyer et al. 2001, p.16).

Experience has shown that tourism suffers from slumps in demand when television, radio and newspapers report on crisis situations and catastrophes. This can be explained by the fact that most crises are beyond the experience of individual humans; a damage event is difficult to assess for them. (Dreyer et al. 2001, p.17.) To make matters worse, some media reports rely more on sensation than information to increase the distribution of their newspaper or increase the number of viewers. That means that the actualities are often presented more negative than there are in reality, due to emotional fabricated reports by the media. (Sattler 2018.)

Deviating from this, experts experienced that holidaymakers, who are already on their journey, want to continue their holidays despite the crisis situation. They are often more relaxed than their families at home. They are able to evaluate the situation differently than relatives at home watching the media coverage of it (Sattler 2018; Dörr 2018).

Combining this with the statement from Lynch about the quick recovery of tourism, it can be deduced that as soon as the interest of the media in the crisis-affected destination wanes, the tourists will crowd out the negative headlines in the media and there should be more bookings again.

It is essential however, that nothing happens again within a short period of time (or that the crisis goes on for very long). The public perceives information about a current crisis with a memorial background, so they draw connections to similar events and usually associate them with negative feelings. (Dreyer et al. 2001, p.17.)

3.1 Determinants of a Crisis

Tourist crises are distinguished in their spatial dimensions by considering the geographic extent of the crisis. For example, if a hotel burnt down, it would probably only expand locally. In contrast, an earthquake or a volcanic eruption in a holiday region would be a regional crisis. A civil war is an example of a national crisis. The financial crisis from 2007-2008, with roots in the American real estate crisis, (Amadeo 2018) was affecting on an international level. (Dreyer et al. 2001, p.11.)

Another factor of a crisis in tourism is their respective cause. This can be endogenous or exogenous. The causes of endogenously induced crises lie within the touristic company or destination. It can be caused by human but also technical failures. In a hotel, bad service is an example, or, for a destination, no availability of information for guests. Exogenously induced crises are caused by external circumstances. These are difficult to calculate and can hardly be influenced by touristic enterprises and destinations because the cause lies outside their scope. These causes include, inter alia, geo-physical factors, such as a volcanic eruption or an earthquake. Social and cultural differences between people in the destination country and the tourists is a cause, which can manifest itself in the form of acts of violence. The last factor is a health risks for travelers, for example due to the lack of hygiene. (Dreyer et al. 2001, pp.12-14.)

Depending on the cause, a crisis can either occur suddenly (e.g. volcano, earthquake) or insidiously (e.g. caused by safety violations) (Bowen, Kotler & Makens 2014, p. 437).

More examples of different crises in tourism can be seen in the table below:

DOMAIN	EXTERNAL	INTERNAL
ECONOMIC	Recession Currency fluctuations Taxation	Rising costs Falling revenues Unprofitability
POLITICAL	Government policy International relations Instability Terrorism	
SOCIO-CULTURAL	Unrest Crime	Staffing Cultural Conflicts
ENVIRONMENTAL	Natural phenomena Natural disasters Pollution Health scares	Overdevelopment Environmental degradation
TECHNOLOGICAL	Computer systems failure Mechanical failure Design faults Fire	Transport accidents
COMMERCIAL	Regulations Government intervention	Competition Labor disputes Management decisions Human error

Table 1. External and internal threats of crisis (cf. Henderson 2007)

Crises are often considered to be more dangerous, as their personal dismay increases, for example if tourists or tourist establishments within their own origin are affected. So, to a person with German origin, a terroristic attack towards a German embassy will have higher impact than an attack towards an embassy of another nation. (Dreyer et al. 2001, p.20.)

There are four distinguishable types of corporate crises. Namely, potential, latent, acute or manageable and acute or uncontrollable crises.

In the potential crisis, there are no symptoms that indicate an impending crisis or are demonstrable. In contrast, with a latent crisis, there are already indicative symptoms of a possible crisis, thus an early detection is possible. The acute or manageable crisis is immediately recognizable by its destructive effects. It can however be used as an opportunity for renewal if the company can manage to come back on track. In the acute or uncontrollable corporate crisis, the destructive effects predominate and a positive outcome for the company is no longer to be expected. These types of corporate crises can also be understood as the phases of a crisis process. Depending on whether a crisis develops gradually or occurs suddenly and surprisingly; determines when the crisis signs are recognized by the company. (Dreyer et al. 2001, pp. 5-6.)

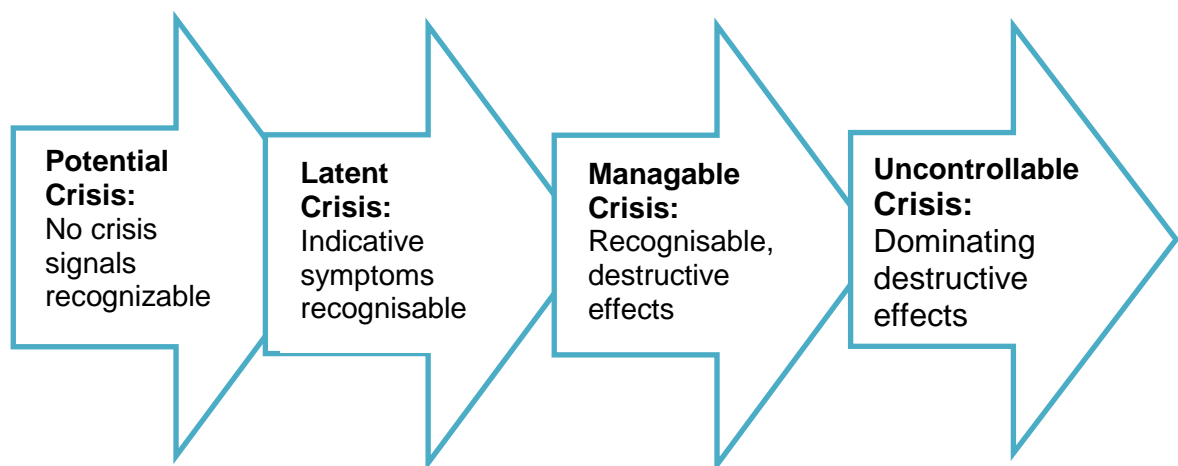


Figure 4. Types and Phases of a crisis (cf. Dreyer et al. 2001, p. 30)

Lynch (2004) develops a different view on the phases of a crisis in her book; she is more specific about the timeframe of single phases and deduces that the path of a crisis passes through several stages.

The first phase includes the first three weeks, the second phase the next three months and the last phase the next three years. This can help tourist facilities and destinations to map themselves where they are, and what could possibly come next and what actions need to be taken. Acknowledging that every situation is different and uncertain, this scheme gives a broad template and suggestions during these three significant stages.

The first phase is mostly about carefully weighing the situation, whether one could be influenced by the external happenings or not. Any reaction to the problem could be a trigger for an impact on the business or on tourism in general. There will be different and conflicting views about how serious the event might be, some will say that it will be over soon, some will maybe overreact. The general rule in this stage is that *it is worth planning for a pessimistic outcome and be prepared to react quickly when conditions change*. As soon as it is clear that the event will have a major impact on business, a huge demand for information will be generated. All involved parties, the tourism industry, the media and the government, will want analysis, advice and action. Of course, the involved staff members are keen on the assurance of their jobs, most employees will arguably work overtime hours generously if they recognize that the issue is really serious (this is only possible in phase one).

Lynch also names the sensible actions to take during phase one. The resources should be organized, not only with a view for the time during but also after the crisis. Media messages need to be provided and organized; as a minimum, a brief and easy to understand description of the problem for the industry that also answers the question of what should be done. Moreover, it is good practice to review all the statistical information available, including actual data and those from past events or trends of the market, to make predictions. Scenario planning by a professional consultancy company with internal managers, can provide one with suggestions for possible outcomes of the situation and how to handle them. Another important action that needs to be completed in phase one is customer communication. One needs to *think quickly about cancellation policies, refunds, postponements or substitutions*, but always keep faith with current and future customers; the crisis will end and the business will probably come back, so protecting the goodwill while staying solvent is important. It is also advisable to review the existing business plan. With spare resources it should be identified *what can be possibly postponed or cancelled to free up time and money to deal with the crisis*, for example investment projects or promotions.

Phase two also has several characteristics described in the following; the organization or industry will still be in crisis mode, but several circumstances will have changed and influenced the thinking of all the involved parties.

By the end of stage one, the media will be tired of reporting the obvious story lines and will move to other news or another story. At this point it is an individual decision whether to stay in the media coverage or not, depending on if the daily crisis stories are bad for customer confidence and thus for the future business. However, if the topic stays more present in the media it can create the impression that the problems are at the top of the government's agenda.

Another characteristic likely to occur in the second phase is that consumer attitudes change again. By now, consumers have formed their own view on the crisis in relation to their individual plans. In Lynch's opinion, potential guests who had plans before the crisis are likely *to move out of the paralysis stage* faster. It is crucial that a tourist organization now provides good quality information, together with reassurance. If the crisis is subsiding, they can encourage their customers to travel again, if not, they should encourage people to only postpone their visit instead of cancelling; delayed income is still better than none at all.

Which leads to another important point in these three months: tactical promotion. There is an urgent need to get people travelling again, while being careful not to waste money on promotion before the consumer is ready again to process information in the way it is intended. A dilemma that can come with this is the decision whether to cut prices or add value in the promotion. In order to regain confidence at the same time, it can be a good idea to offer "taster breaks" or day trips, to encourage people to travel again.

The local or national government can also aid recovery. Besides financial support they can lobby for different measurements for involved businesses (e.g. *deferral of tax payments*) and provide information to the policy makers about the development of the crisis.

At the end of phase two, it is likely that during this time there was an event that indicated the end of the crisis, for example the volcanic ash has been removed completely or there are no more travel restrictions. It is only the start of a long

process of recovery to get back to normal business conditions. When organizations and companies feel confident enough again to run a campaign about the destination instead of the crisis, it is an indicator that phase two has passed.

As an orientation mark, the time for a business or destination to come back to the point where they had been before a crisis, is about 3 years.

But crisis changes several things in business or the destination, so it is to adjust to a new situation instead of going a step backwards again to the outdated order. Because of the chain of crisis incidents in the last years, there is the impression that the industry never goes beyond year one of any crisis before the next disaster. Therefore, it is likely that there are several timelines running, with some parts already recovering and others still in shock.

The major characteristics during the first year of phase three are flexibility in promotion, maybe changing or widening the target group for product, learning lessons from the crisis, better preparations, or even taking some of the crisis practices into normal business operations. Customers will return, maybe even quicker than expected. It is often said that publicity of any sort can be good for business and that a lot of countries or areas that have been “closed”, will have a short-term increase in demand, but winning back customers’ confidence is a long-term process.

In year two, an organization can gain strength with winning back their traditional and loyal customers, who may have postponed their visit before. Additionally, because of the flexibility in promotion during the previous year, new customers or products may have been devised, which can be developed. But it is crucial to measure this possible success correctly to continue with the right strategy. For example, it is not advisable to only compare the last year’s numbers.

The best outcome for the third year after the crisis is that the customers are back and the business runs as on a former level. Companies ideally improved their business systems with the lessons learned during the crisis. However, special care for the quality of the product must be taken, due to eventual forerun cuts in investment and refurbishment as a result of the crisis. The organization or country should have gained very valuable skills during the crisis and its uncertainties.

Going successfully through a crisis can give confidence to customers and employees. (Lynch 2004, pp.9-20.)

3.2 Natural catastrophes as a Crisis in Tourism

As described in chapter 3.1, natural catastrophes have exogenous causes and are mostly only regional. Whilst other types of crisis can develop positively or negatively, a natural catastrophe is mostly related to an unpreventable and devastating outcome and therefore presents an acute crisis. They are mostly associated with events such as volcanic eruptions, earthquakes, tsunamis or hurricanes. In most cases, a catastrophe is accompanied by a crisis of communication and trust, which the tourism company must overcome through credibility and the restoration of trust. (Dreyer et al. 2001, p.9.)

Lynch (2004) describes the event of a natural disaster as a disruption of the normal functions of an area. Local authorities in relevant areas should have disaster strategies in place to implement plans if their citizens need assistance, and to restore basic services. These events take time to recover from, but they can in many cases be managed better than other crises, as there should be a structure for dealing with it and financial assistance from civil contingency funds or insurance claims available. The tourism point of view towards a natural disaster is similar to the response to other kinds of crisis events. On one hand, they have sympathy for the people affected and are *interested how the problem is being handled*. On the other hand, they are evaluating their concerns for future visits to the destination, if this was planned or considered as a possible location for a visit within the next 12 months. For tour operators, the instant concerns will be for their guests and employees in the area of the crisis. As soon as their safety is ensured, the tour operator will conduct an assessment on the extent of the damage and its impact on the future safety from the destination. They will consider the view of insurance companies and take advice of the local government. Of course, the ministries are keen on attracting guests back to the location and returning to normal life, but they will also not take unnecessary risks. (Lynch 2004, pp.3-4.)

Another feature that distinguishes a natural catastrophe event from the other types of crises described in the previous chapter is that there is no blame attached. The incidents are described as *Acts of God*. That is why they can evoke understanding and sympathy by the general public. This can be a very important factor when it comes to going back to a healthy level of business. Also, tourist perceptions of the destination should not be damaged. It is likely that due to bad management of the event, the image of the destination can be injured. In contrast, it can also have a positive effect with a good crisis handling. (Lynch 2004, p. 4.) As demonstrated with the volcano eruption in Iceland in 2010 (Frantzen 2017), the temporal crisis situation was managed well, the natural tourist attractions were still intact and the visitor numbers on the island are thriving.

Also worth mentioning is that overall, natural catastrophes statistically do not harm the image of a destination as badly as threats caused by humans, for example a terrorist attack (Dreyer et al. 2001, p.20).

3.3 Typical Consequences of Crises in Tourism

Consequences overall can turn out to be destructive or constructive. Destructive consequences can have negative influences on an economic enterprise and its environment. These can be manifested in reductions in jobs, loss of capital or tax shortfalls for the state. Constructive consequences can be used as a chance for renewal of the company, which can have a predominantly good influence on the company. In this regard, after a restructuring, innovative strengths can be released, or old-established structures can be broken. (Dreyer et al. 2001, p.15.)

The most common or obvious consequence after a crisis in tourism is the possible decline in demand. However, a forecast of possible declines after a crisis situation in destinations is problematic, because many travelers rate the varying risks differently. (Dreyer et al. 2001, p.15.)

This discrepancy can be illustrated by examples. On the one hand, after a volcanic eruption in 2010, the island of Iceland is experiencing a threefold increase in tourist numbers (Frantzen 2017). On the other hand, tourism in other destinations suffers from persistent drops in visitor numbers after a crisis, such as in Catalonia, following the independence referendum (Travelnews AG 2017). This

different perception from laypersons in comparison to experts, can be justified by the fact that the latter rely on professional knowledge and experiences. Laypersons tend to base their decisions more on emotions, which cannot be explained rationally and depend on the subjectively perceived risk potential. These are based on individual experiences, values, fears and hopes. (Dreyer et al. 2001, p.15.)

Besides the consequences for tourism, it needs to be mentioned that every year around 80.000 people die due to natural catastrophes and even more become homeless because their houses and their belongings have been destroyed. This can have serious consequences also for the destination's economy. (Themen-tv 2007.)

4 Crisis Management in Hotels

To quickly define Crisis Management again, it can be described as the systematic handling of crisis situations, such as a catastrophe. This includes the identification and analysis of a special crisis situation, the development of strategies and a crisis plan, unless it was already prepared beforehand, or a generic crisis plan is available that can be adapted to the occurring crisis. This includes the initiation and prosecution of countermeasures. (Glaeßer 2005, p. 8.)

During a crisis, it can be that the structure and responsibilities within a hotel must be newly determined. A different organizational chart can be created for the time in a crisis, subsystems are formed for the planning of later management tasks within the organization. This is very similar to the organizational structure of a project organization, since a crisis is also limited in time and does not regularly occur. In the implementation, they are often represented as staffs (in the sense of a crisis unit), they are assistants at the level of the management, but do not possess the authority to give direct orders or are formed in their own department. (Glaeßer 2005, p. 223.)

This crisis unit can also be an external company or external experts, who are either permanently part of the organization or externally consulted, as experience and specific knowledge are required for successfully overcoming the negative

event. Access to specialized information can be difficult, even today in our multi-media world, and personalized knowledge from experts is very valuable and costs only arise for the required period of performance. Moreover, external consultants often act more rationally, as they are not personally affected by the situation. (Glaeßer 2005, p. 230.)

The crisis unit does the groundwork for the management in the development of various contingency planning measures. A distorting influence through the specific interests of the individual parts of the organization is avoided by the direct assignment to the upper management. In comparison to that there can also be a crisis committee. It consists of members of the hotel's management or other relevant decision-makers (e.g. marketing manager, press spokesman, lawyer). The composition varies according to the nature of the event; thus, the special knowledge of the members is used, but it also ensures that the decisions made are implemented by the persons responsible for the department under normal conditions. This form of functional proximity to the tasks in a crisis and the normal situation proves to be an important component of a successful crisis management. (Glaeßer 2005, p. 223.)

After all, the first step in Crisis Management is to take all precautions to prevent the occurrence of a negative event. In the book *Marketing for Hospitality and Tourism* (Bowen, Kotler & Makens 2014) it is explained that for a good Crisis Management, the concentration needs to lie more on the management and communication and less on the crisis itself.

It does not matter if a negative event is more likely to occur suddenly or insidiously, hotels and their management need to determine those crises that have the chance to occur and develop plans to overcome them. Insidious crises can often be detected with good management; they give warning signs before they occur (e.g. strangers walking on the property or a drop in grades on a health report). Yet also, in case of a sudden crisis it is advisable to have at least a generic crisis plan (see chapter 4.4) that can be adjusted according to the negative event. If it is very likely to face, for example, earthquakes or tsunamis, a hotel should de-

velop plans for these cases and so employees should know what to do in a special negative situation. This could be called the management response towards a crisis.

When it comes to the communicational response in case of a crisis, a good communication with the press can reduce the impact of negative publicity. For example, a volcano eruption with no injuries could result in either positive or negative publicity. If the hotel provides no information for the media, the headline might be “Volcanic ashes forces 60 hotel guests to evacuate”, which has a rather bad influence on the view of outsiders or potential guests. If the hotel contacts the press, it has the chance to tell its own view on the negative event. The hotel could state that “information about ash clouds due to a volcanic eruption had set the hotel’s emergency plan into action. Guests have been informed directly and employees conducted an orderly evacuation as a precautionary measure. No one was injured and all guests were able to go back to their rooms and continue their holiday (if this was the case) thanks to well informed and well-trained employees who knew exactly what to do in case of an emergency”. After drawing a clear picture of the happenings, the headline of the newspaper could change to “Well trained employees quickly move guests to safety”, which has a positive effect on the hotel’s image.

Moreover, it is worth considering that nowadays the internet is an area where major crises are often created; a damaging message about the hotel (true or not) can be spread to millions of people, which again emphasizes the importance of the right method of communication during a crisis. (Bowen, Kotler & Makens 2014, pp. 437-438.)

With this knowledge, the areas of Crisis Management (not only for hotels) can be detected and formulated. Only with an effective coordination of management response, communicational response and operational response, can a crisis be handled successfully and with no negative impacts afterwards. An illustration for this key to successful crisis management can be seen below.

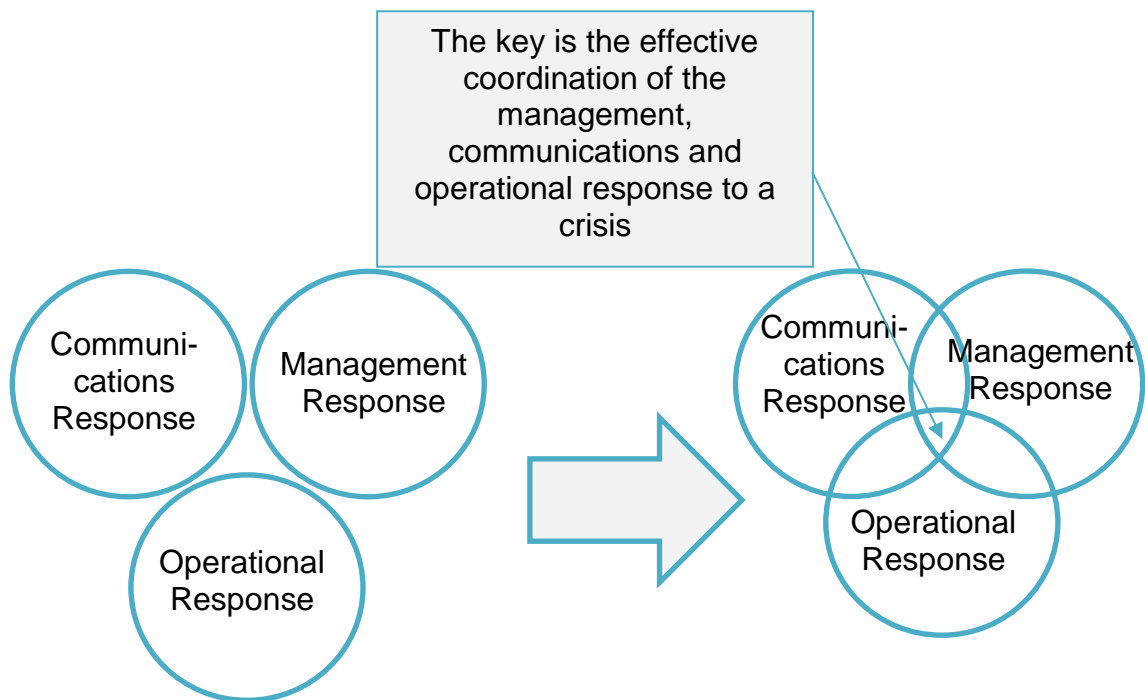


Figure 5. The key to successful Crisis Management

The Management response includes the adjustment and the implementation of crisis response plans and all decisions made on an executive level during a crisis.

Communications response stands for all communication that is made because of the crisis, it does not matter with who, it can be with the media, employees, guests and customers, suppliers, government or other officials, or supporters and adversaries.

The operational response deals with the implementing of emergency response procedures to protect the guests, employees and the physical evidence of a hotel, but there is no focus on the operational response towards a crisis in this paper.

The various crisis responses often merge with each other, they are all closely linked and do not work without each other.

The following chapters will describe the different areas of a crisis response strategy in more detail with the focus on Crisis Management in hotels.

4.1 Communications Response

Crisis communication is characterized by defensive, (as a reaction to something) or offensive (acting out of own one's initiative) moves. In addition, qualitative and quantitative claims in communication increase in comparison to normal communication. The quantitative requirements increase as there is an increased need for information in the crisis situation and the number of information seekers increases. The higher qualitative demands towards communication result from the special attention that the organization or hotel gets. This makes a conclusive, precise and consistent communication necessary during the crisis period. Coping well with these quantitative and qualitative requirements of crisis communication, can influence whether the delivered communication is classified as panic or planned communication. (Glaeßer 2005, p. 290.)

As a consequence of a negative event, the organization can unintentionally become the center of the general interest. The associated communication processes are unfamiliar and may involve both opportunities and risks. This can be a chance for medium or long-term increase in publicity, which usually requires significant financial expenditures for an organization. The first possibility for the emergence of this increased publicity may be that the increased level of public interest is accompanied by a negative image change. In this case, the event-related connotations must be identified and reduced. If this succeeds, this responsible and cautious behavior can, in the long term, be beneficial for an increased level of name recognition, possibly even a gain in sympathy. In the second case, there are sometimes positive image changes with the event itself, but this is rarely the case. Special caution is also required when calling for donations; these can unintentionally prolong the period of suffering and contradict the efforts made by companies and tourism organizations that are interested in a quick recovery of the tourism. (Glaeßer 2005, p. 295-296.)

The marketing mix contains everything that can be communicated to the customer and serves as a suitable tool for describing crisis communication in the hotel industry with its specialties. The extended marketing mix for within the hotel industry itself was described in chapter 2.1 of this paper.

These elements are not used in isolation, they are related to each other and often even merge. The chosen instruments and their impact are influenced and selected by the chosen competition strategy, which also influences the choice in the event of a crisis. A new dimension of importance also depends on the timing aspect, viz. the temporal use of the instruments, the order and duration are adjusted to the negative event. (Glaeßer 2005, p. 247.)

With the occurrence of the event, any use of the instruments, even if it is merely a continuation of existing market decisions, will be seen from a different perspective, and all organizational activities will be interpreted and understood as the result of a conscious volition (Glaeßer 2005, p. 248).

Firstly, it should be decided whether the existing use of the instruments is still correct, face them with the negative situation and test for contradictions. Next, the new marketing mix as a result of the negative event is chosen and deliberately inserted. In this active phase of the use of the instruments, the market and environmental conditions change constantly and faster than in the normal situation, which should also result in constant corrections and strategic changes. (Glaeßer 2005, p. 248.)

In the product-policy, referring to the *Product*-tool in the Marketing Mix, all measurements must aim to restore the original condition of the product and the benefit that was offered to the guest.

For a negative event that endangers the safety of tourists and guests (like in this paper, a volcanic eruption), certain steps need to be taken to prevent this threat. To give an example, cleaning volcanic ash off the hotel's swimming pool or providing alternatives to it, could be an action of product design.

Furthermore, the question must be asked whether the product positioning can be maintained despite the crisis. Through created and presented product variations,

for example offering a stay in a partner hotel in another part of the country where no inconveniences or danger can be caused by the negative event. (Glaeßer 2005, pp. 255-256.)

Critical to crisis situations is that the ability for consumers to evaluate the offered performance decreases. In addition, it is difficult for them to estimate the actual consequences of the negative event on the product. Decisions can be made that reduce the risk of misjudgments by guests. This includes the self-commitment of the hotel, for example with warranty coverages. These are services provided by the supplier and by which he assures the impeccable nature of his offered service. The message may be that the guarantor is still convinced by his product and that it is assured to the customer that a possible damage will be partially compensated. This is particularly suitable for communication in the phase of orientation and travel decision. This instrument of warranty service, in comparison to other instruments, has the advantage that it is available quickly and can be initiated immediately after the occurrence of the negative event. However, the company must be convinced of the quality of the warranty; a failure to comply can cause the loss of reputation. (Glaeßer 2005, pp. 264 – 265.)

The *People* of the hotel, the personnel, is not only a figurehead in normal situations, they can make a significant contribution to success in case of a crisis as well. The staff is not only the interface of the hotel to customer contact, they actually create the service, but also represent the hotel to the outside and the social environment. Having a pronounced corporate culture can be advantageous, as it can also serve as a guide for behavior in unforeseen situations, like a crisis. It is important to create and communicate policies for dealing with these exceptional situations, so that actions that are not in line with the hotel's goals can be curtailed or avoided. Thus, informing and teaching the employees is a very important point. Experience confirms that in times of crisis, the employees often develop a higher positive relationship with the company, so they reserve their own personal interest for the preservation of the workplace. In general, personnel is one of the most important instruments in crisis management. With them, as with almost no other instrument, the areas of impact can be handled in a credible and dialogue-oriented way. In addition, training and practice exercises should be comprehensive

in order for them to contribute to the essential success of crisis management. (Glaeßer 2005, pp. 262-263.)

Communicating with your own employees in the event of a crisis is very important. This should include a clear presentation of the situation, explain current measures and include a declaration of intent. Employees, even if they are not directly involved in managing the crisis, can then check themselves and their actions for compliance. Possibilities here would be to publish information in the intranet, to send updates by email or to hold conferences. (Glaeßer 2005, p. 306.)

The *Price*, as already mentioned, influences the customer's major perceptions, but since decisions on price policy are made for the long term, price policy measures should remain within the defined framework during the crisis. This is the only way to avoid repercussions on the product positioning. Thus, the price can be a suitable instrument to reduce an increased risk consciousness and its consequences. In principle, it offers a possibility to stimulate the demand or to keep it more or less constant. However, since operational pricing decisions should only move within the given bandwidths, it is advisable to prefer a short-term loss of income to a foreseeable long-term disruption or destruction of the image through a cheap image, which can only be corrected with difficulty. (Glaeßer 2005, p. 268-269.)

Exceptions can be made for short-term special offers, in which the customer recognizes that the negative event is the reason for the price reduction and thus does not expect any other future or other regular special offers (Glaeßer 2005, p. 273).

Other issues that can be measurements in the price policy during a negative event are cancellations and rebookings, which are not a rarity during a crisis. This can be an important instrument of crisis management, especially for the client. The hotel can insist on the legal cancellation rules, or, with more obligingly offers, maintaining the long-term goal of staying a service provider in the future for those guests. (Glaeßer 2005, p. 276.)

If a guest had planned to visit the hotel during a crisis and wanted to cancel, it is maybe a better idea not to take the cancellation fee, but offer to transfer the time

of the stay to another period that fits the hotel and the guest. So the hotel does not only get a certain percentage from the cancellation and probably lose a customer forever, but manages to earn the whole amount for the stay and maybe extras, such as drinks at the bar or excursions, that the guest spends while staying at the hotel. Being accommodating towards future guests gives them a good and appreciative feeling, which is good for the hotel's reputation and customer loyalty. (Dörr 2017.)

The *Place*, or the distribution policy, has a rather strategic nature and can therefore be regarded as fundamentally fixed. In the event of a crisis, it needs to be checked which scope of action in the distribution is available to take measures. (Glaeßer 2005, p. 279.)

As already mentioned, a special feature in crisis situations is the sudden increased need for information among customers. Through direct sales, a higher level of personal care and information can be secured. Since there is no interposition of a third party, questions can be answered competently and problem oriented. This is very likely in small to medium sized hotels (like the case study); customers can draw themselves a very good picture of the situation. (Glaeßer 2005, p. 281.)

In the case of indirect sales, the intermediary (e.g. a travel agency), has to perform a comprehensive information and advisory function. They must inform in a competent and trustworthy way. Thus, the hotel has to ensure to inform its partners so that they can pass on the information if necessary. However, as the additional consulting and sales activities reduce the commission of the partner, compared to the commission that could originally be earned, the hotel can introduce special commissions for non-canceled bookings in order to create an incentive for the partner. (Glaeßer 2005, p. 282.)

In addition, tour operators or partners have further information needs. As these carry legal and contractual risks, as well as a high economic risk, they must not only be informed in a timely and comprehensive manner, but also need to be given the opportunity to assess the situation. This includes the explanation of the

impairment of the various product areas and the measurements taken towards it. (Glaeßer 2005, p. 307.)

During a crisis, the direct and indirect communication policies as well as the promotion strategies, included in the *Promotion*-tool of the Marketing Mix, need to be adjusted to the crisis situation and the chosen crisis strategy. This is because through the *Promotion*-tool, the hotel is able to reach most of the interested groups of people or the target group. (Sattler 2017.)

Direct communication is of great importance; it allows response to individual needs in a precise and accurate way, without distortion by third parties, but it can have (depending on the size of the company) a large scale. That is why in the past, crisis communication has heavily relied and focused on media and indirect communication. Direct and individual communication can help the client to cope with emotional problems that often arise with persons that are affected directly or indirectly. This type of communication also ensures availability and shows that the hotel is still in control of the situation. Through an intensive and well-prepared use of the internet, it is possible to give direct access to information to any interested person on a large scale. Preparing such a website before a crisis can be extremely useful as it significantly increases responsiveness. (Glaeßer 2005, pp. 300-303.)

Indirect and mass media communication processes have different features that provide approaches for a hotel to keep control. As journalists are generally under pressure to explain a situation, the rapid availability of information is of particular importance. Media representatives need to explain the news to their audience and identify the future consequences. A question that a journalist addresses to an organization, but does not get an answer to, cannot just be dropped. Rather, he tries to solve the question independently by using alternative sources. If this succeeds, the organization has lost an important opportunity to present its own position or point of view and to influence the communication process. However, since not all questions are addressed to the hotel itself, it must be timely determined by media monitoring which information needs are current. The most sensible use of this monitoring process starts with the news agencies, as the media representatives mainly rely on their information. Assuming a quick reaction, the

organization has the opportunity to express its opinion before the further publication of the message in the mass media. (Glaeßer 2005, p. 309.)

Another aspect that needs to be considered in media communication is credibility. It should be decided at an early stage which person speaks on behalf of the hotel in case of a crisis. This person should be of credible nature, which is determined, for example, by the mode of expression, the external appearance and one's status or position in the organization (a management position should be preferred). A personal relationship of trust with the responsible media can also be of benefit and can prevent thoughtless and hasty reporting in crisis situations. (Glaeßer 2005, p. 310.)

Dealing with the mass media requires certain practice and should be well prepared. A discussion of the basic special features and contexts of the media communication is recommended even before the crisis. This at least ensures that it is handled prudently and purposefully, but unfortunately this does not guarantee success. The most effective instrument is consistent behavior in conjunction with the reputation that was gained over time. (Glaeßer 2005, p. 311.)

In addition, the hotel also has legal and economic possibilities of media control. The legal remedies include counterstatements, prohibitory injunctions, revocations and claims for compensation, in which material and immaterial damages can be asserted. However, this presupposes a provable and culpable behavior of the journalists. These options may possibly prolong the negative reporting. The economic possibilities can be easily applied without additional furor, for example, an ad boycott as well or the consulting of a competitor. (Glaeßer 2005, p. 311.)

Another possibility for indirect communication through mass media is advertising. Advertisement attempts to influence the behavior of the message recipient. At normal times, this is a deliberate attempt to persuade customers to consume the service. In principle, the intended information transmission and behavior control can serve any established corporate objective, including crisis management. If advertising measures are running at the beginning of the negative event, these should be checked for compliance with the short and medium-term organizational goals due to the crisis, (e.g. there cannot be an advertisement for clear night skies

if there is volcano ash in the air). A general cessation of all advertising measures should not take place as this would mean giving up an important communication channel and thus eliminating any chance of influence. (Glaeßer 2005, p. 311.)

In the active phase, advertising primarily has the goal of conveying information and is mainly used on the basis of its availability, suitability and costs in the form of ads, advertising letters and email newsletters. Radio or television advertising requires a very high budget and could only be reserved for large hotel chains or destinations. (Glaeßer 2005, p. 312.)

The extent to which the concerned hotel succeeds in realizing its influencing goals by means of informative advertising in a crisis situation, depends on whether the information provided is relevant for the targeted persons in this situation (Glaeßer 2005, p. 313).

During a crisis, the *Process* of the optimal customer-orientated design of the service and the design and guidelines of customer contact situations must be adapted. In extreme situations, the processes in the hotel no longer have only to guarantee optimal service, but also the protection of the guests, maybe even their lives. This can be done through many direct and indirect activities. As an example of an active process, the customer contact and customer information was mentioned in chapter 2.1. The guest should have the right to know all news about the disaster, but scaremongering should be avoided. It is an informative but not an emotional communication that is necessary. The “back office”, as an example of an indirect process, has to adapt almost all processes to the crisis situation, as all management has to assimilate. Furthermore, different or more *Processes* may need to be provided for the guests than as in normal situations (e.g. respiratory masks or flashlight in the hotel room during air pollution). Depending on the situation, the hotel maybe also need to add new processes. For instance, if it is not safe or not recommended to leave the hotel room, the hotel must add room service as one of their *Processes*, if they did not offer it before. It must also be checked if all the ongoing processes are still appropriate in the current situation of the crisis. For example, whether the evening entertainment is still appropriate or if it even needs changes or to be shut down altogether. (cf. Dörr 2018; Freyberg et al. 2013, pp. 235-259)

The Marketing Mix Tool *Physical Evidence* refers the most to the operative crisis response that the hotel needs to take care of in a crisis. As the physical evidence of a hotel refers to the quality perception of a guest, in a negative situation this tool is about trying to keep up the quality as much as possible to ensure comfort and guarantee the safety of the guests and employees within the *Physical Evidence* of the hotel. The whole design of the hotel and its infrastructure needs to be aligned to the current situation of the crisis. This could mean for instance the increase of security guards on site during riots or the coverage of the hotels pool in a case of ash clouds during a volcanic eruption. These adjustments can also be communicated and visualized to the guest through other tools of the marketing mix (e.g. *Promotion*), especially to those who had not yet arrived at the hotel. (Freyberg et al. 2013, pp. 235-259.)

4.2 Management Response

As the communicational response to a crisis was described with the extended marketing mix as part of the marketing and communication area in hotel management in this thesis, the management response of a hotel to a crisis will now be complied with the other established fields of hotel management.

Human Resource Management:

The main task of Human Resource Management is the same during a crisis: *to provide, deploy and develop employees in the right number, with the right qualifications, in the right place and at the right time*. The planning must be done according to the crisis and the special needs in the different areas of the hotel. If, for example, there was a storm and the hotel was devastated, there would be no need for a spa, but the housekeeping and the maintenance would need support, so the employees of the spa can help clean up. The staff remains the interface to the guest, thus, taking these points into account, can help to ensure the quality of handling a crisis within all areas. The distribution of tasks during a crisis can be challenging, but with good advance planning and a well formulated generic crisis plan (chapter 4.2) communicated to the employees beforehand, they will know what to do and how to react. In order to ensure a good cooperation, information about the employees is essential. Employees must be well selected for their crisis

tasks according to their skills, inner relaxation towards stressful situations, strengths and weaknesses. In this sense, it would not be a good idea to, for example, allocate a small woman from the laundry service to carry supplies or let a worker with limited language skills speak to guests. Furthermore, the employer must also take responsibility for employees' safety, not only the safety of the guests.

A previously developed employee motivation strategy and a corresponding style of leadership also has a positive effect on the sympathy towards the company and with this, the inducement to handle the crisis well to ensure its survival. Workers might need to perform over hours or to be on standby or at least reachable in case of a forthcoming crisis. Moreover, it is observable that in difficult times, employees are willing to sacrifice their free time or even part of their salary to support the hotel and to assure a workplace for themselves and their colleagues in future in exchange for this deferment.

In this sense, Human Resource Management is very closely related to Cost Management, not only during a crisis, but especially in a crisis when costs need to be kept to a minimum. These reductions, that will be explained further in the next paragraph, need to be clearly communicated and explained to the employees to keep them informed about what is happening and why, and to let them feel involved in the whole process. However, this can only be a short-term solution. (Freyberg et al. 2013, pp.143-148; Dörr 2018.)

Cost Management:

Crises often mean a big spending point because of extra costs which normally do not occur. For example, providing extra services for the guest or securing the physical evidence of a hotel and making it safe. In a negative situation where the outcome is unsure, spendings that are not a necessity need to be cut in order to endure the difficult times. However, a hotelier should not be cheap with expenditures that contribute to safety or basic comfort for guests during the crisis, otherwise this can have irreversible consequences for the hotel's reputation and image. In case of a persistent or extreme catastrophe, it must be considered to close the hotel or evacuate the guests to another hotel for a certain period to save

costs. The employment conditional costs will be deleted, but the fixed costs will continue without any sales. This should only be done in extreme cases.

As already mentioned in this thesis, the staff is one of the biggest points of expenses and, as explained in the paragraph about Human Resource Management, in order to be able to keep all employees during a crisis it might be needed to cut gratifications, bonus payment or even the salary. If staff needs to be replaced after a crisis, the organization will face recruitment and training costs for the new staff, which should be tried to be avoided.

After all, if cost reductions are administered chaotically, it can create the illusion of saving money and with this the existence of the hotel. This will only be a short-term occurrence and not a sustainable solution. Consequently, if not well managed, this could cause a long-term instability beyond repair. Cost reduction policies need to be applied correctly, as a result of a thorough analysis that has taken into account the special characteristics of the hotel itself and the hotel industry, so their losses can be limited. (Freyberg et al. 2013, pp.179-181; Dörr 2018.)

Investment and Financing:

As mentioned more than once in this paper, a crisis is a time of uncertainty, the outcome and the future market situation of which cannot or can only hardly be foreseen. It is recommended to wait with planned bigger investments in current or fixed assets until more information is available to make a decision whether to invest or not. It could also happen that large investments in fixed assets are expected after a crisis, for example due to destroyed property or evidence that need to be restored or renovated. The hotel does not necessarily have to be renovated to the previous standard, it can be adjusted or just modernized in order to adapt to the market condition changes since the opening or the last renovation of the hotel. So the crisis can be used advantageously to make improvements. The best solution for financing this would be insurance coverage. If there was no insurance for this special kind of crisis or the insurance simply does not cover the damages, the investments need to be earned the normal way, through sales volume and consumption of the services, which are relying on other fields in hotel management.

With an expected crisis, other investments for important current assets need to be made, such as sanitary items, enough food and water (see next paragraph: Food & Beverage Management), in order to maintain the hotel service and ensure a steady supply for the guests. If possible, it is advisable to take care of these purchases beforehand, because there can be panic buying or shortages during negative events.

How these named investments are financed depends on the market situation, as crises also have an impact on the economy and thus, interest rates and banks. It can also be decided if saved equity that was planned to be used for something else, will now be issued to manage and survive the crisis or renovations afterwards. In case no equity was saved, the management need to decide if the hotel needs to take out a loan from a bank and how this is financeable.

In the event that a hotel already has a long-term credit, the management can try to arrange to increase the amount of the loan sum. No matter if this is necessary, the hotel can negotiate with its financial backers to postpone the payment of the running credit, so during difficult times of the crisis, only the interest rate needs to be paid. The contract details vary for every individual case.

Investment in marketing (see chapter 4.1) or donations are to be examined. (Freyberg et al. 2013, pp.267-269; Dörr 2018.)

Food & Beverage Management:

The most important task of the Food & Beverage Management during a crisis is to ensure to have enough essential and appropriate supplies. Appropriate means that the purchased goods must be usable during a crisis, and goods that are not essential should not occupy space in the storage. In this sense, it is more appropriate, for example, to buy 3 kilos of bread instead of truffles, so it needs to be decided which food items needs be bought. Efficiency factor becomes even more important during a crisis: to achieve a set goal, for example the proper nourishment of guests, with the optimal use of resources. Regarding the Calculability, attention must be given to the determinants that can be calculated (e.g. how many guests are staying in the hotel during an assessable or even incalculable crisis, how much they eat and drink, how much space is available in the storage, etc.).

Furthermore, the food needs to be storable and durable, possibly over a longer period. With some crises, power failures can occur and thus, cooling of the food cannot be guaranteed. It is important to still observe an optimized and standardized production process. Without maintaining this as much as possible and if perishable goods are not handled in a proper way, this can be a source of danger or of another local crisis, for example food poisoning of guests.

Of course, another goal the hotel should set itself is that the guests can continue their holiday as best as possible. The Food and Beverage Management must try, along with the other areas of the hotel, to keep up the quality of their service and their produced products as far as possible, even if circumstances can be challenging. (Freyberg et al. 2013, pp. 205-207; Dörr 2018.)

Quality Management:

Since a crisis often means a serious deficit in quality, it is the task of the quality management not to improve the current situation, in order to reach a higher not previously achieved level, it should focus on the recovery of the original standards in terms of quality (Glaeßer 2005, p.250).

The quality perception of the guest is no longer limited to the quality of service, but also to the assurance of safety. The safety measures that are taken by the hotel will be perceived and evaluated in their quality by the guest. The customer does not only need to be safe, he or she also needs to feel safe. If they do not feel like they are in good and professional hands, a nice and new hotel room does not help. In that respect, the focus is changeable. A previously communicated and assured safety standard (e.g. through advertising or booking conditions: chapter 4.1) must be adhered. If there are gaps in the quality of service or the security and safety, the Quality Management must identify them and close the gap to ensure that the guest still has a good feeling about the hotel when leaving, even in difficult times. In this way, customer loyalty can be created as well. (Freyberg et al. 2013, pp.73-82; Dörr 2018)

4.3 Operational Response

As described in the chapter “Aims and Limitations”, the focus of this paper lies in the communicational and managerial response to a crisis, but because the operational crisis response is a very important field in crisis management, it cannot be left out.

The operational crisis response, to describe it shortly, is the plan of how to save the physical evidence of a hotel and its guests in case of a crisis. These things can be trained and discussed with the staff beforehand and should also be included in the generic crisis plan (see chapter 4.4).

The actions of an operational response are strongly dependent on the type of the crisis or catastrophe and the hotel itself, its structure, infrastructure, physical evidence and different facilities. It must be decided what assets are the most important to protect, for example, the kitchen and an eventual installation for water purification are more important to protect during a crisis than a tennis court or a spa, although these should still not be abandoned. Moreover, the operational response also comprises the evacuation and evacuation routes for guests in serious cases to outside the hotel, or to a special and prepared safe center within the hotel, equipped with water and supplies. More examples could be to barricade the windows, tighten all vents from outside a hotel room, cover the pool and air-conditioning units, or to distribute respirators or torches.

In the appendices of this paper, an actual operational crisis response plan from the case study hotel can be seen.

4.4 Generic Crisis Plan

Generic planning creates planning fundamentals for possible situations, such as a crisis. The aim of this generic planning is to determine the basic requirements and performance possibilities. This should simplify and accelerate the subsequent planning stages. Thus, generic planning is a rough contingency planning in which it is refrained from determining a certain crisis situation, concentrating

on a certain crisis situation or specifying other determinants, because determinants cannot be estimated beforehand in many cases. However, many organizational issues can be planned in advance. (Glaeßer 2005, p. 222.)

As described in chapter four, the structure and responsibilities within a hotel can be re-organized in preparation for negative event. A timely provision and determination of responsibilities and competencies in crisis management is an essential element of generic planning and in this sense, has a need to be planned in advance. (Glaeßer 2005, p.223.)

There is more that can be included in the Generic Crisis Plan of a hotel in terms of Management Crisis Response. By specifying the structures of responsibilities during crisis management, it is also ideal to compile detailed job descriptions of the various persons involved. As a result, responsibilities are clearly and promptly regulated. This job description not only makes it easier for the job to be filled (initial occupation of position or re-employment) it is also clear what to do. (Glaeßer 2005, p. 228.)

See below an example of the Head of Communications.

JOB DESCRIPTION HEAD OF COMMUNICATIONS

1.	Assurance of the only official spokesman of the hotel
2.	Coordination of communication with public authorities
3.	Observation of the public formation of opinion towards the crisis
4.	Preparation of press conferences
5.	Participation of the meeting of the crisis committee (7:30 am)
6.	Participation of the meeting of the department heads (8:00 am)
7.	Provision of the press briefing for the management board
8.	Participation on meetings of stakeholders (or sends a representative)
9.	Responsible for internal communication
10.	Determines representatives
11.	Organizes and guides conference calls

Figure 6. Example of a job description for the head of communications in a hotel (cf. Glaeßer 2005, p. 229)

Furthermore, as it can be seen in the job description, the different basic meetings need to be defined in time and the group of participants. Thus, a fundamental determination of the work procedure is granted, and internal as well as external communication and coordination mechanisms are defined in advance. This allows the immediate beginning of activities, expresses the responsibilities in a clear and understandable way and allows the implementation of lessons learned (especially for new functionaries). (Glæßer 2005, p. 229.)

As a variety of questions from the media follows known schemes, especially in the beginning of the crisis, it is advisable to prepare notices and statements that only need to be supplemented with specific information. The above figure lists

some of the key documents that, if prepared beforehand, can be used to achieve significant consistency and time saving. (Gleaßer 2005, p. 309.)

Consequently, other documents that could be included in a Generic Crisis Plan and can be prepared in advance are for example:

LIST OF READY DOCUMENTS (MEDIA)

1.	List with typical questions, answers and advice on the first press conference
2.	List with the <i>Golden Rules</i> about interaction with media representatives on max. 2 pages, so they can be quickly recalled
3.	Practical advice on radio interviews on max 2 pages
4.	Practical advice on TV interviews on max 2 pages
5.	Press-Kit about organization (including inter alia location, title and name of management board, employees, short company story, mission, vision)
6.	Draft of the first standby-notification: "We assess the situation..."

Figure 7. Example of a list of beforehand developed documents for the media that can be included in the Generic Crisis Plan (cf. Gleaßer 2005, p. 309)

In the sense of the *Communications Crisis Response*, the Generic Crisis Plan can include the selection of communication channels, the target audience can be defined and key messages can be roughly formulated according to the developed general crisis strategy of a company. The preparation of a so-called *Press-Kit* that includes information about the hotel itself and its standards and strategies, can facilitate the communication with the media where there has been no contact before the crisis.

The *Operational Crisis Response* could decide beforehand which *Physical Facilities* are the most important and need to have priority.

Other actions that can be planned beforehand include measures related to the infrastructure that need to be implemented, so to say the spatial requirements. This includes two different needs, a suitable environment and a command center from where the crisis activities can be managed centrally. These premises must contain all the necessary means of communication and management. In addition, the premises must be able to meet the requirements of a 24-hour service. In addition, there is the need for an information center which must cope with the multitude of external contacts to affected and unaffected consumers, media and stake holders. This often contains underestimated dimensions and should also be suitable and prepared for a 24h operation. (Glaeßer 2005, pp. 232, 233.) The extent and size of this information center can be adjusted depending on the size of the hotel, the hotel chain or the dimension of the crisis.

Also, the acquisition of information as well as the processing of this information is included with the infrastructure. Telephone numbers and contact details of authorities, contact persons and agencies should already be set up and known and only be used in serious cases. Moreover, a checklist for the IT equipment should be developed, since today the internet is another important tool, as previously mentioned in this paper. (Glaeßer 2005, pp. 235-236.)

An illustrated summary of the main contents of a generic crisis plan can be seen.



Figure 8. Overview of General Crisis Planning

The generic planning is followed by contingency planning, which deals with specific crisis scenarios. The aim is to develop and evaluate options and provide them as an instruction manual (so called contingency-planning). (Glaeßer 2005, p. 237.)

5 Case Study: Volcanic Eruption

The case study in this thesis will comprise the volcanic eruption of Mount Agung as the crisis and the hotel Holiway Garden Resort & Spa on Bali in Indonesia. Both parts will be introduced properly in this chapter.

The special case of Agung can be classified as a natural catastrophe and a regional crisis, as it effects the geographical extent of the island of Bali, Indonesia (Dreyer et al. 2001, p.11).

It is caused by external, geo-physical circumstances and is therefore an exogenously induced crisis; the cause lies outside the scope of the hotel and the destination (Dreyer et al. 2001, pp.12-14).

The reason for volcanic eruptions lies about 100 km below the earth's surface, where temperatures of 1000°C to 1300°C prevail. Rocks melt and expand, creating magma chambers. The resulting gases increase the pressure within the liquid mass over time and the magma moves up. If the pressure exceeds a critical point, a volcano erupts. (Szeglat 2017a.)

According to Szeglat (2017b), these eruptions come with great hazard potential. Not all dangers arise from the volcano itself. Earthquakes and tsunamis triggered by these tremors, can occur in connection with volcanic eruptions and can cause devastating damages within a great distance from the volcano. Smaller dangers are burn injuries or shortness of breath after gas leaks.

Only reliable information and spatial distance can potentially protect people against the big volcanic dangers:

Pyroclastic flows occur at volcanoes when parts of the lava dome break off. A lot of gas is released and an extremely hot gas cushion containing a mixture of various lava rock ashes and glowing lava is formed and runs down the slope. Inside this stream, there can be temperatures between 300 and 800 degrees Celsius, and they can travel up to 400 km per hour and cover distances of up to 60 kilometers.

Slag-throwing of explosive eruptions, on the other hand, takes place within a narrower radius around the crater. Mostly, large chunks and volcanic bombs fly only several hundred meters. A bombardment of lava rocks can be expected within a distance of several kilometers.

Ash rain and the concomitant eruption-cloud cause fine particles to fall on large areas. In strong eruptions, the ash clouds darken the sunlight so public life is paralyzed. Large amounts of ash can accumulate on streets and roofs. Especially in the context of rainfall, the roofs can collapse under this weight. When inhaling the ashes, there is a danger of suffocation, due to the moisture that mixes with

the ashes in the lung and forms a concrete-like mass. The limited visibility and possible damage to aircraft engines also endangers air traffic.

Acid rain is a serious danger especially to plants. These die after a short time, which can result in crop losses. Acid rain also irritates the respiratory system and the eyes of humans and animals.

Explosions are not only dangerous due to the lava flying around or because of the rising eruption clouds, the pressure wave that comes with it can collapse trees.

Lava flow usually moves very slow, so people can easily get to safety on foot. But there are also cases where fluid lava can be very fast. Real estate is at risk as soon as a lava stream reaches inhabited areas.

Mud streams (lahars) harbor a great potential for danger. These can form during an explosive eruption or be triggered by heavy rains. The rainwater mixes with the loose products on the volcanic slope and rushes in a mud stream down to the valley. (Szeglat 2017b.)

5.1 Bali and Mount Agung

Bali is a popular holiday island in Indonesia (location can be seen in the figure below) for people around the world; they attracted 5,5 million international foreign tourists in 2017 and are aiming for 7 million in 2018 (The Jakarta Post 2017).

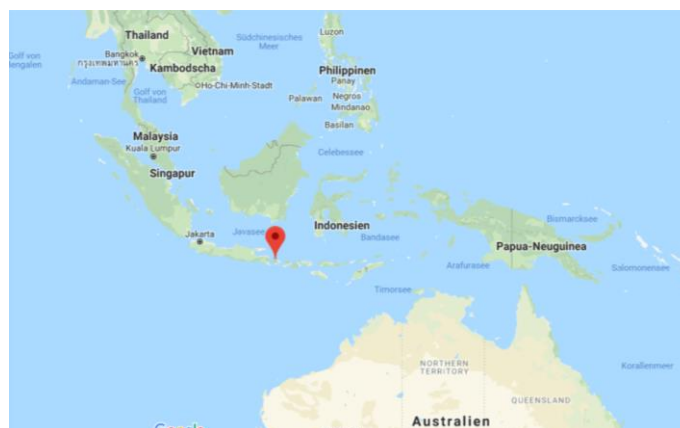


Figure 9. Location of Bali (Google Maps 2018a)

Bali is known as the *Island of the Gods*, it has its tourist centers more in the south of the island, where popular places like Kuta Beach, Ubud or Denpasar can be found. The north and the west of Bali are thinly populated, but still acclaimed for its opportunities for diving, surfing and exploring culture. One could say, Bali has something to offer for everyone; the island can offer places to party, to relax, to learn something new (like yoga or surfing) and cultural places. Bali was voted as *World's #1 Best Destination* by TripAdvisor in 2016. (Berkmoes & Morgan 2017, p. 4.)



Figure 10. One of Bali's many sights, the Tanah Lot Temple (The Jakarta Post 2017)

The most visitors come during July and August because of the pleasant climate and in December to celebrate Christmas and New Year's Day. Low season is from January to April and in October and November. Indonesian and Balinese are the official languages, but there are also many different accents on this small island. (Berkmoes & Morgan 2017, p.18.) The official currency is Rupiah (Rp). Bali inhabits on its nearly 6;000 km², around 4.3 million people from very different nationalities and religions (mainly Hindu). With about 744 people per km², Bali is densely populated. (Berkmoes & Morgan 2017, p.321.)

A visualization of Bali's population can be seen in the figure below.

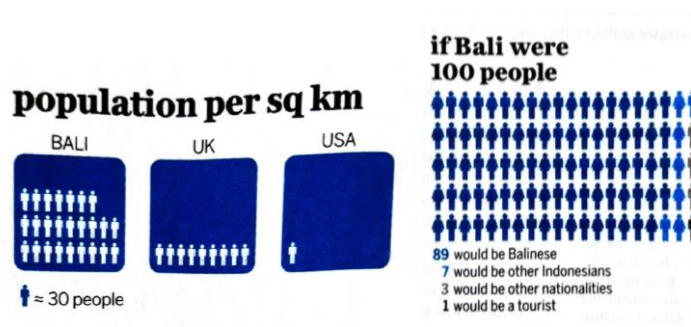


Figure 11. Visualization of Bali's population (Berkmoes & Morgan 2017, p. 321)

Besides Bali's serious waste problem, it offers rich and varied natural environments despite its relatively small size, such as volcanoes that tourists like to climb (during normal times), beaches, reefs and rice terraces (Berkmoes & Morgan 2017, p.368).

Mount Agung, also called *Gunung Agung* or *Mother Mountain* is 3142m high and thickly wooded on its southern side and before the eruption, tourists could climb it to enjoy the view (Berkmoes & Morgan 2017, p.369).

Since August 2017 the Volcano Mount Agung in Bali is considered as active, when volcanic earthquakes were detected. The intensity increased during the following weeks. Between the first reporting and the highest warning level were only 10 days. In September seismic activity increased and on 13 September a plume of smoke came out of the crater. (Global Volcanism Program 2017.)



Figure 12. Mount Agung producing an ash cloud (author's development)

From 21 to 27 November eruptions, ash clouds up to 4,000 meter and ash rain occurred. Mudslides with volcanic material came down the mountain, locals close by heard explosions and Mount Agung's danger status was raised to the highest Level IV (Warning). The Centre for Volcanology and Geological Hazard Mitigation released on Magma Indonesia that *volcanic activity at Mount Agung is still high. This is an ongoing eruption, but also that it is still considered safe for traveling in Bali outside of the Hazard Zone.* (Magma Indonesia 2017.)

In addition, there were flight cancellations and delays and at least 2,000 passengers were affected, a spokesman of Ngurah Rai Airport in Bali said (Tagesschau 2017).

More eruptions occurred on January 19 and 24, 2018, but *the frequency has been in decline* and the volcano related earthquakes reduced.

On 10 February 2018 the center for Volcanology and Geological Hazard Mitigation lowered the *alert on Mount Agung from Level IV (Warning) to Level III (Watch).* With the data indicated they concluded that *the volcanic activities of Mount Agung had decreased but not died down completely.* There is still some potential inside the crater for eruptions, *but with a lower explosivity index.* The experts strongly advise *to maintain watchfulness as volcanic activity is very dynamic and may change at any time.* (Magma Indonesia 2018.)

The media released good news for the tourism industry as Bali has faced a heavy visitor decline, they say travelers can rejoice to Bali and its beaches. However, a resurgence of the eruptions is not completely excluded (Szeglat 2018a). On the 8th of February bigger tremors occur and the media reports that Mount Agung just does not want to calm down (Szeglat 2018b). A bigger eruption happened ten days later on the 13th February and an ash cloud about 5000m sticks up, even though the alert on Mount Agung was lowered to level III (Szeglat 2018c). Twenty-three small volcanic earthquakes were detected on the 16th of March, locals report heavy smoke emission (Szeglat 2018d) and on the 27th of March another small ash eruption occurred about 500m above the crater (Szeglat 2018e). The media reports that Mount Agung is in another active phase again (Szeglat 2018f). On the first of May, Agung erupted again ash up to 5,000m above

the crater so that warning level *orange* was called out for air traffic, but there was no danger for local residents (Szeglat 2018g).

After a time of silence, on the 13th of June, the volcano blew out another 5,600m high ash cloud and the Indonesian media reports that Mount Agung still has the potential for a big explosion (Szeglat 2018h). Since 24th of June the tremors were increasing (Szeglat 2018i) and on the 28th of June a permanent ash cloud of 7000m rises and the tremors increase in strength. The media reports the build-up of a stronger eruption, but volcanologists do not raise any alarm. (Szeglat 2018j.)

Once again, the air traffic was impaired on the 29th of June, due to the previously emitted ash cloud, that is at this point 8000m above sea level. Many flights on Bali's main airport Denpasar were cancelled. The media is reporting about further potential losses in the tourism industry, as the island is usually very popular with Australian tourists at this time of the year (Szeglat 2018k).



Figure 13. Mount Agung erupting (Szeglat 2018k)

The volcanic activity increases on 30th June, there are several moderate ashes erupted. The fine dust concentration and thus also the particulate matter pollution in the areas around the volcano is high and more people were evacuated. The media report a volcano that is unpredictable, a potentially explosive explosion can be both effusive and explosive. Furthermore, it reports on the concern of further failures in tourism. Now that tourism has just recovered a bit, the main

tourist season is on and it is open as it looks like on the volcano or could go on. (Szeglat 2018l.)

Because of another 6000m big ash cloud on the first of July, the media writes that Mount Agung is simply unpredictable (Szeglat 2018m). This was confirmed by more ash clouds and new lava streaming to the crater on the second of July. Furthermore, there was a major explosive eruption that day and volcanic ash was rising up to 8,000m in the sky. Eyewitnesses were speaking of a loud explosion and a noticeable pressure wave. (Szeglat 2018n.)

Another explosive eruption and a 5000m ash cloud occurred on the 21st of July (Szeglat 2018o). Researchers contradict the authorities on Bali, especially on social networks, and predict a major eruption (Sattler 2018). The people and the media speculate that the authorities are deemphasizing the real danger of Mount Agung because they are afraid of further losses in the tourism industry (Szeglat 2018p; Sattler 2018).

The last eruption that is worth mentioning, happened on the 24th of July 2018 where a 5,000m ash cloud was hovering above the crater of Gunung Agung (Szeglat 2018q).

Another interesting fact is, that the press releases from the official authorities, *Magma Indonesia*, had stopped releasing their press releases in English at a certain point, the last one in English language was published on the 12th of February 2018. (Magma Indonesia. n.d.)

It is to say that during the volcano eruption in Bali, the people and most of the travelers were calm and there never was any danger of life. The media, in contrast, reported about nervous and fearful tourists and that Bali is covered with ash. The experts report, that in their own hotel and befriended hotels there never was any threat of health to any guests or employees. Crisis management literature emphasizes so much on the need of having a detailed communication strategy, because the media can encourage the flow and the intensity of a crisis and even turn an incident into a crisis, which is also the case on Bali. (Sattler 2018)

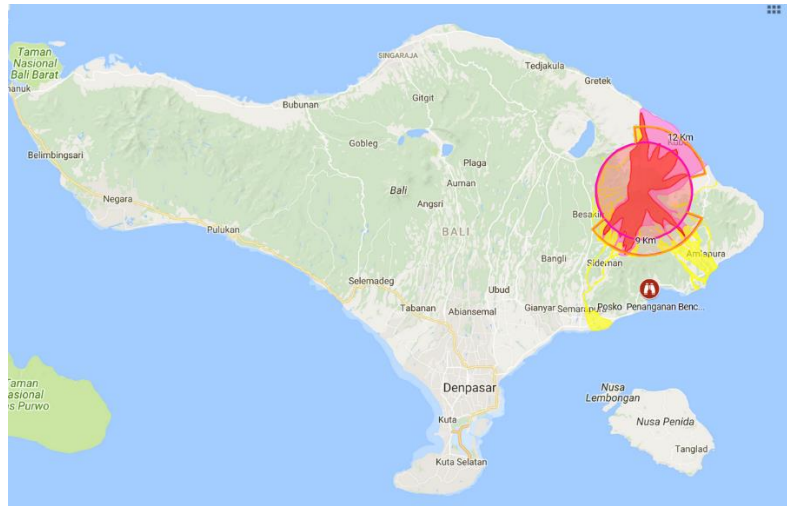


Figure 14. Danger Zone of Mount Agung (Balidokbua 2017)

After the first eruption wave of Mount Agung in October, *Bali go live*, a Balinese tourism association produced a video in cooperation with the Ministry of Tourism of the Republic of Indonesia, with the name *Bali is safe!*. In this video several tourists that were on Bali during the tremors as well as the Minister of Tourism of Indonesia were interviewed. The intention was to deliver the message that Bali is still safe to visit for tourists with pictures from beautiful nature and what the island has to offer and showing the distances from the touristic centers to the erupting volcano. The message they wanted to spread:

Is it safe to travel to Bali? The answer is... Yes! Watch our official update in co-operation with Bali Tourism Board for Mount Agung Bali situation. Ignore the fake news, pack your bag and #VisitBali ! #BaliGoLive. (Bali go live 2017.)

In the beginning of July after the new wave of eruptions and tremors, *Bali go live* released another video on the social networks with the name *Bali is still safe!*. Besides, again beautiful pictures of nature and the distances of the volcano to busy places on the island, the video was also about how people need to react if their flight is affected by Mount Agung and that they do not need to worry that they will be stuck at the airport (Bali go live 2018), as this is what most tourists are concerned about (Dörr 2018).

Bali is presenting itself very prepared and is delivering it in pictures. They are naming several destinations on the Island, their guaranteed safety and state:

So then, tell your friends, colleagues, families, and you know that Bali is STILL SAFE to visit. #BaliisSAFE #SAFE #safetovisit. (Bali go live 2018.)

5.2 Holiway Garden Resort & Spa

Holiway Garden is a family-run holiday and seminar hotel of medium size on the quiet north coast of Bali. The hotel has 40 rooms and 80 beds spread in 18 villas and 7 bungalows, a restaurant with 60 seats, a spa and two seminar rooms, which is one named to be the biggest on Bali, offering a variety of Bali's spiritual yoga and cultural activities. Other *Physical Facilities* of the hotel are a yoga platform, a pool and a yard with several small huts for relaxing. Moreover, the hotel offers laundry service, daily housekeeping and 24h security. The 50 employees have a rather low hierarchy. The whole place is created after the owner's and manager's entrepreneurial mindset. The atmosphere is very personal, every guest is welcomed by the management to give a feeling of appreciation. In this sense, the contact of the guests with all employees is very close.



Figure 15. Location of Holiway Garden Resort & Spa on Bali (Google Maps 2018b)

Holiway Garden Resort & Spa is, as explained in chapter 2, an individual hotel. The owner and manager Ms. Maria Dörr is in charge of all managerial decisions. Her representatives when absent is Mr. Hermann Sattler, Marketing and Maintenance Manager or Wayan Darmiasih, Operational Manager. In contrary to most medium sized and individual hotel, Holiway Garden is high priced and highly service orientated. (cf. Gardini 2010, p. 11)

The management focuses on a *Product* with spiritual experiences. On the leisure travel market, they concentrate on wellness and health tourism. Consequently, they offer various treatments in the spa, beginning from relaxation and health massages up to spiritual treatments. The kitchen offers, besides the regular fresh and local food, detoxication nutrition, as well as besides normal beverages, such as soft drinks and cocktails, purification drinks. There are daily yoga and meditation classes. Moreover, on the business travel market, they provide facilities for meetings and conferences because Holiway Garden offers workshops and seminars and is attracting whole groups of people to impart experiences and knowledge, such as Shamanism, spiritual Yoga or Tandra. (Gardini 2010, p. 96-104.)

Designed and constructed according to Feng Shui and biological building aspects, the layout of this ECO resort reflects the highest possible level of privacy and comfort (Holiwaygarden, n.d. a).



Figure 16. Holiway Garden Resort & Spa's Villas (Holiwaygarden n.d. a)

At home in paradise is not only their slogan, but also their vision of the company. *It is our intention to offer you an environment in which you feel at home: a place where you feel comfortable, where you can let go in order to reconcile and harmonize your body, mind and soul. Holiway Garden is an eco-resort with holistic offers which will help you to bounce back into life – and that in a most sustainable way* (Holiwaygarden, n.d. b).

Guests mostly stay from 9 to 14 days, but there are also guests staying over months.

When it comes to marketing and communication, Hermann Sattler as marketing manager is in charge of the outside communications, such as radio interviews, and the *Promotion* on social media platforms the hotel is using: *Facebook*¹, *Instagram*² and *YouTube*³. Moreover, guests can subscribe for the yearly email newsletter. A very successful part in their promotion is also the word of mouth. Many guests recommend the hotel to friends and family. The marketing strategy is not very strict and mostly intuitive, but always in line with company's values. One of Holiway Garden's social projects is to develop the first recycling plant in the north of Bali and to engage the residents to collect and separate their waste, due to Bali's known waste problem (Holiwaygarden, n.d. c).

It is possible to make a reservation through the online reservation site called *Booking.com*, but most guests book with the hotel's own website or directly with Mrs. Dörr via email contact. The *Place* fits the all over concept, a special and remote area to ensure relaxation and privacy.

All *Processes*, are designed to be inviting, provide the highest level of comfort for the guests.

Prices are made according to the value of the service and to the mostly luxurious features of the Hotel. Prices are lower in low season and higher in peak season. Special discount offers are spontaneous or only for individual guests.

The *People* working, directly or indirectly, for Holiway Garden, for instance all employees and suppliers of the hotel, such as drivers of the guests, fishermen, vegetable and chicken farmers are locals from the surrounding towns and have mostly been working with the hotel since the opening. So Holiway Garden Resort is creating precious jobs and money for the mostly poor villages around. Because of the overall familiar atmosphere of the hotel and employees referring to everyone working in the hotel as part of the *Holiway-Family*, it can be said that the company has a strong corporate culture. As guests can be a part of *People* as

¹ Facebook: a popular free social networking website that allows registered users to upload and see content

² Instagram: a social media platform with mostly only visual content

³ YouTube: a video sharing service where users can watch, like, share, comment and upload videos

well, it can be said that the typical profile of guests are health and relaxation seeking German speakers, due to the partner travel agencies operating on the German speaking market. Besides this profile, as mentioned already with the product placement, many international seminar groups travel to Holiway Garden to broaden their minds.

6 Analysis and Evaluation

As Holiway Garden Resort & Spa is located around 27km away from the volcano Agung, most of the dangers described in chapter five would not reach the hotel. The only major things that could happen to the hotel are consequences due to ash fall, such as the perishing of plants or the danger of collapsing buildings under the weight of the ash. (Sattler 2018.)

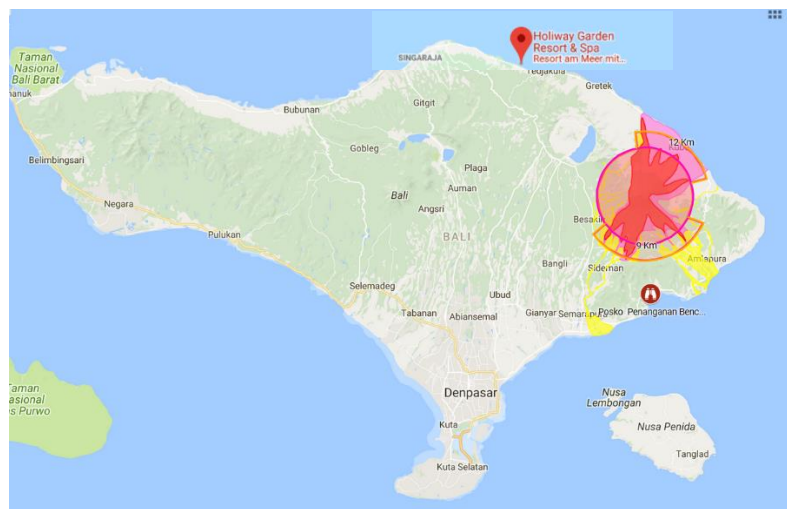


Figure 17. The location of Holiway Garden Resort & Spa and the danger zone of Mount Agung in one picture (based on: balidokbua 2017 & Google Maps 20018 b)

The case study crisis can be seen as a latent crisis. There are ongoing signs for a volcanic eruption, but a big eruption has not occurred so far. With this constant threat, it can be said that a different crisis has evolved. Due to fewer and fewer tourists visiting Bali, many touristic players record a decline in bookings and sales. People say there were two crises at the same time, a threat of a natural catastrophe because of the volcano and an economic crisis for Bali and its tourism branch, mostly caused by the sensation reporting by the media which was discouraging guests to book a trip to Bali. (Sattler 2018.)

Nevertheless, the focus in this thesis lies on the natural catastrophe as the crisis, which has the economic disadvantages as a consequence. It can be seen as a manageable crisis with recognizable destructive effects. Holiway Garden is facing high demand fluctuations and a decline in bookings, in comparison to the previous year, a decrease around 80%. Until this point it not changed to an uncontrollable crisis relinquishing the hotel would be inevitable. (Dörr 2018.)

There was no restructuring of the organizational chart with occurring of the crisis, Maria Dörr was and is in charge of all decisions and Hermann Sattler serves as consultant in normal times and also during the crisis. As he is in charge of the marketing and the outside communication of the hotel, this is also his talk during crisis. Moreover, no external crisis help was hired, the decisions made were based on their own researches and also on information gained in the typical Indonesian way: *someone knows someone, who knows someone, who knows it*. This way of gaining information about local organizing was very helpful for the hotel and was only possible through their employees.

Holiway Garden does not have an extensive generic crisis plan. The hotel has emergency escape ways and the security is requested to ring the security bell in case of an emergency. All guests and staff should then meet at the security point and await further advice. The security point is also the main entrance and exit of the hotel, so from there people can easily be evacuated. The meditation room serves as the emergency accommodation for guests if it is necessary to keep everyone together or if inhabiting the lodges is not possible. This can be seen as too modest of a crisis plan. The author will extend this planning of the hotel to complete a generic crisis plan in chapter 7.1.

The personal dismay in Holiway Garden was high. Besides emails from former guests or friends and family of the management, showing their sympathy for the situation, the current guests in the hotel were very relaxed. Their family members in comparison were, typically, more worried than the people actually in the area of action. The compassion, or maybe sensation, from German news towards German people living on Bali was shown in requests for radio interviews for German radio shows or television news. Hermann Sattler was interviewed twice by Germany media agencies. These reports could actually be the reason for people

worrying. Especially people that already booked their holiday with Holiway Garden developed a big personal need for information and contacted the hotel (quantitative information increase) as well to know what the situation is actually. (Sattler 2018.)

If we analyze the incidents with the different phases Lynch (2004) describes in her book, it is true that phase one, the first three weeks, was mainly trying to understand and weigh the situation with the volcano, if the hotel could be influenced by it and if so how.

Due to a lack of volcanological knowledge and expertise about the ground surface of the area, Hermann Sattler developed, besides a professional, also a personal interest in learning more about Mount Agung, its activities and how they can be read. Moreover, the operational manager of Holiway Garden received an email from the German embassy about possible happenings and recommendations for action. When the volcano showed activities at the very first time, the hotels were informed individually how to protect themselves. Moreover, the German foreign office informed the hotel what recommended actions are if the airport is shutting down. The hotel then produced a document with a summary of this information and brought it to the rooms of present guests. With this knowledge the hotel management, that is at the same time the crisis management, tried to weight the situation and made plans for different situations and outcomings of the crisis to create an optimal crisis response. One can imagine that these stressful times are not easy to handle and that the management did not always have the same opinion on how to react or how to handle certain upcoming situations. In the end, the management created a plan for operational response in the first phase and communicated it to their employees in an emergency meeting where everyone needed to be present. (Dörr 2018.)

The hotel's resources were organized, and tour operators and travel agencies were updated about the situation in the hotel and on the island. With the help of the internet, the management kept themselves up to date every day with an overview on the crisis, they followed up the local and the foreign media and their reports.

Due to the fact that there was no major incident with Mount Agung so far, the beginning of the second phase cannot really be exactly determined. But after many false alarms in February from different sides, the media got tired by reporting about the obvious story lines, about another tremor or another ash cloud that did not really harm someone. The media moved on to other news. Of course, the local media published reports about the volcano, but it got very quiet in the media abroad after March 2018. The crisis stories were rather bad for further bookings; bookings were still made, but only very carefully and after many emails with the management. (Dörr 2018.)

There have been no special treatments for hotels or other touristic organizations from the official side (e.g. taxation). So far, an official end of phase two or the crisis itself cannot be seen, because of ongoing eruptions and ash clouds. (Dörr 2018.)

Nevertheless, the Indonesian Hotels and Restaurant Association (PHRI) and the local disaster control authority (PVMBG) tried to support the hotels on Bali and organized a meeting (in Indonesian) to teach behavior in the worst case and about the preparations hotels should provide for their guests (Sattler 2018).

The detailed actions of the hotel during the crisis will be shown within the previously used guiding principle of the different areas of crisis response in the following subchapters.

6.1 Communications Response

The general marketing strategy of the case study hotel had no big alterations. They positioned themselves relaxed, as their resort is, also towards the crisis. Due to the intangibility and the immateriality of the hotel product, Mr. Sattler used visualization and pictures to post in social media, to show that everything is fine at Holiway Garden and it is just like the people remember it.

As there are opportunities and risks of being in the center of general interest, it turned out to be not very beneficial for Holiway Garden, but also for the whole island of Bali in this case due to the decrease in tourists. This can be explained with the fact that the media did not actually report how it looks like on the island

and the reports were more about sensation and how bad an actual explosion could be. A very good example of the differences in how the two parties, the media and touristic institutions showed the incidents happening on Bali in December, was a news broadcast in Germany where a diving instructor on Bali was interviewed. Before the video conference video, the news broadcast displayed people leaving their homes to the refugee camps or to their family in other towns, the picture that was designed with that looked intensive for an outsider. The diving instructor, in comparison, reported calm people and kids playing football in the refugee camps, that Bali's inhabitants of course are bothered to leave their homes, but getting support from the government and from the people living around the refugee camps, moreover he explained that there is no panic on the island and that not many people are affected. The moderator of the show acted surprised that the interviewee is so calm and not worried about his diving hotel, which is located close to the volcano. Hermann Sattler, as a person with experience with the media, identified the wish for sensation from the side of the moderator, who was disappointed to hear about calm and helpful people. It will be shown in the future, if this media attention was good or bad for Bali as a destination and the tourism industry, which Holiway Garden is a part of. Because of the media coverage, people could have got aware of Bali as a holiday destination or got afraid to ever consider making holidays there. (Sattler 2018.)

To show the communications response in detail, the extended marketing mix is used to describe the different actions:

Product:

The product of Holiway Garden Resort & Spa did not change in any way, because the hotel was not affected by any ash formations. Plans for restoring the original condition of the product were made in the operational crisis plan, which will be explained later in this chapter. Because future customers were no longer able to evaluate the offered product, they contacted the hotel and especially due to their concerns about having problems with flying home after the holiday. Ms. Dörr explained in every individual response that there will be no problem, in case Bali's Airport in Denpasar closes due to ash clouds, the hotel is able to bring them to another airport on the next island, which will not be affected according to the

experts. This can be seen as a warranty coverage of Holiway Garden. Furthermore, she promised that they will be safe at the hotel, that nothing can happen as the hotel is not as close to the danger zone as it appears to outsiders, but also that it never can be known what will be happen with the volcano.

People:

As Holiway Garden is very familiar and close not only with their guests, but also with the employees, they were involved from the very beginning when the volcano became active and worried as well when fewer people came to stay in the hotel. Anyhow or maybe or particularly because of that, they kept up the level of service and if guests were perturbed about the situation, they faced them with the calm attitude that they have been told from the management, which was simple for them, because they were not afraid of the volcano themselves. Furthermore, they put themselves personally back for a greater good so to say, to make sure Holiway Garden survives the crisis. They were explained that the gratification they normally get paid by the end of the year will be ceased to keep their job, their co-worker's job and the so-called *Holiway-Family* safe and so preserve the workplace as it is. This was communicated with the employees beforehand and most of them agreed on these conditions. As caring they are with each other they were for the guests, what is also a vision and a goal part for the *Product* of the hotel. Besides this, the management held regular meetings to keep them informed. Within the meetings between the management itself, they were not always of the same opinion how to handle the crisis and the actions to take towards it (e.g. customer communications, preparations for the operational response). Due to these disagreements, several unnecessary emotional conversations took place. (Dörr 2018.)

The guests that were present during the eruptions, as part of the *People* in the hotel, received extra treatment as the hotel was unfrequently booked. The guests that were present when the volcano showed activities for the first time, they received a document to their room with information from the German embassy and the German foreign office that the hotel management received (as mentioned already). The employees and the management could invest and spend more time than normally with customer care (e.g. personally guided excursions). Those

guests left very upbeat feedbacks on rating sites (e.g. TripAdvisor) that they stayed during the crisis in the hotel, that nothing happened, that they were and totally felt safe and how pleased they were with their stay.

Another fact that can be included in the People part of the Communications Response, in September Holiway Garden accommodated several guests from a befriended hotel that is located in the official danger zone of Mount Agung (see figure 14). This hotel needed to shut down for the time the volcano is a threat for their guests.

Price:

The management decided to not drop the prices in general during the crisis. Dropping the price would somehow admit that something is wrong or not normal, but this was not the case. The management kept up the same standard in the hotel and so kept up the prices on a normal level as well. Individual special offers have been made for people that wanted to cancel but the management wanted to keep them as potential guests. They did not need to pay any rebooking charge for changing the dates or in special cases the cancellation fees were reduced, if the reason was the volcano. Other exceptions were made for a big seminar group from China that could not attend their planned stay since Air China cancelled all the flights to Bali and changing the dates was not possible for them. A special cancellation rate was developed with the consent of both parties, the hotel management and the group leader of the seminar group, so they will still consider Holiway Garden as a choice to hold their seminar at. It was a loss of money for the moment, but it can be gained back in the future because of being professional and obliging towards them. (Dörr 2018.)

Place:

The distribution policy for Holiway Garden Resort & Spa did not change during the crisis. But the sales that came in were mostly direct, because people could ask questions about the situation in the hotel and the volcano, due to their increased need for information, before they actually book. Maria Dörr answered all questions and concerns honestly, that guests in the hotel are safe, that there is no danger in the area of the hotel and that they can have a wonderful holiday.

But due to speculations of a bigger eruption in the end of 2017 and in the beginning of 2018, Ms. Dörr also informed potential guests that no one can foresee what will happen, but as mentioned before, that there will be no problem with going back home, even if volcano erupts and the airport in Denpasar would be closed. The travel agencies the hotel is working with (e.g. *Neue Wege*: leading in yoga holidays in Germany), was supplied with general information about the crisis but forwarded people personally to Maria Dörr with more detailed questions.

Promotion:

Hermann Sattler is public spokesman of the hotel, he has the education (a degree in marketing studies) and the experience for this position, he is able to express himself in a credible nature and in the way of the company's promotion strategy.

The hotel's main ways of promotion are by word of mouth and through social media. With most of their social media posts, the hotel reacted passive towards the crisis. The *Instagram* account showed normal content, as it would be during the normal state, to show the normal situation in the hotel, that everything is relaxed and no influence from a natural catastrophe, like volcanic ashes. Examples of the Instagram content during the crisis can be seen below.



Figure 18. Instagram content of Holiway Garden during the crisis in 2018 (Instagram 2018a)

On the hotel's *Facebook* feed, the marketing manager was in the beginning of the crisis also more passive and reserved towards the crisis. In line with their communicated relaxed attitude, a funny and cute YouTube video of a volcano that is erupting because he is in love was posted as a funny explanation of the erupting Mount Agung.



Figure 19. Relaxed Facebook post of Holiway Garden in the beginning of the erupting of Mount Agung (Facebook Holiway Garden Resort&Spa Bali 2018)

Later on, during the crisis, the postings became more active and reacting to the volcano, especially because foreign media started to publish sensational reports about the happenings on Bali. As an example, Mr. Sattler posted in June a rectification of these media, to satisfy a current need of information due to many friends, family and guests contacted the hotel in distress. With the post he explains the situation with Mount Agung from the hotel's point of view and accentuated the statements with current pictures taken in the hotel.

The post states: *We would like to tell you that there is NO reason to be concerned. We and our guests are completely relaxed. Radiant BLUE SKY over the resort (...). There was a short-term closure of the airport, there was NO eruption, there was no danger to anyone at any time. And it does not look like that there will be any in the foreseeable future.* (Facebook Holiway Garden Resort & Spa Bali 2018.)



Figure 20. Rectification post of Holiway Garden Resort & Spa on Facebook (Facebook Holiway Garden Resort & Spa Bali 2018)

People who know the hotel can recognize the place and guests that are about to come can see that the hotel looks like advertised and that the management is aware of the volcanic threat.

Another approach of Holiway Garden was to communicate about the refugees and the donations made by the hotel and its guests. It was a strategy to communicate about the crisis, but in a positive way, to tell that refugees from the volcano are coming to the town where the hotel is located because it is considered as safe. With their posts on Facebook they want to show that they do something, that they help and they are active, the hotel helps people affected by the natural catastrophe and is not just waiting for it to be over. With this, Hermann

Sattler as the marketing head wants to send the message that nobody can promise that Mount Agung is not erupting, but that guests are safe with them, the hotel can take care of the guests just like in a normal state. (Sattler 2018.)



Figure 21. Holiway Garden Resort & Spa's Facebook posts about supporting the refugees of Mount Agung in September (Facebook Holiway Garden Resort & Spa Bali 2018)

The post from 24th September states: *Last night, the warning level for a volcano eruption of Mount Agung was set to "red". During the night, the evacuation zone was expanded and thousands of refugees from the villages at the foot of the Agung came to "safe" refugee villages, as in our village Sambirenteng. Many are publicly supplied by a well-functioning civil protection (Chapeau for the organizers). Some also moved in with families, also with families of our employees. Today we have brought an auxiliary load of food, soap, dishwashing liquid, clothes ... Many thanks to our guests, who have given us their donations! Should there be a major explosion, we, here in Holiway Garden, are protected from deadly lava or pyroclastic flows. We take it the Balinese way, staying calm and waiting, what the sky may bring us in the next days and weeks.* (Facebook Holiway Garden Resort & Spa Bali 2018.)

Hermann Sattler used these two platforms to communicate differently, but all the time with the same purpose: Communicating that everything is intact in the hotel and no one should be afraid to come for their holidays.

A communication of the preparations for a worst case was not communicated in public, but as mentioned already, a lot of direct promotion contact was made during the crisis due to many former or future guests seeking the contact to the hotel to get information about the preparations and the developed solution for possible problems. The management of the hotel was able to cope with the upcoming scale of contact.

Moreover, they did not use any legal or economical measures or special advertisements.

It can be said that the promotion of Holiway Garden was all the time appropriate and according to the current situation in the crisis.

Process:

Additional to normal customer orientated processes to carry out their excellent service, the hotel developed other processes dealing with the security of the guests. The management made sure to keep guests informed with news about the crisis, in case they wanted to. For the seminar groups, special meetings were made, e.g. before their daily classes started.

Moreover, instead of only giving information about the sightseeing places in the area, they also needed to know and tell about closed areas, e.g. *Pura Pasar Agung*, a temple close to Mount Agung was closed for visitors in 2017. Maria Dörr and her team did this with an appreciated, honest, level-headed and calm attitude, even though they were anxious themselves at certain points, but they never wanted to hide anything from guests.

Other extraordinary processes were the purchasing and distributing of respiratory masks and flashlights to the hotel rooms as precautionary measures. Especially the maintenance developed a lot of new processes due to the preparations for the operational response, examples of these will be explained in chapter 6.2.

No current processes needed to be changed or deleted, because there was no impact from volcanic ash or anything. The yoga classes took place outside, the pool and the yard could be used as normal, as well as there were no changes in the processes in the kitchen or the restaurant that is placed outside. But since the start of the eruptions in 2017, the hotel changed the process of supply ordering to have enough water and food for at least one week.

Physical Evidence:

Besides the preparations for the operational response, as the marketing tool of physical evidence is very close related to the operational response, the hotel is trying to keep up quality of the physical evidence of the hotel as much as possible and tries to not let them be too visible. The change of the physical evidence that guests saw as the very first, was the plastic around the normally open reception, before they were taken down in March.

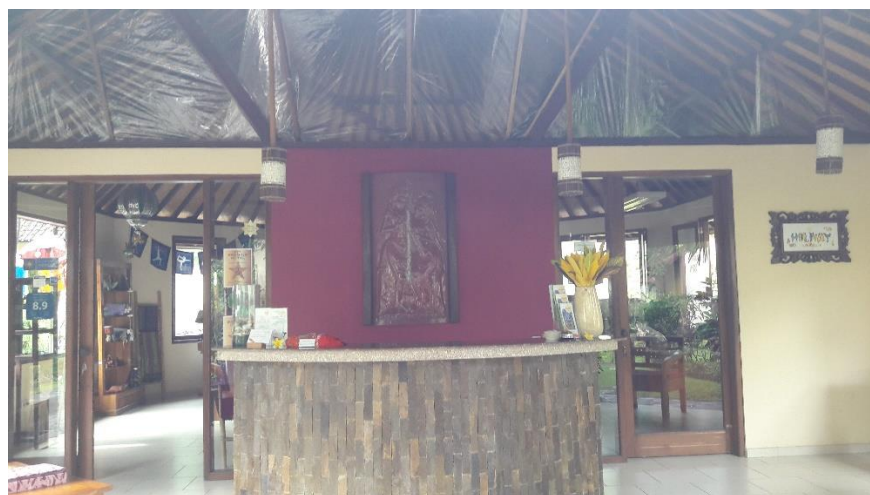


Figure 22. Reception of Holiway Garden Resort & Spa with plastic foil as preparation for ash rain

As well as guests normally have open gaps in their bathrooms to hear and feel the nature outside. This creation of the physical evidence was taken away by the same preparation that was taken for the reception.



Figure 23. Bathroom of a villa in Holiway Garden Resort & Spa with plastic foil as preparation for ash rain

Because of this, it can be concluded, that the attractiveness of the outside physical evidence of the hotel decreased for the time the plastic foil was present.

Another change in the physical evidence was the coverage of the pool during the night, for preparational purposes as well. Guests were not affected by the coverage itself, but due to it, the pool could not cool down during the night and remained warm all the time. This could be named as a decrease in the quality of the physical evidence.

In case guests were wondering or bothered by these visible preparations, the employees explained the purpose of it (as part of promotion for the security of the hotel on the spot).

No other adjustments or renovations had to be made and no physical harm has to come the hotel during this crisis (so far).

6.2 Management Response

All Managerial decisions made during the crisis have been made by the owner and hotel manager herself, Ms. Maria Dörr, and her consultants, the operational manager Ms. Wayan Darmiasih and marketing and maintenance manager Mr. Hermann Sattler. The actions taken by this team of deciders are ordered after the fields of hotel management (besides the marketing and communication that was described in chapter 6.1 as the communications response).

Human Resource Management:

No major changes in human resource planning were made since the crisis occurred. A restructuring in tasks was designed in case the volcano erupts. This would include, for example, that the employees from the housekeeping and the spa departments will help to clean up the ashes with the maintenance team. The staff was trained and informed what to do in different likely cases of emergencies and in which tasks they would take part in. All employees were asked to show up at the hotel to implement their tasks (e.g. cleaning, evacuate and transporting guests in the worst case). The staff would need to perform over hours in this case. Moreover, they were taught how to react on concerns of the guests and their questions towards the volcano. Because of the good corporative family, as mentioned already before, they care about the future of the hotel, because it is also their future as workplaces in tourism in the rural north of Bali are very rare. Due to the stagnating of bookings and a lot of cancellations the yearly bonus, paid in the end of the year, was cancelled. They kept their sympathy for the company and the leadership style, especially as no employee was dismissed because of the stagnating bookings. Only the freelance employees (e.g. drivers that bring guests to tours or the airport etc.) did not get as many commissions as during normal times.

Employees were asked to take their holidays during this very calm time in the beginning of 2018 at the hotel, because there was not much work for them besides general cleaning. With this the management wanted to ensure no staff shortages during high season when the guests that changed their time of stay due to the volcano and when the stagnating bookings would rise again. Not all employees followed that request, but it was their free decision.

Holiway Garden was also aware of the safety of their employees, not only during the crisis, the management took always good care of working conditions and working environments and was prepared to keep them up in case of a big eruption.

Cost management:

Costs in general were tried to be held at a minimum (e.g. trips to the south for special purchases) because the outcome or the length of the crisis could not and still cannot be foreseen. The management and the heads of the departments only were keen on to only buy what was really needed, but to keep up the standard for the guests. This meant, no cost savings in food or beverages and other parts to ensure the standard. As mentioned already, the employees held their normal working hours, but for example housekeeping and maintenance had less budget to keep up the standard (e.g. no purchase of new stones for the footpath, it was repaired with old stones and concrete). Closing the hotel to reduce the costs to lowest possible was never an option, because guests still came in a small scale in 2017 and the numbers are increasing in 2018.

Investment and Financing:

Before the start of the activities of Mount Agung, Holiway Garden had plans to extend their physical evidence and build a second seminar room due to a lot of inquiries of seminar groups before the crisis, so the management even had to reject some of them because with only one seminar room they can only host one seminar group. The capacity of beds in the hotel can hold more than one group and individual guests at the same time. Before the crisis occurred, Mount Agung erupted ash clouds and the bookings declined, they bought the land next to the hotel where the new room was supposed to be built in the beginning of 2018. Because of many uncertainties during the crisis for the hotel, the construction period was postponed for an unknown period of time. Because the management accepted already bookings for the new seminar room in May 2018 and they came to the opinion that no major incident will happen with the volcano, they took the risk and started the building phase in March 2018. Otherwise the management would have had to cancel the bookings of the seminar groups that have already booked, which would have meant a loss in income. The money for the seminar room was saved beforehand but held back for the case of a big eruption to cover the costs of renovation.

To keep standard for present guests like it is, there was also no cut in spending for current assets like sanitary items or food or beverages (as mentioned already).

Because of the load of people coming out of the danger zone of the volcano (see Figure 14) coming to the neighborhood of the hotel or living in refugee camps close to the hotel, the living conditions, in the opinion of the hotel management were below a normal Balinese standard, so they decided to support the refugees. They invested time to cooperate with a non-profit organization (die Brücke) and guests were not asked directly, but informed that if they would like to, they could donate money for the people that had to leave their homes. With donations of current and former guests, friends and family, the hotel bought building material for the refugees, so they were able to build more sanitary facilities and shelters, so every family could have their own one. (Dörr 2018.)

Food & Beverage Management:

To mention it again, Holiway bought more water and food than usually, so it will be enough for an average amount of guests in case of a big eruption and in case it is not possible to get more drinking water delivered.

In detail, they stock up basic and durable food, such as rice and pasta. In case of a power failure and thus no power for the cooling room and the fridges, a proper storage of perishable food cannot be guaranteed. Consequently, during the more active phases of the volcano (e.g. in the end of 2017) the hotel forewent to purchase so larger amounts of fresh fish or meat from the local suppliers, as they would not be edible anymore after a very short time. Besides that, no bigger changes were made to maintain the quality and the freshness of the food, as healthy and fresh food is one of the hotel's main characteristics. Another reason to continue like before is that nobody can say how the crisis will develop and if there will ever be power failures, ash clouds or other incidents at all. With a bigger eruption of the volcano, the hotel would have been able to deliver food considering their standards for several days without any arriving deliveries, after this period, the kitchen would have needed to change to more simple dishes such as the mentioned rice and pasta with different sauces.

The kitchen building was sealed with plastic foil in case an ash cloud would reach the hotel, so the equipment would not be contaminated, and it would still be possible to use the kitchen facilities and cook for guests without contaminating the food. The restaurant itself is only built under a roof without walls, so in case of heavy ash fall, guests would have been asked to come to the mediation room where tables and seats would have been provided by the staff for the guests. (Dörr 2018)

Quality Management:

To save the quality of the hotel's physical evidence and the security of the guests, which can be seen as a quality point in crisis management, several operational preparations were made for different outcomes of an eruption of Mount Agung. A selection of these can be seen in chapter 6.3. These measures were also communicated and explained to the guests to let them know that they are in good hands, that safety measures are taken and can come to action in case of an emergency.

As has been pointed out, the maintenance had less budget to keep up the quality and the mentioned example was the reparation of the footpath, the proper reparation of which was postponed. In a normal situation, the hotel would not hesitate to invest in maintaining the quality of the physical evidence of the hotel, but because of the crisis situation costs and investments were reduced. In comparison, smaller and affordable things that contribute to the quality were made during the negative phase, such as the renewing of the menu cards in the restaurant and the information maps in the hotel rooms.

In general, it can be concluded that the quality of the hotel's standard in any section has been kept up since today, because there were no major cost savings or changes that could have affected the quality.

6.3 Operational Response

The operational response plan of Holiway Garden was communicated to the employees and several tasks were allocated to the different departments. Besides these tasks the management would lead the team and give according to the situation orders to the employees. The operational response plan included the following:

To protect the physical evidence of ash, the air-conditioning units on the outside of the houses were covered, the pool needed to be covered, all jalousies and windows needed to be closed, the washing machines in the laundry needed to be covered and the plastic foil of the reception needed to be pulled down to fully close it. Any outside machines or devices needed to be brought inside the storage of the meditation room. The motorcycles of all employees had to be covered with the provided plastic foil to prevent damages, the motorbikes of the management and the rentable motorbikes had to be brought inside to the little shop next to reception. These tasks were allocated to the departments of laundry, maintenance and reception.



Figure 24. Outside air-conditioning unit of a villa in Holiway Garden Resort & Spa with plastic foil as preparation for ash rain

In case of very strong ash rain, the gardeners would have to take care of the waste water garden, shovel the ashes out to prevent it to die or to break. The water drains would have to be open all the time and should not be blocked. The roofs of all the buildings needed to be checked and in case of too much and heavy

ash, they needed to be cleaned to prevent them from collapsing. To clean the ashes, the water from the pool could be used. If trees had been destroyed and constituted a source of danger for anyone they needed to be removed.

In case the eruption came with a high-pressure wave due to an explosion, glass could burst, the housekeeping would need to take care of broken glass and tiles all around the hotel to remove this safety hazard. If there was no or very little ash fall, then all the windows needed to be kept open so they would not get destroyed in the first place.

In case an eruption came with strong earthquakes, the housekeeping would check the roofs, terraces and walls for dangerous cracks.

A strong earthquake can also cause a tsunami. In this case the security would give a signal with the provided siren, everyone would have to immediately proceed to the security point at the entrance to get more information. A tsunami can be detected beforehand, so there is time to react and get orders what will be done. In case an employee personally sees any sign of a tsunami, they are told to run, if possible, they have to let others know about it while running away from the beach.

If electricity breaks down, the cool room can keep the food safe and cool for 6 hours. If it is possible a generator needs to be found to produce electricity, so the food is safe (from friends of the hotel or of the employees of the hotel).

The reception will be the first port of call for any information, so the employees of the reception are asked to collect all information and spread new information to the management and the staff if possible.

The original handout that was given to all the employees during a meeting can be seen in the appendices.

7 Conclusion and Recommendations for action and a Generic Crisis Plan for Holiway Garden Resort & Spa

Tourism deals, like no other sector, with the beautiful sides of life and in such an environment it is difficult to think about crises that could destroy it. This issue is often repressed and often only taken seriously when a crisis is occurring, but to be effective, deeper understandings of the context and causes of crises must be present. (Glaeßer 2005, p.5.)

The case study shows that it can be adverse to deal with a crisis when it is already too late, when the crisis already occurred and one is trying to deal with the consequences of it. It is rather advisable to deal with a negative situation preventively. The importance of preventive crisis management will increase in the future, for example in the form of a generic crisis plan. The development of such a plan would be a recommendation for the case study hotel.

The case study hotel was never confronted to deal with a big natural catastrophe that would threaten the health of employees or guests, or that would endanger their physical evidence or the quality of it. The bigger deal was the consequences of the active volcano, the economic crisis in the tourism sector on Bali due to sensational reports by the media abroad that caused a strong decline in visitors. The prices of goods have risen and yet the people here in Bali have less. (Sattler 2018.)

The interviewed experts point out several main learnings about the crisis of Mount Agung.

The biggest controversy in the crisis management was the communication policy to the outside world. This includes the guest communication and public promotion. Owners and managers of hotels are mostly emotionally connected to the hotel, like in the case study hotel as well, and can be so quickly carried away towards emotional communication. However, it is very important to not make public communication emotional, but objective and informative. A middle course must be found between giving all the necessary information, so that current and future guests can prepare themselves, and a scaremongering communication by giving

too much or emotional information and put off potential customers. The thinking in general need to be rational and a balance will be found in which information should be passed on. In the case study, Hermann Sattler, the management consultant, wanted to post frequent updates about the volcano on the social media accounts of the hotel, with which Maria Dörr strongly disagreed because she has a more business-oriented point of view. She did not see this being a part of the communicational strategy of the hotel and was worried that the incident will be pushed to be a bigger deal as it is and that consequently even fewer guests will book their holidays with the hotel as there are already. In retrospect, this strategy is recognized by both sides, the hotel management and the consultant, as the better one. Therefore, minimizing conflicts in management and maintaining calmness in stressful situations became a future goal.

In addition, the bookkeeping should keep an eye on the advance payments of guests. In the end of 2017, a big group of people cancelled their stay and was unwilling to communicate on cancellation fees or postponing their stay. They never made an advance payment and it was not recognized by the management or the bookkeeping. Since this was not well controlled and the responsible person who made the booking and was supposed to pay was not reachable for the hotel, they lost a lot of money.

Furthermore, the management has learned a lot about volcanos and volcanic eruptions. Thus, they now already know what to do, should such a crisis come up again. They became particularly aware of the expression *hazard area*, due to the hotel had to first learn whether they could be affected at all and if so by what exactly. Even the fear of ash has become relative. The management learned that it would not be a problem to drive a car or a motorbike while ash rain. Thus, one of the biggest fears, that panicking hotel guests cannot be evacuated was dissolved. With the help of the car fleet of a befriended hotel it would be no problem. This shows also that in difficult situations, competitive thinking quickly fades and even rivals will help each other for the greater good.

The management became more relaxed about volcanic eruptions in general, now that they know they can handle the situation and that after two months at the latest, the hotel is cleared of ashes and the green areas will be representative

again and so, a normal operating of the hotel is possible again. In comparison to this current serenity, they admit that the hotel and the management was not much prepared for a serious upcoming crisis, besides being member in the tidal wave warning chain and general safety information in the hotel rooms, they want to develop a small generic crisis plan for the hotel.

Above all, a general learning about the volcanic crisis is that the economic consequences of a crisis in the case study initiated by sensation reporting and a decline in tourists, can sometimes be worse than an actual crisis. In the special case of Bali, they say, for the island and its nature it was good to have a break from the high number of arriving travelers, unlike for the people depending on tourism that lost a lot. The employees of the case hotel were not affected, so, a very positive main learning during the crisis is that the employees are attached to the hotel, they care about its future and are willing to put themselves back for a while to ensure the survival of their workplace.

The initial access to information was difficult due to uncertainty and little response from the local government. The lack of information forced the hotel to read the signs by themselves with the help of statistics and they needed to gain the needed knowledge themselves. Hermann Sattler did this very well and extensively, which can be named as an important management quality.

More management qualities that are important during negative events carried out by the leadership of Holiway Garden are organizational skills, being able to handle numbers and money, keeping calm in front of guests and developing a good communicational strategy. The functioning communications policy of the case study hotel developed from the bipolarity of the management. Mr. Sattler claims that the different approaches of him and Ms. Dörr and their differences of opinion led to its success and they found the best solution possible between overvaluation and trivialization. This charged relationship resulted in appropriate behavior from both sides of the crisis management.

As suitable as their whole marketing strategy was, Hermann Sattler says, it is not possible to minimize the negative impacts of a crisis with it. It might be possible

in an information monopoly. This shows again, how important the role of the media is during a crisis. Due to an unobjective approach of the media in this case, Bali has to fight the man-made economic crisis more than the natural catastrophe itself. Holiway Garden itself would have had an economically successful year of 2017 with financial buffers made of prepayments, but because of the erupting Mount Agung and the consequences they lost around € 90.000. (Dörr 2018; Sattler 2018.)

Generic Crisis Plan for Holiway Garden Resort & Spa:

The generic crisis plan for Holiway Garden Resort & Spa needs to fit several scopes of different crises and is held very general. The management of the hotel will expand this plan with necessary information and with more points of generic planning with extending experience.

This written plan must be kept at the facility and be available for all employees to review.

The lead receptionist (currently Niluh Mey) is responsible for this printed emergency plan and will ensure that all employees understand it and follow it. All new employees will be informed about this plan and told where it will be kept.

A current copy of this plan, as well as the detailed job descriptions, is kept at the reception.

The hotel management (currently Maria Dörr) is living on site and will always be informed first in the case of an emergency situation.

- **Evacuations**

Whenever the security rings the alarm siren, the entire hotel, guests and employees, will proceed to the main entrance and security point and if necessary be evacuated to a place outside the threat. The decision of evacuation will be made by the hotel management (currently Maria Dörr) or her representatives (currently: Hermann Sattler, Wayan Darmiasih).

During an evacuation, entry to the hotel will not be permitted until all areas have been checked and declared as safe (e.g. earthquake, virus).

- Emergency escape procedures and evacuation routes

In an emergency (e.g. fire), employees will leave the affected area and guide guests out immediately by the emergency routes posted in their work areas unless the route is blocked. An alternative route will be designated by present head of the department or highest ranked employee.

All primary emergency escape routes and designated meeting locations must be approved by the hotel management (currently Maria Dörr).

An orderly evacuation will be supervised by the present security guard who will check all rooms and report any problems to the hotel management (currently Maria Dörr).

The hotel management (currently Maria Dörr) will determine what critical operations or processes must be shut down during an evacuation and who will shut them down when meeting at the security point.

Critical operations that must be shut down during an evacuation are depending on the negative event (e.g. save the hard drives from the office, shut down electrical devices, etc.).

If an identified critical operation or process cannot be shut down or requires a substantial time delay to shut down, the hotel management (currently Maria Dörr) must be notified when possible with the full explanation of the situation.

After employees and guests have met and are about to leave for a designated safe place, the present receptionist (currently Niluh Mey and Made Santiara) will take a head count. This person will also account for any missing persons. Any missing people need to be reported to the hotel management (currently Maria Dörr).

The known location and condition of any injured people and will be reported to the hotel management (currently Maria Dörr)

- Reporting emergencies

The detector of an emergency is responsible to report it immediately to the hotel management (currently Maria Dörr) that is reachable via walkie-talkie or phone. If advised by the hotel management, call 112 to report the emergency.

- Crisis meetings

In case of an ongoing crisis (e.g. volcanic eruption, political riots, etc.) there must be a daily emergency meeting with all management and the head of the departments to keep each other up to date, all information must be provided, such as special activities planned for the day or special time schedules for guests. The meeting will find place in the office building at 9am. The hotel manager (currently Maria Dörr) will ensure the continuity and the quality of the meetings.

The heads of the departments make sure that all their subordinated employees are informed about the emergency meetings with the management and the distribution of the tasks. Time and place depends on the department and is to be chosen by the head of the department.

The manager of the maintenance team (currently Hermann Sattler) will develop an operational crisis response plan for potential outcomes of the crisis and implement them with the maintenance team. It has to be ensured that a copy of this plan will be given to the information center, the reception of the hotel.

With the occurrence of a crisis, the hotel management (currently Maria Dörr) will plan and perform an emergency meeting with the guests, it will be held in the meditation room. The lead receptionist (currently Niluh Mey) will greet all guests to this meeting and count at the same time that all guests are there and receive the important information.

As arriving guests are always greeted by the management (currently Maria Dörr, Hermann Sattler), they will also brief them about the crisis in the before agreed level-headed attitude.

- Communication

The spokesman of the hotel for the media will be the head of marketing (currently Hermann Sattler). He will make sure all his actions (e.g. while giving interviews or presentations, etc.) are conforming with the agreed crisis communication policy with the hotel management (currently Maria Dörr).

The spokesman takes care of the preparation of the *press-kit* and of documents that can be prepared beforehand and keeps them updated so a fast first communications response towards a crisis can be ensured.

The spokesman releases a first statement directly after the occurrence, it should include at a minimum the who, what, when and where of the situation (see prepared documents for communication).

The hotel management and her representatives (Hermann Sattler, Wayan Darmiasih) make sure that all employees are informed and trained in communicating with guests about the negative event.

The hotel management (currently Maria Dörr) ensures that all guests are informed continuously and that very important general information about special behavior in the special negative event is available for the guests in their rooms (e.g. restricted zones, special equipment, etc.).

Due to the small size of Holiway Garden Resort & Spa, there is no need for an information or command center. The employees of the reception (currently Niluh Mey and Made Santiara) will gather all information and spread it out again to the management and the employees if needed. The hotel management (currently Maria Dörr) controls the fulfillment of this process.

- Employee training

The operational manager (currently Wayan Darmiasih) will ensure that a sufficient number of employees are trained to assist in the safe and orderly evacuation of employees during an emergency.

The operational manager (currently Wayan Darmiasih) will make sure the developed training plan will be fulfilled within the given periods of training (e.g. training for fire, earthquake, detected virus et.).

The operational manager (currently Wayan Darmiasih) will review the plans with each employee when the plan is developed and whenever information in the plan changes.

- First Aid

In case an employee or a guest needs first aid help, the hotel management (currently Maria Dörr) need to be informed immediately and will proceed to the injured person and give first aid.

The first aid kit is placed at the restaurant.

- Outside danger

All activities need to be moved to inside. Yoga and meditation classes will be held in the small meditation room and the big meditation room will be equipped with tables and chairs and will serve as a restaurant. The head of housekeeping (currently Made Sipy) will supervise the moving of the furniture, the restaurant staff keep the area clean and transport the food safe from the kitchen to the big meditation room.

- Important information

A list of all names, phone numbers, addresses, emergency contact, disabilities and allergies need to be kept with this generic crisis plan.

The lead receptionist (currently Niluh Mey) will ensure the integrity of this list.

A list with this information about guests needs to be updated by all staff of the reception and will be controlled for completeness by the lead receptionist (currently Niluh Mey).

Important telephone numbers and contact details of authorities, important contact persons and agencies need to be listed and directly available as well. The lead receptionist (currently Niluh Mey) has the task to keep this list updated and available at reception together with this generic crisis plan.

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Appendix 1

Notes from the interview with Hotel Manager and owner Ms. Maria Dörr, 9 February 2018

Wie war es als ihr davon erfahren habt? Was getan?

Seit august erhöhte aktivität mitte september leve 3 das hört man dann von der regierung, wayan wurde regierung vom netzwerk arbeitsbehörde, es war überall präsent, vernetzt mit magma indonesia, 22 sept dann stufe 4, treffen plan gemacht was müssen wir machen was ist zu tun, treffen im meditasi, gäste information gemacht und über die situation informiert, befreudetes hotel war in der sperrzone von 12km die am erweitert wurde also auf stufe 4 hochgesetzt, gäste ins holiway evakuiert, bis märz geschlossen Staubmasken und augenschutz gekauft, pool abdeckung über nacht, staubmasken in die zimmer

es gab infos was man mit ascheregen macht, da kam emails von der deutschen botschaft notfallplan aus amerika, hotels wurden einzeln informiert wie man sich da schützt, das auswärtige amt schreibt flughafen gesperrt was zu tun ist, dokument erstellt und den gästen gegeben auf die zimmer gelegt, privat auch viele leute gemeldet die helfen wollten, das meiste aber selbst erstellt, immer magma indonesia schaun, wollte keine panik bei den gästen machen, emails von gästen bekommen die nachfragen ob sie kommen sollen oder nicht oder wie es aussieht, erdbeben waren nicht schön, die hat man schon gemerkt, gut dass stammgäste da waren, auch selbst informiert in apps etc, stornierungen die angst hatten auch wegen flugverkehr, es war ein sehr präsent es thema, trübt doch auch etwas die urlaubsstimmung, es wurde sehr thematisiert und, erdbeben sehr unangenehm, man merkte die lava laufen, man kam sich vor wie auf dem schiff, die ganze zeit gewackelt nachts,

27 nov flughafen gesperrt

Stornierungen von gruppen und seminare, manche gäste kamen dann aber trotzdem, klage eines gastes der am flughafen angerufen hat wollte garantie dass der vulkan nicht ausbricht, konnte nicht geben, hat geklagt,

pumpe und schläuche des poosl überprüft, kleines training gemacht,

angestellten sehr entspannt, lokale vom dorf,

spenden gesammelt für die flüchtlinge vom dorf unterstützt mit every day things, windeln, reis, ein auto voll, sind dann auch zur station hier wo eher die privaten familien sind und die dinge verteilt, in facebook gepostet, von gästen wurden auch kleider gespendet, baumaterial für eine toilette gekauft und für ein kleines haus da draussen schlafen nur mit plane

80% stornierung auf bali, kann auch sagen für holiway

Hätte bestimmt 60% belegung gehabt, in 4 stärksten monaten nur 17% auslastung, ist schon besser jetzt

Im oktober gruppe kam

Im dezember chinesisches ganzes hotel gemietet für 2 wochen kamen nicht
Insgesamt verlust von 90.000€ seminare, dazu noch stornierungen von eintelgästen,
2 weitere seminare im märz und februar storniert

Main learnings, anders machen

Weniger emotionale gästekommunikation, streitpunkte im management minimieren,
hatte nicht wirklich angst, gelassenheit beibehalten,

Bei ausbruch 3 stunden zeit bis asche kommen würde durch natürliche gegebenheiten,
keine klimaanlagen, fenster zu, leute nach surabaya bringen, angst ernstnehmen aber
panik nicht zulassen,

neuer seminarraum:

lange gewartet ob anfangen, geschaut dass erst mal kein geld ausgeben weil nicht
weiss was passiert, auch gehaltsrückstellungen gemacht, man weiss nicht wie weit die
schäden werden

rücklagen bilden, dass der betrieb sichergestellt wird und keiner entlassen wird, jetzt
weniger aber dafür dürfen alle bleiben

medien:

in deutschland eher panik gebracht negative wirklich, australien reisewarnung, chi-
nesen reiseverbot, in deutschland gesagt er ist explodiert, war nicht hilfreich, hätten
besser recherchieren sollen, mehr geschrieben als wirklich war, für ganz bali hat das
folgen, nicht nur angestellte von hotel, vor allem fahrer können familie nicht ernähren,
lieferanten des hotels, auch marktlieferanten unserer frischen sachen, viele preise sind
teurer geworden trotzdem haben die menschen weniger

information bekommen

war in ordnung, hermann hat sich viel informiert, wayan info bekommen über
aschestaub etc, von nachbarhotels auf informationen bekommen, wurde viel in-
formiert, musste selbst nicht viel suchen

mng eingenschlafen

ruhe, organisationstalent, kommunikations plan, mit zahlen und geld jonglieren, bes-
ser vorbereitet, das jahr wäre super geworden ohne die kriege, bis august gut gelaufen
und hatten puffer, vorausbuchungen sind weniger geworden, 1/3 nur vorrauszahlungen
anzahlungen als im vorjahr 2,3 weniger,

für die insel und natur war diese pause gut eine pause, für tourismus und die leute die
davon abhängen eher weniger

nach der bombe hat es 2 jahre gedauert, durch übertriebene facebookposts gäste
storniert

meine kommunikation:

ehrlich bekommen asche, wir sind gerüstet, alles andere ist keine gefahr, aber eher
runterspielen, aber auch dass keiner weiss ob und was passieren kann

having an established and formal crisis communication strategy in place may have reduced response time and developed a quicker communication strategy ... reduction in inconsistent messages (widersprüchlich) can confuse potential tourists, or those that had planned to come . avoidance of speculation reduces confusion (media?)

HWG excused the insufficiency by explaining that the intensity of the volcano eruption could not be forecast. Nevertheless, the agency taught them how to have an even better crisis response strategy in the future.

Initially access to information was maybe a bit difficult due to uncertainty and not much response of the government, and lack of knowledge for most of the people to read the signs by themselves statistiken und berg bla bla.

Recovering marketing? Bali is safe facebook, lack of knowledge produces fear, people did not know or realize that there is no potential threat to tourists, but can also understand not want to come, better go somewhere else where there is no stress or could be stress even if it is just the flight

Appendix 2

Notes from the interview with the Hotel Marketing and Maintenance Manager Mr. Hermann Sattler, 20 February 2018

Erfahrung mit Krisen?

Ja, Management Kriese für das Hotel, innen, Übernahme,

Versicherung?

Gebäude versicherung, keine betriebsaufall, elementarschäden; naturgewalten

Wie davon erfahren?

Keine große nachricht, entwicklucgen, durch zufall auf facebook warnstufe von normal auf vorsichtig/beobachten gestellt, nachricht an hotelmanager, first not paying attention, making fun, but then more investigations, but then not so professional aufgestellt, informationen verstreut, da mal in facebook da mal ein zeitungsartikel, dann gemerkt, ok da ist was dran, da passiert was, grafik gesehn dass die aktivität schlagartig nachoben geht, nach einer woche eine stufe höhre hab acht, seid gefasst, von dem momnet an wurde auch schon viel berichtet, innerhalb paar tagen auch medien, erdbeben sehr gemerkt, wackeln, knapp danach auf stufe 4, gefahr in verzug, ging alles sehr schnell, noch nicht mal in 10 tagen, (dann 14 tage zeit uns mit der situation arrangieren)

Was als erstes getan?

Sich informiert, überblick verschaffen: was macht das mit uns wie sind wir davon betroffen, damals war schon klar wir liebgen nicht in der gefahrenhone, aber was das bedeutet war uns damals nicht ganz klar, keine lava, keine pyroklastische wolken, anschauen der typografie, dann war die frage der asche, zu dieser zeit wind ging immer in unsere richtugn, aber wie verhält sich eine aschewolke, das sind unterscheidliche winde dafür zuständig, dazu auch noch erkundigt, wissen aneignen, wie liest man eine windanalyse (hektopascal?) das war arbeit, alleine durchgewurstelt, wir haben ja in der schule nicht vulkanausbruch gelernt?

FRAGE: was ist the worst case, nicht es wird schon gut gehsn (am theater gelern), dieser besagt: bei einem ausbruch der stärke 5 (großer ausbruch, alle ezichen haben darauf gedeutet 25000 erdbeben, auch analyse der vergangenheit, zeitungen sagen großer ausbruch, wenn dass dann kann ascheregen von bis zu einem meter wäre möglich bei unserer lage, dies hat zum anlass geführt nachzulesen, was macht ascheregen, gesundheitliche bedrohung, was macht es mit unseren Gästen, wie sieht ein tag aus unter ascheregen, wie lange dauert er, was kann man machen, was macht die asche kaputtt, wo und wie können wir uns und die gäste vor asche schützen, prognose asche austrpß bei 10-12 km höhe, das bedeutet 3 tage dunkelheit und ascheregen in dieser zeit, nach dem erfahren davon, ausschlaggebenede punkt dass wir gäste 3 tage versorgen können, mit der deutschen botschaft in verbindung gestetzt, weil die sind UNSrer behörde für die deutschen hier, die gefragt was zu tun ist für den schutz, diese sagten auch dasss 72 stunden müsst ihr die möglichkeit haben eure gäste zu versorgen, dann haben wir geschaut dass genug wasser und essen da ist, das dies gewährleistet, nahrungsmittel kein problem da haben wir vorrat aber wasser ist nicht so großzügig kalkuliert aber dann haben wir aufgestocke, allen gästen gesagt sich bei der eigenen botschaft auf bali zu melden, ich habe liste der deutschen hotels an die deutsche botschaft geschickt, alamanda hat großen fuhrpark, boote etc, damit

die wissen wo sie im notfall anfragen können, telefonnummer und ansprechpartner, haben mit ansässigen deutschen hotels zusammengearbeitet,

Kommunikation zu den gästen

Streitpunkt im management zu der kommunikationspolitik, was sagen wir den gästen? Wollen sie ja nicht in angst und schrecken verstecken, damit sie ihren urlaub noch geniessen können, aber auch nichts verheimlichen, bisher erfahrung theater: gefahren offen kommunizieren, damit sich jeder darauf vorbereiten und einstellen kann

Maintenance

Vorsorge treffen: Überall war empfohlen ritzen schleissen feinstaub nicht reinkommt, badezimmer lüftungsschlitze mit folien abgehängt, abdeckung für den pool gebaut, wenn asche mit wasser in verbindung kommt entsteh da saures wasser, säure entsteht, das wollten wir nicht, man hätte das poolwasser zur reinigung später benutzen, das eh verschmutzte poolwasser zur reinigung benutzen

Krisenplan davor?

Ne,Kein plan gehabt für speziell krieze, wir haben fluchtwege, security hat eine siräne, zettel auf dem zimmer wo im notfall zu treffen, wir sind in der zunami warnkette dabei, ebim erdbeben kann man einfach nichts machen, für manche sachen kann man einfach keinen plan entwickeln, kommen unerwartet, für vulkan haben wir jetzt zumindest einen, im kleinen kann man ja lernen, und erkennen das selbst ein großes event wie zb ein großer vulkanausbruch nicht allzuschlimm wird und man lernt ruhiger zu werden, das gereade selber ruhe bewahren sehr wichtig ist,

plan für die angestellten

meeting mit allen angestellten, sensibilisieren, was erwarten wir von ihnen, wenn asche kommt, müssen sie alle kommen, selbst folgen recherchiert, für diese folgen pläne entwickelt und an die angestellten weitergegeben

Marketingstrategie:

Social media: facebook, instagramm, yearly mail,

Bei holiway af facebook keine vulkanupdates (aus streitpunkt im mng) aus verkaufstechnischen gründen, man möchte keine angst machen, gerade bei leuten die nicht da sind, nicht selber sehn können dass es in ordnung und sicher hier ist, das bild der heilen welt aufrecht erhalten,

flüchtlichskrieze in den vordergrnd, wauch auch teilweise strategie um darüber zu kommunizieren dass es eine gefahr gibt, aber wie tun alles dass es den menschen gut geht und dass es unseren gästen gut, wir wollten zeiten dass wir helfen!! Wir sind aktiv! Wir tun etwas, wie sitzten das nicht nur aus! Können den gästen nicht garantieren dass es keinen vulkanausbruch gibt, aber wir ihenn garantieren können dass sie sicher bei uns sind, dass sie ankommen wo sie hinmöchten, dass sie nachhause kommen wir versorgen sie

durch gute marketingstrategie negative auswirkungen minimieren, gäste können: wäre möglich, wenn es ein informations monopol gäbe, es gab in der öffentlichen kommunikation einen bruch, regiereung hat am anfang super informiert als stufe zum ersten mal auf 4 gesetzt wurde, sie hat eine ganz offene klare strategie geführt, sämtliche ergebnisse offen gelegt, haben uns sehr gut informiert gefühlt und waren zufrieden und haben vertrauen entgegen gebracht, dann wurde auf stufe 3 gesenkt, das

hat zu verunsicherungen geführt, da nicht offensichtlich war dass sich die gefahr wirklich reduziert hat, oder das sich das ausbruchsrisko verringert hat, dann war die angst da dass diese abstufung nur aus rein politischen interessen abgeleitet war, das wurde mir auch bewusst da ich am gleichen tag in Rendang bei der beobachtungsstation an und mit einem angestellten gesprochen hatte, am selben nachmittag sagt er mir die gefahr im berg ist verdammt groß, es gibt keine anzeichen dafür dass der berg sich beruhigt, die magma braucht einfach nur genug power um hochzukommen, das sieht man vll jetzt nicht so aber keine reduktion zu erkennen, JEDER hat sich gefragt warum? Was ist der anlass diesen schritt zu gehen? Eventuell motiviert da durch die offene informationspolitik die lwute der gefahr ins auge gesehen haben und sich dessen bewusst geworden sind, viele wurden dann panisch und mehr leute haben dörfer und städte verlassen und sind geflüchtet wo es eigentlich nicht nötig war, touristenrückgang fing dann erst an, bis dahin war es gefühlt eine nur balinesische angelegenheit, in erster linie war es eine überforderung der regierung mit der flüchtlingspolitik; sie haben mit 70000 flüchtlingen gerechnet und sie mussten dann 150000 flüchtliche zu versorgen, so gab es dann engpässe an zelten und an unterkünften, das hat auch den staat viel geld gekostet diese flüchtliche zu versorgen, dann natürlich der touristenrückgang im süden, bei uns hier im norden eher weniger, dann sagten alle das ist eine rein politische ökonomische entscheidung keine für die menschen, das hat zu verwirrung geführt und den glauben und vertrauen an die offizielle zeite ging verloren, beim lesen der argumente disput zwischen wissenschaft und politik, wissenschaftler wollen nicht heruntersetzen aber durch druck der politik dazu gebracht, in den medien ist dann auch durchgesickert was bei den gesprächen gefallen ist, dann war fast stillschweigen der öffentlichen seite, in dieser stillen internetseite pack lesto (hydrologe bei einer erdölfirma und hat sich so mit flüssigkeiten der erde beschäftigt und darüber von vulkanologen angesprochen wie sich die magma als flüssigkeit in der erde verhält, so kam er dazu, wissenschaftler haben ihm aber auch vorgeworfen dass er nicht able ist to make conclusions) eröffnet der dann die öffentlich zugänglichen mittel analysiert hat wie seismogramme etc, man hat ihm dann panikmache vorgeworfen, aber die vielen verunsicherten leute haben versucht bei ihm informationen zu bekommen, aber leute haben ihm vertraut da er den menschen informationen geben, da ist das dilemma der regierung muss information der menschen die in gefahr sind sichern, aber andererseits wenn offene kommunikation geführt hat, angst produziert und leute von bali vergehalten, wir hatten das dilemma im keinen, was sagen wir den gästen die hier sind, was sagen wir zu aussen gäste, canceln die, aber wenn sie hier sind sagen wir ihnen offen dass es eine gefahr gibt. Zwischen dem business die leute kommen zu lassen, keine angst nach aussen kommunizieren, aber eine gewisse angst im inneren muss sein sonst ist man ja auch nicht auf einer haut acht stellung und stufe 4 vulkan kann innerhalb von 24 stunden ausbrechen, das müssen wir unseren gästen hier sagen, aber was sagen wir den gästen die kommen wollen sagen, ist vielleicht unnötig da in derzeit in der die sie da sind, was dann unnötig panikmache wäre,

einschätzung der strategie der regierung

im nachhinein völlig richtig gehandelt, damals auch verunsicherung da keine informationen mehr kamen, regierung hat den split zwischen wirtschaftlichkeit und ehrlichkeit ganz ok hinbekommen, auch nicht perfekt, wenn das überhaupt geht, aber die strategie war im nachhinein die richtige, go bali promotion video, bali is safe! To show the people we are ok, wie guvaneur die ganze zeit gesagt "bali is safe" wurde auf sozialen medien verspottet, hat gesagt only 2% of bali is unsafe, er wurde verspottet wie er sowas sagen konnte, aber im nachhinein mit mehr wissen und erfahrung kann ich sagen er hat auch richtig gehandelt,

aber wäre der vulkan wirklich groß explodiert wäre wieder nich so gut gewesen hätten sie glaub ich fehler gemacht, bisher ist das pokersüoel für die regiereung aufgegangen, dann kann man jetzt nicht mehr sehn ob sie gespielt haben, welche gesicherten wissenschaftlichen fakten haben zur herabsetzung etc geführt die entscheidungen so zu treffen, im moment wieder volles vertrauen zur regiereung, sie sagen sie beobachten den druck und die ereignisse im berg und informieren wenn etwas bevorstehen würde

any organisation

ende november meeting mit operational manager, hotelorganisation PHRI hat das meeting organisiert Katastrophen amt PVMBG mit durchgeführt, soetwas wie eine catastrophe information/ training, aufklärung zur vorbereitung für vulkane, leute die das gehalten haben konnten einfach die fragen die wir hatten nicht beantworten konnten offene fragen nicht beantwortet, waren nicht in der lage angst dzu reduzieren und unsicherheit in sicherheit zu verwandeln, treffen war sehr unnützlich,

15 dezember vom pack lesto: wir sind die weltbesten im crisis management , wir sind gut vorbereitet, wir können den gästen die nach bali kommen sicherheit bieten, garantieren in guten händen, unsere gastgeber sind perfekt vorbereitet, er hat das dilemma auch gesehen, intern vorbereitet sein muss, können es uns nicht leisten leichtsinning zu sein dann haben wir tote, wenn aschefall ist, dann muss die leute auch wissen wie man damit umgeht, kann nicht sein das image daanch zerstört wird wenn man touristen in der asche sitzten sieht, das zerstört das image für jahre, also müssen wir die leute informieren, zertifikat/ label für sichere hotels

Fazit: hätte gerne gewesen aber ins leere gelaufen, es hätte personalschulungen gegeben wie man sich im aschefall verhält, masken verteilen, etc, welche sicherheitskleidung gebraucht wird, infomationen geben, kann man auto fahren, kommt man auf den flughafen dach surabaya, wo wenden wir uns hin, wo können wir informationen herbekommen

Regiereung hat nie gesagt, wie ist das organisiert, wo sind die busse wo sind die fahrer, wie ist der plan, der gguvaneur hat nur dann gesagt er verlegt sein büro an den flughafen und organisiert den transport von ihm selbst, aber was tut man denn dann im ernstfall? Ihn anrufen? Die polizei hier weiss es warscheinlich auch nicht, aber die balinesen sind schwer einzuschätzen, es sieht nach unfassbarem chaos aus aber wenn es dann soweit kommt sind sie trotzdem total organisiert, aber meistens geht dass dann irgendwie privat, der couseng von der schwerster vom gärtner arbeitet in denpasar und ihre freundin bei der regierung so erfährt man dann solche dinge, weil die balinesen einfach wissen dass es so funktioniert, weiss immernoch nicht wo ich anrufen sollte, aber irgendwer muss irgendwer kennen und dann klappt das auch auf dem balinesischen weg

kann man die krise auch als werbungsvorteil zu nutzen
das war lestos strategie, ja

rolle der Medien

sehr wichtiges thema im krisen management! (bali tribiune hervorgestochen, jakarta / bali post)

Balinesische und lokale medien haben gut berichtet, keine panikmache, sachliche und objektive verlässliche gut recherchiert berichterstattung geliefert, beide seiten einbezogen und abgewogen, sich nicht nur als organ der regierung präsentiert, aus erster hand informatiottn der bvmbg weitergegeben, hauptinformant, haben aber auch über

dinge berichtet die die pvmg in offiziellen seiten gerne runtergespielt hat, sehr informativ insgesamt, hintergründe aufgedeckt informiert man konnte sich darauf verlassen, tv verstehe ich zu wenig, nicht täglich verfolgt,

in der ersten phase tägliche berichterstattung, da brauchten die medien futter, die indonesischen medien haben überzogen, in rendang ihre 20 reportet mit kamera auf berg gerichtet gewartet auf das foto ihres lebens, 24 studnen wache gemacht, haben die reportet bezahlt also musste auch täglich ein bericht, und wenn man nichts zu berichten hat wurde es dann etwas aufgebauscht indonesien weit, also dann stufe runter ging alle leute abgezogen, dann bei erneuter erhöhung der stufe wurde nicht mehr so groß, als er dann eruptiert hat warn sie nochmal alle da aber als es dann weiter ging waren andere themen wieder wichtiger geworden.

Extern

Medienkatastrophe in der katastrophe, bali hat zwei katastrophen zu bekämpfen die eine ist die natürliche die andere die wirtschaftliche und die medien haben die wirtschaftliche produziert durch panikmachende berichterstattung die auf panik ausgelegt war weil die wirklichkeit zu unspektakulär war hat man spekulationen dazu erschaffen und die bilder versuchen so zu catchen dass es sensationell aussah, dadurch hat man angst und panik produziert,

kein einziger der berichtenden korrespondenten war wirklich auf bali, war sehr oft der fall!, es gab agenturmeldungen von bali presseagenturen, diese haben einen bericht herausgegeben dieser wurde von auslandskorrespondenten in bangkok oder myanmar sitzen aufgegriffen, hat dann ein paar bilder dazu genommen, die tageschau hatte keine korrespondenten und kontakt mit deutschen auf bali und interviews gemacht und dann auch noch in der tageschhaau gesagt „mensch sie sind aber entspannt“ das es einfach nicht das war was sie hören wollten, ein korrespondent sas in bankok und hat mich angerufen, keiner war wirklich da und hat die situation live erlebt und durch fragestellungen versucht emotionen zu schüren die interviewpartner in eine emotionale situation bringen um dann futter zu haben für ihren bericht, das zdf hat die forderung an mich herangebracht ob ich bilder auftreiben kann panische menschen am flughafen oder menschen die sich aufregene weil sie warten müssen, geliefert habe ich dann einen bericht aus dem dorf alle fröhlichen leute, ganz balinesisch, und sagt hier ist alles gut, „machen sich die menschen keine sorgen“ doch wir sind in einer abwartenden situation aber immoment ist alles ok, easy going ehrlichen strategie wind aus den flügeln genommen, saarländischer rundfunk auch interview fragen auch in diese richtung gestellt, auch sagen mit dieser frage kommen sie nicht weiter weil die situation ist einfach anders,

es ist ja gut dass leute informationen bekommen durch die medien, aber das schlechte ist die falschen berichterstattungen

reale katastrophe:

die katastrophe die wirklich eingetroffen ist ist die schlimmere, wurde künstlich durch die medien erschaffen!! Ich kenne etliche leute die alles verloren haben, sony hat ein mäßig gehendes restaurant, dann 2 monate keine kundschaft mehr, bank hat kredot gesperrt, haus konfiziert weil es als sicherheit hinterlegt war, kein auto mehr und wohnt in einer wohnung muss sich eine neue existenz aufbauen, fahrer am flughafen und taxifahrer suchen und betteln für arbeit, mit bsp geedet am flughafen, gebettelt bitte gib mir den job ich fahr dich auch ganz billig, gib mir nur die möglichkeit einen job zu haben, der hat die ganze katastrophe wiedergespiegelt, dieser steht für viele! wir merken es hier ja auch!! Noch nie in der geschichte von holiway mussten wir bei notwendigen anschaffungen überlegen ob wir es uns leisten können, wie der bau des seminarraums, trotzdem dürfen wir da jetzt nicht sparen oder billig zu arbeiten, lange überlegt

ob überhaupt anfangen. Wir sind in einer ganz anderen finanziellen situation als vor dem vulkan. Wir waren durch cancellation einer gruppe 2 wochen ganz ohne gäste, ein anderes hotel macht ganz zu, andere hotels haben angestellte entlassen, bei hotels die nicht so gut laufen wie unseres mussten wohl ganz schliessen

main learnings?

Persönlich gelernt kommunikations politik maria war die besser: war zwar nur nach gefühl auch den split zwischen ehrlichkeit aber beruhigend, es kann keiner sagen, kann so sein oder so sein, diese art ist die richtige, ich würde mich mehr zurücklehnen in zukunft, in einer angespannten situation eher sachliche informationen weitergeben, balanceakt mehr bewusst geworden, nicht hinreissen lassen von emotionen oder dem drang ich muss informieren, rationaler überlegen welche informationen weiter zu geben sind. Man ist emotional mit dem hotel verbunden aber sich nicht davon hinreissen lassen, gelernt dass die gemachte katastrophe schlimmer ist als die natürliche, durch beobachtung gelernt dass es eine sehr lokale veranstaltung war liegen ausserhalb davon, wusste ich zwar vorher aber jetzt bewusst, weiss jetzt auch was „gefährdungs-berreich“ überhaupt bedeutet, auch die angst vor asche hat sich relativiert, weil ich weiss dass an auto oder moped fahren kann, dass es nicht ganz so schlimm ist wie zuvor gedacht, größte angst war immer panische gäste können nicht abtransportiert werden, diese hat sich auf relativiert, die einzige art panische leute zu beruhigen zugestehn dass wir sie evakuieren können, aber wir wissen dass es gehen würde, generell gelassen werden,

auch zerstörung der grünanlage, habe gesehen die bäume am agung die verdorrt waren durch die asche haben 2 monate später wieder grüne blätter, wann haben wir wieder ein repräsentatives hotel, durch kleinere ausbrüche gelassen werden, 5km ausbrüche ist nichts (25 november), durch erfahrung gelassenheit gelernt auf für weitere krisen

Gäste vorwiegend entspannt

Praktikantin, joga lehrerin, andere gruppe wollte nichts vom vulkan wissen spirituell fühlen ihn nicht

Management fähigkeiten:

Bipolarität zwischen manager und mir, geniale kombination fürs management, sehr unterschiedlicher meinung, ich konnte sie puschen von verharmlosung aber sie mich gepuscht hat nicht in eine überbewertung zu fallen, wünsche ich jedem managemet, da ein mittelweg gefunden wurde auf jeder ebene, in der organisation und der kommunikation, etc ist zwar ein spannungsverhältnis hat aber zu einem von beiden seiten angemessenes verhalten geführt hat, nicht nur management hat gelernt auch angestellte

Krisenkommunikation

Deutsche botschaft ansprechpartner für krisenkommunikation, entscheidet wann ein land in einer krise ist, über sie laufen dann auch viel kommunikation über die, informationskette war klar geregelt: wo bekomme ich info her dass der berg ausbrechen wird, es gab apps, moderne kommunikationsmittel, polizei ruft uns an wenn der berg ausbricht offizielle mitteilung wenn die das wissen, war abgesprochen mit unserem freund dort, es gab keine von oben geregelte krisenkommunikation, es basierte eher auf eigeninitiative, hatte auch von der dt botschaft handynummer eines ansprechpartners, wären aber eher auf uns allein gestellt gewesen wenn es um die

gäste abzutransportieren, haben uns mit nachbarhotel getroffen, gegenseitig versichert dass wir uns gegenseitig helfen, alamanda hat viele autos. Wir organisieren zusammen, konkurrenzdenken war aus, eigeninitiative ist ja auch ok, und konnten auch nur tun weil wir die informationen von oben bekommen haben. Was wir damit machen lag dann bei uns

Es gibt keine klaren regeln in der krisenkommunikation, generelle ja aber keine detaillierten

Appendix 3

Original Operational Crisis Response Plan Holiway Garden (2017)

Tugas Maintenance, Security, Gardener dan Housekeeping

Protection Ashrain – perlindungan Hujan Abu

- Cover pool – tutup pool
- Cover the rest of AC – tutup AC outdoor yang masih terbuka
- Close all Jalousies - Tutup semua Krep
- Close all windows – tutup semua jendela
- Close the foil in front of reception and laundry – tutup foli depan resepsi dan laundry
- Cover the washing machines in laundry – menutupi mesin cuci di laundry
- The machines and devices of Swirsa bring into the storage – mesin dan alat2 Swirsa membawa ke Gudang
- Cover all motorcycles of the staff with tarpal - Menutupi sepeda motor karyawan dengan tarpal
- Bring the motorbikes of Windy and Herman to the "Toko Mahal" - Membawa Sepeda Motor Windy dan Herman ke "Toko Mahal"

If there is a strong ashfall, accompanied by heavy rain – jika ada hujan abu yang keras disertai hujan lebat

- It can be that there will be problems with the waste water Gardens – Ada kemungkinan masalah dengan waste water Garden.
- There is the possibility that the ways of the water are blocked. Try to keep them open –
- ada kemungkinan bahwa jalur air tersumbat. – coba untuk tetapnya buka, jika perlu dengan mengubur jalur yang baru
- the roofs have to been checked and maybe cleaned if there is too much ash – atap rumah harus dicek dan mungkin dibersihkan jika ada terlalu abu

high Pressure of explosion – tekanan ledakan yang keras

- it can be that the pressure of the explosion destroys glas and tiles. It also can hit trees and leaves.
Jika ada tekanan ledakan yang keras. Ini bisa merusak kaca jendela dan pintu, pohon dan daun dan genteng juga.
- If there is no Ashfall and also the probalility of ashfall is not high – let them open
Jika tidak ada hujan abu dan kurang kemungkinan hujan abu karena angin bertiup ke arah lain – biarlah buka.
- If there is Ash fall without rain they have to be closed immediately. Jika ada hujan abu tanpa hujan jendela dan pintu seharusnya tutup secepatnya. Silakan mempersiapkan foli, tape dan gunting.
- If there is Ashfall with rain they can be closed after everything outside is done.
Jika ada hujan abu disertai hujan jendela dan pintu yang rusak bias tutup setelah semua siap di luar

Earthquake – gempa bumi

- After a strong earthquake the villas (roof and terras) has to be checked of dangerous cracks – setelah gempa bumi villa seharusnya meng
- ecek jika ada retakan yang bahaya. Mungkin harus menopang.

A strong earthquake can cause a tsunami – Gempa bumi yang keras bisa menyebabkan tsunami.

Tsunami

- Security has to give the signal with sirene - Security harus memberi sinyal siren
If you hear the sirene in any case come immediately to the pos security to get info – jika kamu mendengar bunyi sinyal siren datang secepatnya ke pos security.
- If there is the sign for tsunami run! Jika ada sinyal tsunami lari cepat ke bukit!

Listrik

- If the listrik breaks down, we have 6 hours to cool the food in Refridgerator – Jika ada kegagalan listrik ada 6 jam untuk mendinginkan makanan di kulkas. Setelah waktu ini jenset diperlu.
- Please prepare your flashlight for your own. Silakan mempersiapkan senter untuk diri

Tugas Resepsi

Information Center – Pos informasi

- The task of the receptionists is to collect and spread all information – tugas resepsionist: kumpul semua informasi dan menyebarkan
- Arah angin, situasi listrik, ada peringatan dari pemerintahan, siapa perlu bantu ...
- Pembagian/ distribusi mask dan kacamata lindungan
- Jika ada tamu resepsionis mengatur tuntutan mereka.

Pos pemantauan berlokasi di Villa Laksmi – Resepsionis berkerja disana