



## [How to manage risks in tourism?](#)

Risk management is becoming increasingly important to protect both your customers and your business. You should be prepared to deal with potential crises. Identify possible risks for your destination, and determine your risk management strategy to set up a plan. Train your staff and team up with stakeholders. In case of a crisis, be clear and honest in your communication. Repositioning may provide opportunities to retrieve your business.

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## 1 . Why risk management?

Tourism companies are increasingly facing incidents that involve risks for both travellers and the tourism industry. Examples are extreme weather, political unrest, terrorist attacks, earthquakes, tsunamis and health-related incidents. In 2018, the [World Economic Forum identified extreme weather events and natural disasters as the most likely global risks](#) with a considerable impact.

These events can have a tremendous negative impact on tourism destinations. In addition, the damage to a destination's image may have even longer lasting effects than the actual damage from the crisis.

It is important to learn to address risk management issues and reduce the impact of crises and disasters. Crises can also create opportunities; they can shake up the market by making tourists look for new destinations. Countries that are first to come up with a good offer can be winners.

Risk management does not start with a crisis, but much earlier. To be prepared for a crisis, every tourism company should think about risk management. Here are our top 10 tips on how to successfully deal with risks and risk management in tourism.

### Top 10 tips on risk management in tourism

1. Identify the risks
2. Determine your risk management strategy
3. Develop a risk management plan for your tourism business
4. Team up with stakeholders
5. Train your staff
6. Test your plan
7. Provide clear and honest crisis communication
8. Stay informed about possible negative travel advice
9. Retrieve your business after a crisis
10. Reposition your business after a crisis

## Tip 1: Identify the risks

Make an inventory of the potential hazards and risks that could threaten your destination, such as:

- natural hazards
- technological hazards
- biological hazards
- civil/political hazards.

Identify the nature of the potential crisis.

Consider the:

- cause
- frequency
- duration
- speed of onset
- scope of impact
- destructive potential.

A good risk analysis maps out the type of risk your destination can encounter. It also tells you what impact it can have on the tourism sector in your destination.

See this [Tourism Risk Management Guide](#) and its accompanying [workbook for businesses](#) or [destinations](#) by the Asia-Pacific Economic Cooperation (APEC) for more information on identifying risks. [Tourism Australia's Risk Management Policy](#) also provides useful information on how to identify and analyse risks.

## Tip 2: Determine your risk management strategy

There are several strategies for risk management:

- avoiding the risk
- reducing the likelihood of the consequences
- transferring the risk
- retaining the risk.

Learn from previous crises and disasters that have taken place in your area. Also look into similar crises that have occurred in other areas.

### Risk avoidance

This strategy means eliminating the risk by completely avoiding a potentially risky activity.

For example, if part of a particular route is prone to flooding during the rainy season, there are two options for risk avoidance:

- cancel the tour using it, or only offer it during the dry season
- offer the tour using it in an alternative format, avoiding the flood-prone part of the route.

Although risk avoidance may seem like the ideal solution, it is not always an option. Some risks are unavoidable, for example when your destination is in an earthquake zone. In that case, you need a different risk management strategy.

### Risk reduction

If you cannot eliminate a risk, try to reduce it. You can do this by increasing precautions or limiting risky activities as much as possible.

Examples of prevention methods are:

- safety standards (burglary, unwanted visitors, evacuation plan)
- fire extinguishers, smoke detectors, sprinkler installations
- earthquake-proof building, water management

- qualified and/or certified tour guides, (adventure) trek leaders, drivers.

## Risk transference

This strategy means you transfer the financial risk to a third party, usually an insurance company. In Europe, tour operators increasingly demand that their partners have liability insurance in place. This insurance should cover possible damage and accidents involving customers during their holidays.

## Risk retention

If other strategies are not an option, you simply have to retain (accept) the risk. This strategy is also common for relatively minor risks that are not severe or frequent. You could consider minor risks “part of the job”.

## Tip 3: Develop a risk management plan for your tourism business

Every tourism provider should have an emergency/contingency plan at the ready. You may think your destination is free of risks, or you may not want to give the impression that there might be risks at your destination. However, European tourists actually increasingly ask tour operators for a risk management plan. This means tour operators may demand you have a plan in place.

Risk management plans for tourism should at least address:

- the safety of visitors and employees
- secure systems to communicate with all persons within the facility and the destination
- the security of buildings, facilities and equipment in the event of a disaster
- contributing trained liaison personnel to the disaster management agencies during response and recovery operations, as required
- supplying resources to support response and recovery operations
- procedures for return to normal business activities after the disaster operations.

## Tip 4: Team up with stakeholders

### Stakeholders in your region

A good risk management plan requires involving stakeholders in your region. You have to identify the structures and frameworks within which tourism operators and destinations can develop their own capacity to prepare for, respond to and recover from crises and disaster.

For most countries, tourism is an important industry. Therefore, national governments must be involved in the risk management strategy for tourism.

Other government agencies that should be included in a safety and security committee:

- national tourism administration/visitor board
- police
- counter-terrorism/security agencies
- ones responsible for customs, disaster management, foreign affairs, health, immigration, legal affairs, transportation.

Tourism industry sectors that should be included:

- airlines and transport company associations
- hotel associations
- tour operators’ associations
- other tourism and travel representatives
- consumer groups
- retail trade organisations
- tourism safety and security-oriented research and documentation centres.

## Tourism associations

You should also join a national or international tourism association. They can be very informative

and helpful when (preparing for) dealing with crises. For example, members of the Adventure Travel Trade Association (ATTA) can register for a course in [Safety and Risk Management for Adventure Travel Tour Operators](#). ATTA members in Nepal also received great [support from their fellow members](#). The ATTA organised an [AdventureWeek Rebound Nepal](#) including a [volunteering FAM trip](#).

## Tip 5: Train your staff

In a crisis, your staff must relinquish their everyday roles and carry out tasks that are far less familiar. On top of that, they have to perform these tasks in an often highly stressful environment. This means they need to be well prepared and require firm leadership and direction.

Organise training programmes for your staff on how to handle crises, including introduction programmes for new staff such as the aforementioned ATTA course in [Safety and Risk Management for Adventure Travel Tour Operators](#). Training is an ongoing process, so you should keep monitoring and evaluating plans and procedures.

## Tip 6: Test your plan

Make sure your plan is ready for action. After you implement it in your tourism business, you should test your plan, for instance with scenario testing, where you simulate a crisis situation with your staff. These exercises may expose potential weaknesses in your plan and allow your staff to become familiar with their roles and responsibilities.

Risks and circumstances may change, so maintaining and updating your plan is important.

See APEC's [Tourism Risk Management Guide](#) for more information.

## Tip 7: Provide clear and honest crisis communication

Communication is key in successful crisis management. Communicate directly with the media and keep your website and/or social media channels up to date. Your staff also plays an important role in communicating with your customers on site.

Keep your information neutral and factual. Most importantly: be honest! If you are too positive, people might not believe you.

Take, for example, the prime minister of country X who declares that the "country is absolutely safe for tourists". Many tourists do not trust this message, based on contradictory information in the media. A more suitable message could be: "So far there have been no attacks reported that were aimed at tourists. However, country X is prepared to protect tourists in a crisis situation."

## Your website and social media channels

Your website should always have up-to-date information on your local safety situation and any related changes. Let people know that you work with professional and trained staff.

In case of a crisis, post information about the impact in your region on your website. Communicate clearly and honestly whether and how your business has been affected by the crisis. This also applies if your company has not been affected, as your customers need to know this too.

Social media can be a useful tool to provide updates and communicate directly with people.

For more information, see the UNWTO's [Toolbox for Crisis Communication in Tourism](#) and the [ASEAN Tourism Crisis Communications Manual](#).

## Tip 8: Stay informed about possible negative travel advice

Regularly check your country's safety status on the Ministry of Foreign Affairs websites of your target countries, like [Ireland](#) and the [United Kingdom](#).

If your region is declared "unsafe", commercial tour operators will probably not go there and travel insurances will not cover their clients. If you feel your region is safe to travel to, team up with other

stakeholders in your region and start to lobby foreign consulates and embassies to adjust the negative travel advice concerning your region.

For example, after the earthquake of 2015, many countries issued a negative travel advice for the entire country of Nepal. This led to an enormous drop in tourism arrivals. Tourism companies in Nepal teamed up and started a lobby directed at the consulates and embassies to limit the negative travel advice to the areas that were really affected by the earthquake. Their lobby was successful and the negative travel advice for unaffected areas was lifted.

## Tip 9: Retrieve your business after a crisis

### Post-crisis travellers

There are always travellers interested in destinations that have recently suffered from some form of crisis. These are often dedicated travellers, backpackers or high-end surfers attracted to specific surfing spots. They are not necessarily on a tight budget, or unwilling to spend much money at your destination. See them as a vanguard, who may encourage other travellers by sharing their experiences online, and in person with friends and family.

### Experiences and blogs

People value the experience of other travellers, as they consider this information to be especially trustworthy. Therefore, you should share safety experiences from customers on your website. Let them write about how safe they felt, so other potential customers may be convinced.

Also consider collaborating with (travel) bloggers. Let them visit your destination and blog about it. Your destination does not yet have to be the same as before the crisis. Human stories can make a destination even more attractive if there are some flaws.

For example, if your area has been damaged by a flood, invite a travel blogger to come trekking. The blogger can describe the unique experience of visiting an area that has been partially destroyed by nature. Perhaps they wanted to do a famous trek, which is now inaccessible due to a ruined bridge. So instead they chose a lesser-known but safe trek, which turned out to be one of the best they ever did!

For more tips, see our [top 10 tips for travel blogging](#).

## Tip 10: Reposition your business after a crisis

Some crises have such an impact on a tourism destination that you need to think about repositioning your business. For example, in 2000 [Rwanda identified tourism as a priority sector in its Vision 2020 programme](#). However, the country had a major image problem due to the civil unrest of 1994.

Rwanda decided to focus on its competitive advantages for higher spending travellers. It developed a [brand](#) highlighting the country's excellent opportunities for wildlife/eco-tourism, adventure travel, cultural travel and conferences. Now, [Rwanda is considered the safest country in Africa](#) and the 9th safest in the world. The country is [a trending luxury travel destination](#), [tourism has become its leading foreign exchange earner](#) and [the sector's contribution to GDP \(Gross Domestic Product\) continues to increase](#).

For more information about repositioning, see the Wanderlust Report on [repositioning an underperforming destination](#).

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