European Needs Analysis on Crisis Management for Tourism SMEs

Part 1: Introduction and Methodology

Navigating Tourism
Crisis Recovery

Co-funded by the
Erasmus+ Programme
of the European Union

INTRODUCTION

The final report for Intellectual Output (IO) 1 contains six elements:

- Introduction and Methodology
- Online Research
- Good Practice Case Studies
- Literature Review
- Analysis of Industry Interviews
- Competence Framework and Conclusions

This document forms part one: Introduction and Methodology. For the full suite of IO1 reports please visit https://www.tourismrecovery.eu/resources/.

PROJECT AIM

The overall aim of TC-NAV is to develop an HEI curriculum, a vocational education and training package, open-access educational resources and an innovative learning app, all helping tourism SMEs to gain the knowledge and management competencies to navigate their company through crisis and to become more crisis-resilient. To effect this change, there are four Intellectual Outputs (IO) in TC-NAV:

- International Needs Analysis on Tourism Crisis Management for SMEs (Lead: UHI): comprising an international study / needs analysis on the characteristics of tourism crises and the special needs arising from them for SMEs.
- HEI Tourism Crisis Curriculum (MMS): easy adaptable and modular HEI modules will be developed including learning objectives, lesson plans, assessment guides, and access to a variety of additional teaching content. The modules allow HEI lecturers to implement this important topic as new courses or in modules into existing courses.
- SME Training Package and SME Crisis Navigator (TVW): we will provide SMEs and supporting organisations with a full training package allowing them to extend and professionalise their services with regard to tourism crisis.
- Crisis Navigator App (EUEI): the materials from the other three work packages will be developed into a fully operational, self-directed learning app and digital knowledge exchange platform.

The first Intellectual Output (IO) was to set the stage for collaboration and to gain a better understanding of the risks in the tourism landscape, the impact or potential impacts of crisis on European SME's and regions. To inform us of any gaps and provide us with recommendations of how tourism SME's and regional tourism networks and supports can better prepare, respond and enhance its resilience. This IO will activate the future capacity for project, its collaboration and development IO's 2&3. The study essentially pursued three central objectives:

OBJECTIVE 1 - Filling research gaps: while business crises in general have already been extensively researched, there are still significant gaps with regard to the specific needs of tourism SMEs facing a virulent crisis and the competencies needed and best practices to assess those important areas. As SMEs in the tourism sector have specific characteristics and are especially vulnerable to crisis, specific approaches need to be considered from this perspective.

OBJECTIVE 2 - Raise awareness for the importance of crisis management and adaptive leadership competencies in SMEs in the tourism sector: By publishing and disseminating research results both in the scientific community and among our target groups (esp. HEI, VET trainers, consultants, SME owner/manager and future entrepreneurs), we create a sustainable awareness for the importance of the topic and use the study as a first milestone of our dissemination strategy.

OBJECTIVE 3- Outline of the structure of the subsequent outputs: One central result of IO1 is a framework of the specific characteristics of tourism SMEs, the challenges they face during a virulent crisis, the needs arising from them and the best practices to assess them. This framework forms the structure for both the curricula and learning resources of IO2, as well as for the VET Training Package and SME Crisis Navigator OERs (IO3) based on it. Our approach is to build on the strong foundations provided by the applied research of UHI, our Lead and HE partner and the strong networks especially in the HEI sector of FUNIBER and brings in the perspectives from diverse target groups as represented by our partners.

This paper synthesizes the research undertaken towards objectives 1 forming the basis for objectives 2&3.

METHODOLOGY

The methodology consisted of a three part process of online research, academic research and in-depth interviews of tourism SMEs or crisis experts.

1. Online research

Each partner conducted desktop research within their own country of:

- Industry reports or policy documents on the impact or potential impacts of crises (with particular emphasis on the pandemic) on European tourism SMEs
- Case studies and examples of good practice relating to how tourism SMEs navigate their way effectively through crisis
- Reports/blogs etc regarding the specific issues facing tourism SMEs in crises
- Identification of crisis management or leadership skills required to help SMEs out of crisis

UHI and FUNIBER extended their desktop research to include policy documents and good practice from across the globe.

2. Academic research

FUNIBER, HAK and UHI conducted an academic literature review relating to:

- The impact or potential impacts of crisis on European SMEs
- Case studies and examples of good practice relating to how tourism SMEs navigate their way effectively through crisis
- The specific issues facing tourism SMEs in crises
- Crisis management or leadership skills

3. In-depth interviews

Each partner conducted a minimum of five in-depth interviews with tourism SMEs, crisis experts, tourism industry bodies, or other appropriate stakeholders. The interviews were transcribed and translated into English as required. The findings were then combined and analysed to pick out key themes under set questions, along with choice quotes that would add depth to the discussions and illuminate participants' voices. All responses were anonymised.

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INDUSTRY REPORTS

Iceland

In Iceland, tourism became the countries' most important export industry after the financial crash 2008. In 2017, tourism was 42% of the total exports; fisheries, 17%, and aluminium 16%. International tourist numbers rose from half million in 2010 to 2,3 million in 2019 (Icelandic Tourist Board, 2021, January 15), the annual increase being between 19-39%. During this time, many Icelanders turned to tourism as their main economic activity.

In 2018, Iceland ranked in the third place, after Mexico and Spain, of all the OECD countries in proportion of tourism of the total GDP of the country (OECD, 2020). The percentage of people working in tourism compared to the whole economy was the highest in Iceland, of the OECD countries even higher than in Spain (ibid).

Iceland is amongst the countries in Europe that have experienced biggest decrease in tourism numbers as a result of the Covid-19 pandemic (European Travel Commission, 2020), with -76% decrease in international tourism numbers (Icelandic Tourist Board, 2020, January 15), and the number of people working in tourism have decreased considerably. According to the short-term economic indicators for tourism the decrease had been 46% from October 2019 to October 2020. Reduction of staff was most prominent in travel agencies, tour operator companies, and booking services (-63%), the accommodation sector then following with -59% reduction of employees (Statistics Iceland, 2021, January 20 a).

News about the pandemic started to spread in late January 2020, and the first Icelandic Covid-19 infection was diagnosed on February 28. Although the borders were open for foreign tourists until the end of April, tourist numbers started to decline as soon as the news started to spread around the globe in February (see figure 1). From March to June tourism operation was nearly none.

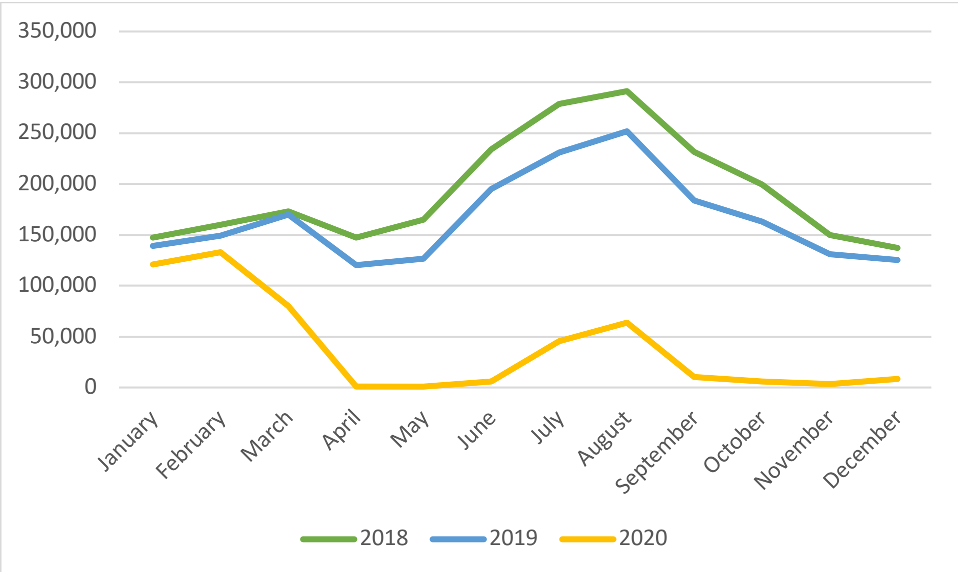


Figure 1. Number of foreign tourists through KEF international airport (Statistics Iceland, 2021, January 20 b)

In midst of June (15th), border regulations for foreign tourists changed from 14-day quarantine to the possibility of doing a screening test on the border. Also, general disease control measures were eased. The numbers of foreign tourists' arrivals went up, from 1035 international tourists in May to 45,000 in July (Icelandic Tourist Board, 2021 January 15). Added to that, Icelanders, who usually travel a lot abroad, were not able to do so and started to look for travel possibilities domestically. Icelanders, who spent around one million pounds abroad in the year 2018 (Baldur Guðmundsson, 2019, April 17) had nowhere to turn except to travel in their own country.

Domestic tourists had not been the focus for many tourism companies since they were all too busy managing the surge of foreign tourists' arrivals. Added to that, the domestic market is small, 350.000 Icelanders compared to 2,2 million foreign tourists. During the summer of 2020, however, many saw the small domestic market as an opportunity to do something and adjusted their business model and marketing material to domestic tourists and many lowered their prices considerably (Gallup & The Icelandic Tourist Board, 2020, November). The government also encouraged domestic tourism by giving every Icelander a travel voucher that could be used in Icelandic tourism companies (Jelena Ćirić, 2020, May 26). The travel voucher and the related campaign stimulated, without doubt, domestic tourism. Since the bulk of the Icelandic nation lives in the Capital region, tourism companies outside that region were the main beneficiaries of the increased domestic tourism. Some small rural enterprises, for example restaurants, experienced a very good summer with even more customers than the summer before.

In August, as a result of increasing number of Covid-19 outbreaks, stricter screening measures at the border were launched along with other measures in the society. This resulted in an instant cancellation of bookings and foreign tourists' arrivals came to a halt (Ministry of Finance and Economic Affairs, 2020, November).

The effect of this pandemic on tourism businesses in Iceland will not be clear anytime soon. However, some of the companies were nearly without any income in the year 2020 (KPMG, Icelandic Tourism Cluster & the Icelandic Travel Industry Association, January 2021). Most companies have taken various actions to minimize the damage caused by the Covid-19 pandemic such as cost cuts in the operation, laying of staff, freezing loans, re-negotiating rent payments, etc. (KPMG & The Icelandic Tourist Board, 2020, December). Despite hard times, a survey done by KPMG for the Icelandic Travel Industry Association and the Icelandic Tourism Cluster in January 2021 showed sign of positivity and resilience amongst tourism operators. Thus, 92% of the respondent said they intended to carry on as usual instead of merging or to cease operations.

It is important to realise that the challenges are different based on what subsector of tourism the tourism businesses are located within, and the fact that they have different resources to deal with the crisis (KPMG & The Icelandic Tourist Board, 2020, December).

Recreational businesses income follows the development of tourist arrivals to the country during the year. The recreational businesses income relies mainly on the summer season, especially companies in rural areas. Most companies are financed so that liquidity can support 1-2 months fixed operating costs but there is a risk that poor operating conditions have already used up these reserves. Weak operating months during the winter tend to use up cash. Prepayments are commonly used to cover part of fixed operating costs of the low season. Mortgages of assets are often limited as operating assets are specialized for the activity in question, e.g. ice tunnels, exhibits, specialized trucks, whale watching boats etc. (KPMG & The Icelandic Tourist Board, 2020, April).

Accommodation: There has been a lot of investment in the accommodation sector and leverage is very high. Unlike the recreational businesses, the price list of hotels varies by periods. However, most of the cost is fixed and limited measures are possible to lower the operational cost. Many of the hotels have been closed to minimize the operation cost (KPMG & The Icelandic Tourist Board, 2020 April, 2020 December).

Restaurants: The fixed cost in restaurants is often not high, and they have some flexibility to reduce operation. Many restaurants have shortened opening hours, and even closed the operation for some time (KPMG & The Icelandic Tourist Board, 2020, December). Domestic tourists are often a big part of the customer base of the restaurants (ibid). Many restaurants in the rural part of Iceland had better summer than expected as they were populated with domestic tourists (Gallup & The Icelandic Tourist Board, 2020, November).

Car rentals: The status of the car rentals is high indebtedness and money tied up in assets that are not in use. Car rentals have decreased their operation cost by reducing number of cars, reduced number of employees and have also not invested in new cars. They also have been able to resell many of the cars in the domestic car market (KPMG & The Icelandic Tourist Board, 2020, December).

Travel agencies in addition of having high labour cost, have had trouble with liquidity to repay their customers for prepaid tours. Travel agencies receive prepayments from customers and use the payments to prepay suppliers. However, due to the pandemic the suppliers have not been able to pay back. Thus, the agencies have had difficulties with refunding their customers (KPMG & The Icelandic Tourist Board, 2020, April). The Icelandic government has responded to this trouble of refunding by establishing a travel guarantee fund which is a temporary measure were travel agencies can apply for a loan to reimburse their customers for package tours that were not taken due to the Covid-19 epidemic (Law: 95/2018; EFTA, 2020 July 2).

Group tour companies (bus companies and excursions) is a sector in a difficult situation. The companies are considerable indebted & money tied up in assets. The ability to sell big buses/cars in the domestic market has been difficult and the transportation cost too high to sell them abroad. Some have been able to find work in the public transport (KPMG & The Icelandic Tourist Board, 2020, December).

The Icelandic government has introduced various support measures to assist people and companies because of the pandemic, and 65% of the support has gone straight to tourist companies (Ministry of Finance and Economic Affairs, 2020 November) which have made a difference for many of them. The most widely used measure have been the reduced employment ratio where the reduced employment ratio measure is a special type of unemployment benefit in cases where the employer and the employee enter into a temporary agreement on a reduced employment rate. The employee can then apply for and receive a grant from the Unemployment Insurance Fund that corresponds to the reduced employment rate (Directorate of Labour, n.d.). The reduced employment rate was much used by small companies (Ministry of Finance and Economic Affairs, 2020 November). The main measures provided by the government for tourism were:

- Reduced Employment Ratio with government bridging part of the salary reduction
- Government funding a part of employee layoff compensation
- Closure subsidies
- Immediate support loans for small and medium-sized companies
- State-backed bridging loans
- Deferrals of tax payments
- Infrastructure funding
- An international marketing campaigns
- Government funded domestic travel vouchers for Icelanders

Ireland

Tourism was one of the first sectors to be deeply impacted in Ireland by the pandemic, as measures introduced to contain the virus led to a near-complete cessation of tourism activities around the world. The Irish tourism sector also risks being among one of the last to recover, with the ongoing travel restrictions and the global recession.

Rural Ireland relies heavily on the viability of the tourism sector As a result, these rural regions are markedly less resilient than others to COVID-19 shocks and will be directly impacted, with fewer alternative sectors that could compensate for job losses. Accommodation and Food Service Activities is the sector with the highest number of people in receipt of the Pandemic Unemployment Payment (PUP) on November 03 with 98,233 recipients, followed by Wholesale and Retail Trade (51,921), while almost 11,400 employees in the Arts, entertainment and recreation are also currently availing of PUP supports. Accommodation and Food Service Activities is the sector with the highest number of people in receipt of the Pandemic Unemployment Payment (PUP) on November 03 with 98,233 recipients, followed by Wholesale and Retail Trade (51,921), while almost 11,400 employees in the Arts, entertainment and recreation are also currently availing of PUP supports.

Based on the official data, it is conservatively projected that up to 150,000 people across the wider range of businesses dependent on tourism are currently in receipt of Government wage support. The sector is currently under a closure order, at a cost to the State in the region of €40m per week. It is evident from the official data that tourism related businesses have not seen a level of recovery apparent in other sectors when compared to the peak impact of the initial lockdown in early May. The negative impact has been most severe in the greater Dublin area, and the Western Seaboard, counties from Waterford to Donegal, all key tourism destinations and employers.

Germany

In the state of Saxony-Anhalt, there were a total of 16,505 employees in tourism, hotel and restaurant occupations in 2020. In 2014, there were 1,161 fewer employees. The increase in the number of employees between 2014 and 2020 represents an increase of 7.6 %. However, the development of the individual occupational groups has varied greatly in recent years. While the number of employees in the hotel industry has fallen by about 15 %, the number of employees in the catering industry has risen by about 20 %.

In Saxony-Anhalt, there were 8.6 million overnight stays in 2019. Compared to 2014, this represents an increase of 16.3 %. This means that Saxony-Anhalt is developing better than other federal states such as Saxony (9.8 %) or Thuringia (5.3 %). Since 2014, overnight stays in Saxony-Anhalt have thus steadily increased. The increases were striking-ly high in 2017 (plus 4.4 %) and 2019 (plus 5.0 %) due to the Reformation and Bauhaus anniversaries respectively. It is also worth mentioning how the seasonal fluctuation in overnight stays was reduced by attractive offers in the low season. From May to October 2019, 61.5 % of overnight stays took place in the state.

Of the 8.6 million overnight stays in 2019, 6.7 % were by foreign guests. The most important countries of origin for foreign overnight guests in Saxony-Anhalt are the Netherlands, Poland, Denmark, Austria and Switzerland. Guests come to Saxony-Anhalt to visit cities, but also to spend their holidays in the countryside or in the mountains; the length of stay in 2019 was around 2.4 days.

In the middle of 2019, there were 1,066 establishments in Saxony-Anhalt with ten or more beds. In total, 57,442 beds could be offered. This figure also includes 80 campsites with around 20,000 beds. Since 2014, the number of beds has increased by 8.7 %. Compared to Germany, the business structure in Saxony-Anhalt is more fragmented. In 2019, there were 68.2 beds per establishment in Saxony-Anhalt, with an average size of 74.7 beds per establishment.

With a share of almost 40 % of the total overnight stays in the federal state, the region of the Harz and the Harz foothills is of particular importance for tourism in Saxony-Anhalt. The Harz and the Harz foothills will account for around 3.34 million overnight stays in 2019.

Tourism in Saxony-Anhalt represents an important revenue generator and stable economic sector. Tourism contributes to improving the quality of the location, the recreational value and the quality of life. It also has positive effects on the utilisation of infrastructure facilities. The citizens of the federal state benefit significantly from the tourism sector of Saxony-Anhalt as a business location. Positive effects occur above all in investments in infrastructure, both as new investments and for maintenance, as immaterial effects, such as a better image, higher degree of recognition or more residential value, and through the increased tax income.

The tourism industry made a gross turnover of about 3.23 billion euros in Saxony-Anhalt in 2019. This figure is based on the sum of days spent (99.7 million) and daily expenditure per capita (about 32.40 euros). In 2014, the gross turn-over was still 2.68 billion euros, which corresponds to an increase of around 21 % compared to 2019.

If one takes a look at the direct beneficiaries of tourism, these can be divided into three economic sectors: the hospitality industry, retail trade and services. Expenditures for the hospitality industry include all expenditures made by guests for sleeping, eating and drinking. Retail trade includes expenditure on food as well as expenditure on other goods. Service expenditures are expenditures for leisure, sports and entertainment, fees for local public transport, as well as parking fees. The largest share of the 3.23 billion euros, about 44 %, falls on the hospitality industry. About 35 % is accounted for by retail and about 21 % by services.

The gross turnover generated from tourism can be classified on two turnover levels. At the first level of turnover, direct expenditure by guests is recorded. This includes expenditure in gastronomy, food shops and other retail outlets. In addition, there are entrance fees for, for example, thermal spas and baths, museums, tickets for local public transport and expenditure on accommodation. Direct revenues amount to 962.6 million euros and thus account for 33 % of the total net turnover (about 2.86 billion euros). At the second level of turnover, intermediate inputs are included. This includes, among other things, supplies by bakeries, breweries or nurseries, but also advertising poster design by advertising agencies or sales generated by the construction industry. In total, a volume of 1.93 billion euros is to be expected here, whereby, calculated with a value-added ratio of 30 %, about 579.6 million euros in salaries, wages and profits accrue to the intermediate input suppliers.

Tourism-related tax revenue from VAT and income tax less input tax amounted to approximately 309 million euros in 2019.

Spain

If the 'economic pandemic' has hit Spain so hard, it is largely a consequence of the collapse of international tourism. Between January and September, the country lost no less than €43 billion in revenue from abroad tourists, according to data from balance of payments from the European Central Bank (ECB). It is a hard blow with no historical precedent, and which explains the magnitude of the crisis. By way of comparison, the GDP lost in the first three quarters of the year (between January and September) was close to €100 billion (seasonally unadjusted data).

This means that the €43 billion lost due to the drop in international tourism represents a third of the drop in GDP. The entire drop in tourism revenues is not passed onto the GDP, since part of the goods and services purchased are imported (are produced abroad), but the vast majority is. However, there is another comparison that reflects the magnitude of the blow: the 43 billion that Spain lost in revenues exceeds the impact of France and Italy combined. In other words, the tourism crisis cost Spain as much as the other two European tourism powers combined; already having a lower GDP than both of them.

France, the second European country most affected by the tourism crisis, lost €22.4 billion in revenues from international tourism between January and September, while Italy, the third most affected, lost €20.1 billion. Between both, that is €42.5 billion less than the €42.8 billion lost by Spain in those months. This information confirms that the deep economic crisis in Spain was mainly due to the slump in international tourism.

One of the keys to explaining the poor performance of the Spanish economy is that its 'sun and beach' tourism is concentrated in late spring and summer, the very months affected by the pandemic. This explains why the slump in international tourism in Spain has been so costly, and the urgency in being able to guarantee that next summer will take place with a certain degree of normality. In France and Italy (to a lesser extent in the latter), tourism is less seasonal and more constant throughout the year. In fact, in many parts of France, the high summer season is not so different from the low winter season. This means that the comparison is likely to improve during the fall and winter months.

The slump in tourism, in turn, created "secondary" effects on other economic activities, affecting such sectors as commerce, restaurants, and transportation. It was a hard blow that was only partially compensated by domestic tourism. With the borders closed, summer travel was limited to within the national borders of each country. Residents in Spain spent just €6 billion abroad between January and September, representing a saving of €12.5 billion. This figure does not overwrite the 43 billion lost in revenues, but it does cushion them.

The problem is that Spain is not, by far, the country with the highest expenditure in tourism abroad, meaning that it did not achieve great savings from its residents in travels abroad, something that France and other countries in the north of the continent did achieve. This makes the tourism account balance even worse for Spain. In the case of France, its residents' spending on international tourism was reduced by almost €17 billion, and Germany saved no less than €32 billion.

The result is that, when compared to the same period from the previous year, the picture for Spain is much more dramatic. The country lost a net €30.3 billion compared to the previous year, a figure that is more than double the sum of resources lost by France and Italy combined. Specifically, France lost €5.6 billion as a result of the international tourism crisis and Italy lost €7.6 billion, according to balance of payments figures from the European Central Bank.

The tourism impact suffered by Spain is comparable only to that of Greece, which is also highly dependent on summer tourism. The country lost 12.4 billion in revenues from international tourism. And this despite that the Greek situation health-wise was very good, compared to the rest of the Mediterranean competitors. However, with the borders closed and the authorities' warnings about foreign travel, all tourist countries were hit hard, regardless of their health status. Greece has the aggravating circumstance that, following the severe crisis it has been experiencing since 2008, its citizens can hardly travel abroad. And the result was that the closing of borders barely saved the country €1.4 billion abroad. As such, the account balance of tourism suffered a heavy blow of €11 billion, worse than France or Italy, much larger countries.

In central and northern Europe, on the other hand, border closures stimulated the domestic economy, as tourists who usually traveled to the Mediterranean had to stay within their own countries. In Germany, the savings amounted to €32 billion, i.e., its residents' spending abroad was half the usual amount. This decrease in tourism spending contributed no less than 1.8 points in GDP growth over three quarters of the year compared to the same period last year. This policy of border closures during the summer was very profitable for these countries since it promoted their domestic tourism, but it was a hard blow for the entire northern Mediterranean arc.

For Spain, the inflow of international currency from tourism is one of the major economic drivers. This is one of the country's competitive advantages thanks to its many attractions, ranging from 'sun and beach' to culture, gastronomy, nature, etc. The €30.3 billion deterioration in the tourism account balance represented a direct 3.3 points in decline in GDP. This is a very high figure, but not higher than that of other southern European countries highly dependent on the tourism sector. For example, Portugal suffered losses equivalent to 4.1% of its GDP, while the figure rises to 8% in Greece and Malta.

Dependence on international tourism explains the magnitude of the crisis in Spain. Between March and October 2019, Spain earned more than €56 billion thanks to the arrival of foreign travelers. In the same months of 2020, it barely earned €8 billion (according to the latest data from the Bank of Spain), which represents a turnover loss of 86%.

The tourism account balance, which in previous years left a surplus of close to €39 billion between March and October, has barely contributed €4.5 billion in 2020. This is a drop close to 90%, a figure that best reflects the magnitude of the loss of international tourism. For Spain, it is imperative to restore normality in the health and sanitation sector for the coming summer, as the shock of another blank summer would be fatal for many companies in the sector. In addition, it would aggravate the public deficit and the country's debt, as it would force the extension of the 'social shield': extraordinary unemployment benefits, termination of activity, and ERTE.

In national accounting terms, the tourism, transportation, and commerce industries accounted for almost 60% of the fall in value added in Spain in the first three quarters of the year, compared to the same period from the previous year. In total, they generated losses of more than €48 billion (the months of January and February offset the negative impact of the following months). In Europe, on the other hand, these activities accounted for less than half of the fall in GDP: 44% in the Eurozone and 45% in the European Union. In other countries neighboring Spain, such as Italy and France, these industries closely related to tourism have caused less than 40% of the fall in their GDP.

This means that if the crisis has been so deep in Spain, it is to a large extent, a consequence of the border closures and restrictions on international tourism. In addition, tourism creates a lot of employment, as it demands low-mechanized services that are labor intensive. This means that the impact on the job market has been more profound in Spain due to its dependence on tourism.

In total, these activities accounted for 70% of the fall in the wage bill (including social security contributions) during the first three quarters of the year. In the European Union, the impact on income is less than 60%, in Italy, it barely reached 42%, and in France, it was 35%. The impact of tourism on the Spanish economy has been profound, both in terms of activity and employment. The die is not yet cast, however, for 2021. The success or failure of the vaccination process will have a major impact on the Spanish economy: the country has much to gain, but also much to lose if it spends another year without tourism.

Scotland

In simple terms, tourism businesses lost a substantial part of their trade for the remainder of 2020 on top of the income lost through the lockdown period; this was exacerbated further where additional restrictions were put in place to respond to local case rises (STERG, 2020). A 2020 VistScotland survey of over 2,200 tourism businesses in Scotland found that:

- 99% of businesses responding experienced cancellations/decline in bookings or fewer visitors.

- 54% of respondents were owner-run businesses with no employees; a further 33% were micro-businesses with up to 10 FTEs.
- 58% of respondents (with employees) stated they have had to reduce staff numbers to with a likelihood of further losses.
- The majority of respondents claim to have lost up to £50,000 (€55,000), with some claiming substantially higher losses.
- These losses could be compounded by strong seasonality of the tourism industry, as restrictions were still in place in many countries in some of the stronger summer months.
- There were other identified issues, such as business interruption insurance not paying out and those using their own home still having to pay existing bills.

It was considered by respondents that the average length for survival of the business without direct support was only three months (VisitScotland, 2020). In the UK, the government initiated the *Coronavirus Jobs Retention Scheme*, also known as 'furlough', to pay some of the wages of people who can't do their jobs because their workplace is closed, or there is no longer enough work for them (BBC, 2020). This was replicated in a number of other EU countries, in the *Kuzarbeit* scheme in Germany, for example, or the *Temporary Wage Subsidy Scheme* in Ireland (Guardian, 2020). It was recognised however, that there were businesses which 'fell between the cracks' in support measures announced, such as recent start-ups (VisitScotland, 2020). In Northern Ireland, for example, 47% of businesses surveyed indicated they were not eligible for the UK furlough scheme as they do not operate a pay-as-you-earn scheme (TourismNI, 2020).

These findings were reflected by surveys undertaken in other EU countries. In Northern Ireland, for example:

- 63% of businesses stated that Covid-19 would have a severe impact on their business in the longer term (4 months +).
- Cashflow and access to funding/working capital was cited as a major concern for many businesses, in particular those with no means of generating an income due to restrictions in place.
- A number of business openly stressed that they may not survive (TourismNI, 2020).

Due to the dramatic contraction in the tourism industry, many workers may become unemployed or displaced. While employment can increase in other sectors not linked to tourism, absorbing some of the displaced workers from the tourism industry, it may be difficult to find employment in other sectors during the economic downturn. Low-skilled, casual and temporary workers are likely to be the first to lose their jobs and may find it difficulty in seeking employment in other sectors of the economy. Workers under 35 years of age and female workers are likely to be particularly badly hit (UNCTAD, 2020)

POLICY REPORTS

Iceland

This chapter gives an overview of the main results of reports that document the effect the COVID-19 crisis has had on tourism businesses in Iceland. The name of the subchapters is an English translation of their title. A list of the reports can be found in appendix A.

Annual survey on running a business in tourism

An annual survey of Icelandic tourism businesses done by KPMG for the Icelandic Tourism Cluster and the Icelandic Travel Industry Association (KPMG, Icelandic Tourism Cluster & the Icelandic Travel Industry Association, 2021 January). The survey was done in January 2021 and 191 people responded.

Around 35% of the respondents were nearly without any income in the year 2020. In general, tourism operators are optimistic, and most of them aim to continue their business operation (92%), 7% are in the process of merging, and 1% said that they would probably need to close their business.

When asked about the factors most important for their business in 2021, main concern was:

1. The flight availability to Iceland
2. Marketing
3. Operation streamlining

Many (79%) of the respondents used the down time for good. About 68% used the time for innovation and product development. Little less than half had invested in education for either their staff or/and key managers. However, 58% of the respondents had not used the time for action to increase sustainability in their operation.

Most respondents (84%) believed that the government needed to take further action to strengthen the tourism industry. In particular, the need to speed up the support measures and related application processes was emphasised.

According to the survey, the main opportunities for tourism in Iceland are:

1. Iceland handling the Covid-19 pandemic in an efficient way
2. Few people, sparsely populated areas
3. Safe destination
4. Good image and marketing
5. Domestic market
6. Smaller groups and individuals
7. Unique nature
8. The exchange rate of the Icelandic krona
9. Slow tourism

According to the survey, the main threats for tourism in Iceland are:

1. The Covid-19 epidemic
2. Competition from other destinations
3. Exchange rate development
4. Financial standings of tourism companies
5. Border operations – uncertainty
6. Vaccinations - timing and amount
7. Bankruptcy and submission in the industry
8. Flight availability to and from the country

Financial analysis

An analysis made by KPMG, the global network of auditing firms, for the Icelandic Tourist Board (KPMG & The Icelandic

Tourist Board, 2020 December). This analysis is based on annual accounts from 2019 of number of tourism companies, dept information from Central bank of Iceland and other official data. The report analyses the financial situation of the Icelandic tourism in the end of 2019 in order to evaluate the situation in 2020.

Summary of results

- The years before COVID-19 were characterized by rapid growth and large investments in the tourism sector. During these years, competition also increased. In recent years, the performance of certain sub-sectors in tourism got worse.
- The state of the industry deteriorated in 2019, which is mainly due to the bankruptcy of WOW Air. Analysis of the financial figures of tourism companies in the end of 2019 shows that the financial position of many companies in the industry was tight. Many of them were, therefore, ill-prepared for the fight against COVID-19 in the beginning of the year and now at the end of 2020.
- Companies in the industry are generally in a worse position to deal with increased indebtedness.
- The financial status of the companies and their challenges vary greatly by subindustries, regions and between individual companies.
- If market adjustment is assumed with the liquidation of companies that were not viable at the end of 2019 and thus reduced capacity, KPMG's forecast model shows that the industry's performance is positive at 1,230,000 tourists.
- Without market adjustment, the forecast model shows that profit will start to be generated at 1,735 thousand tourists.

Governmental measures because of the epidemic -Utilization of homes and businesses

The ministry of Finance and Economic Affairs published a report in November 2020 about the central government actions available for homes and businesses to fight the pandemic (Ministry of Finance and Economic Affairs, 2020 November). The report is an analysis of how much of the action have been used.

Short summary:

The government has introduced several economic measures because of the pandemic that directly benefit households and businesses.

- The government provided state guarantee on credit lines to Iceland’s only international airline; Icelandair.
- A special government guarantee has been provided to travel agencies.
- The measures aimed at businesses had been used by about 3,000 companies. Of those, 800 are in tourism.
- About 65% of the amount had gone to companies in tourism.
- The tourism industry has been the largest recipient of all the largest measures, except for closure subsidies.
- Reduced Employment Ratio is the most extensive measure for individuals, about 36 thousand individuals have received that.

Case study of the impact of COVID-19 on Tourism and Society in the municipality of Hornafjörður:

This research was done in the municipality of Hornafjörður which is in the south-east of the country. In recent year, tourism has become a vital whole year around industry for the municipality. The aim of the research project was twofold. First, it was about examining the consequences of the first wave of COVID–19 epidemic on tourism companies in the municipality, their owners, and employees, and both economic and psychological factors were considered. Second, the study focused especially on foreign employees of tourism companies in the municipality, their well-being, and rights.

Consequences on tourism companies:

Great insecurity following COVID-19 was a consistent theme in all interviews. However, many of the interviewees seemed to take the situation somewhat calmly and chose to look at the situation with realistic eyes and work with what they had. All interviewees seemed to agree that the summer of 2020 was better than expected but at the same time they also agreed that times ahead would be heavy and tricky.

Most of the interviewees welcomed the quiet time that COVID-19 brought, despite the difficult conditions. For many, this was their first break in years as they had been busy handling the extensive growth in international tourist numbers.

There was indication that interviewees who had run the business for a long time, seemed calmer regarding the future of the company, while interviewees who had entered the tourism business more recently, expressed more concern about the future of their company.

Consequences for foreign employees:

The interviewees experienced weak social relations with the locals and felt a certain separation between them and the locals. In general, the interviewees seemed to feel insecure about their job or job opportunities, even those who were experienced in their field. That uncertainty was higher amongst those living in a house provided by the employer. Many were unaware of about the government's resources aimed for individuals, and also on their rights when came to resignation.

The summer 2020 and the prospects ahead – A survey amongst tourism companies

A survey made for the Icelandic Tourist Board by Gallup (Gallup & The Icelandic Tourist Board, 2020 November). The purpose of the survey was to provide statistical information to be able to evaluate the performance of tourism companies in the summer of 2020 in comparison with the summer of 2019, the mitigation measures that companies have taken, the use of government's measures, as well as the prospects ahead. A total of 537 responses were collected.

The results have been analysed down to the size of the company based on turnover, and location in the country, and by tourism subindustry. In some of the cases by number of employees.

How was the summer?

About 65% of tourism companies had similar opening hours during the summer of 2020 as 2019. Only about 5% were closed in the summer of 2020. A total of 7% of companies with 1-3 employees closed their busines before the summer, compared to 2% of companies with 4-10 employees and 2% of 10 employees and more.

About eight out of ten companies took action to attract Icelanders the summer of 2020. For example, by accepting the travel gift[1] (52%), lowering prices (48%), having special offers (45%) and adapting the range of products and services to the needs of Icelanders.

Of those participating in the survey, 41% reduced their product supply during the summer.

On average, prices were reduced by 35% to attract Icelanders.

The number of customers decreased on average by 86% in the summer of 2020 compared to summer 2019. Turnover decreased for nine out of ten of the participating companies. The decrease in turnover was on average 65% between the summer of 2020 and summer 2019.

For 93% of the smallest companies with 1-3 employees, number of customers decreased, compared to 83% of the companies with 4-10 employees and 80% of the companies with 10 employees or more.

Icelanders were on average 57% of the tourism customers summer 2020 and 54% of the turnover was due to them. In comparison, Icelanders were on average 27% of customers in the summer of 2019 and about 26% of companies' turnover could be traced to them on average. Icelanders were 56% of hotel service customers in the summer of 2020, compared to 16% summer of 2019. About 80% of restaurant customers were Icelanders, compared to 54% summer 2019.

[1] The travel gift is a digital gift certificate in the amount of ISK 5,000 (c.a. 31 eur) to Icelanders to spend in domestic tourism, as a part of governments effort to support the economy and particularly the tourism industry. (Government of Iceland. https://www.stjornarradid.is/rikisstjorn/covid-19/)

For two out of five, this summer's business exceeded expectations. About a quarter thought the demand was in line with expectations and about a third expressed the demand of being below expectations. The business mainly exceeded the expectations of companies in rural areas, mainly restaurant services (80%).

23% of companies returned EBITDA margin in the summer of 2020, 17% did not return a margin and 61% had a negative margin.

Government measures and countermeasures of the companies

The vast majority of companies (94%) had taken counter measures to adapt to the business environment following COVID-19. The actions have mostly revolved around: Reducing staff (76%), Utilize government support measures (68%), Reduce the proportion of employees (66%), Reduce operating costs (65%).

Two out of five companies have reduced the company's capacity or taken assets out of use or renegotiated with creditors and suppliers. Three out of ten companies have since increased borrowing and about a fifth sold assets owned by a company.

86% of the respondents had used the government support measures and of them 94% had use the reduced employment ratio measure[2]. For those who had not used the governmental measures (6%) the main reason was that the company did not meet the criteria of the measures (40%) and that the measures did not suit their line of businesses (26%). Little less than one third (26%) expressed no need to use the governmental measures.

An equal number was satisfied (36%) and dissatisfied (36%) with the government's support measures for the tourism industry. Just over a quarter were neither satisfied nor dissatisfied. Companies with the highest turnover (+500 million) were happier with support measures than those with the lowest turnover. The companies that had been operating for more than ten years were happier with the government measures than those that had been operating for a shorter period.

What lies ahead?

Almost half of the tourism companies (45%) intended to have the operation open in the winter of 2020-2021 if disease control measures allowed and have similar opening hours as last winter. The smallest companies were more likely to have unchanged opening hours.

The vast majority (74%) of the respondents intended to try to regain their strength as soon as possible after the epidemic.

This report was published in October 2020 and contained a scenario analysis of possible development of the tourism industry in Iceland in the nearest future (KPMG, Icelandic Tourist Board & Tourism Task Force, 2020 October. The scenario analysis was shaped by involvement of different people with knowledge of tourism, economics, and administration.

<u>Four scenarios</u>: The scenarios are shaped by two main driving forces: The recovery process in Iceland's main tourism market areas and the competitiveness of Iceland as a tourism destination. The four scenarios (Fig. 6) describe a possible working environment of the tourism industry, challenges, and opportunities.

[2] The reduced employment ratio measure is a special type of unemployment benefit in cases where the employer and the employee enter into a temporary agreement on a reduced employment rate. The employee can then apply for and receive a grant from the Unemployment Insurance Fund that corresponds to the reduced employment rate (Directorate of Labor)

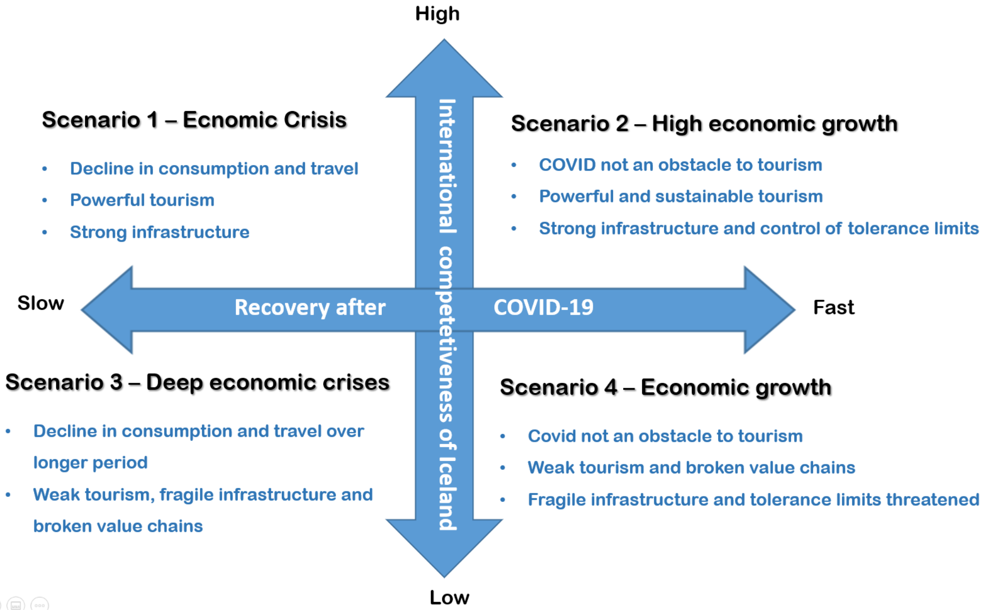


Figure 2. Scenario analysis of the state of tourism in Iceland after COVID-19

An online survey done by Visit South Iceland (Visit South Iceland, 2020 September). The aim of the survey was to identify the actions companies in tourism in the area have taken in response to the epidemic. This survey was running from 28th of September to 5th of October and respondents were 173.

About 67% of companies had adapted their products and services to meet the changed situation and 22,4% said that they had not. Over 60% of the participating companies had taken some measures in their operations due to the situation.

Circa 40% of the respondents had not applied for government support, more than half had done so and 4,1% were aiming to use the gov. support. The reason for not applying for support was most often that the support measures did not suit the company (89,7%), around 22% said that they had no need to use it.

In general, respondents were optimistic regarding their survival possibilities, thus 71.3% thought it is more or very likely that they would survive the effects of Covid-19.

Survey done by the Icelandic tourism cluster in late August and early September 2020 (Icelandic Tourism Cluster, 2020 September). A total of 56 companies answered the whole survey, but more companies answered part of the questions.

Seven out of ten tourism companies in the survey expressed the need of some form of emergency or short-term financing because of the coronavirus virus. Most companies consider themselves in need of assistance for six to twenty-four months. 32 % did not express this need.

In terms of the companies' countermeasure, the vast majority (89.3 %) had been focusing on reducing fixed operations costs, 62.5 % had used the government's resources and just over 73 % had made a short-term survival plan for how the company could survive the next six months. One third had closed their operations temporarily, or for 1 to 6 months, but only 4% had closed their operations completely.

Most respondents were optimistic about the future of Icelandic tourism and looked forward to good operations in 2024.

A survey on the effects of Covid-19 on tourism companies in North of Iceland

An online survey done by Visit North Iceland (Visit North Iceland, 2020 September). The aim of the survey was to identify the actions companies in tourism in the area have taken in response to the epidemic. This survey was running from 25th of August to 5th of September and respondents were 165.

- The majority (76%) believes that their companies will get through the difficulties caused by the COVID-19 pandemic. 12% say that they do not know if their businesses will survive this pandemic.
- More than half of the respondents (57%) had changed their product supply in some way. Either price, or offers, decreased their supply, changed their product toward serving the domestic market.
- Most businesses were open during the summer and were busy, although the income was low.
- The companies were preparing for a hard winter and were aiming their marketing efforts towards domestic tourists. A total of 75% of the respondents were going to have their business open during the winter.
- Half of the respondents had used government support, and 80% of them used the reduced employment ratio. About 25% of the respondents did not need to use government support.

Ireland

Restricted Travel on International Markets

A significant decrease in the number of International tourists visiting Ireland. Optimism that more Irish people may choose local holidays providing an opportunity to target this market but lack of consumer confidence is still at risk. A worst-case scenario of no overseas visitors for the remainder of the year, in addition to a 20 per cent decline in domestic tourism, could lead to an overall loss to the economy of €2.3 billion, it said. The study added that 75% of the sector is “deeply dependent” on overseas visitors with only a proportion of this expected to be offset by a rise in domestic tourism.

- Northern Ireland Tourism along the border is particularly reliant on visitors from the North. In 2017, Fáilte Ireland estimated that visitors from Northern Ireland spent €141 million in the region. For the duration of COVID Northern Ireland borders were closed. FÁILTE IRELAND IS considering launching a new campaign to attract Northern visitors across the border as part of efforts to encourage ‘staycations’ amid the ongoing Covid-19 pandemic.
- Intra EU last minute bookings. Only 14% of holidaymakers across Europe took a break in another European country.
- April bookings down (Summer Holiday bookings) in July 2020 the Irish Hotels’ Federation reported occupancy rates of between 23% and 26% for the summer months.
- American tourists who represent a quarter of overseas visitors. A lucrative market who stay longer and spend more compared to other visitors
- Domestic travellers were also drawn to a halt in Ireland, when it restarts it will only partially compensate for the loss of inbound tourism. Must consider COVID and focus on COVID friendly spaces (open, uncrowded spaces…). Natural areas, regional and local destinations are expected to drive the recovery, and shorter travel distances may result in a lower environmental impact of tourism. Domestic tourists are often more price-sensitive and tend to have lower spending patterns.

Employment

Tourism is a €9.4 billion industry in Ireland, employing about 260,000 people, according to Fáilte Ireland. Its broad geographic spread makes it a vital source of jobs and income in rural Ireland, reaching into practically every nook and cranny on the island. Travel restrictions and a drop in consumer demand have led to a dramatic fall in international tourism, affecting virtually every country. Tourism accounts for one in 10 jobs worldwide and is a major source of employment due to its labour-intensive nature. In the Republic of Ireland, over 12% of employees in the accommodation and food sector are already on the Temporary Wage Subsidy Scheme. This sector is at the heart of a job-intensive eco-system which creates opportunities locally, as a result several sectors will be affected by its slowdown which could lead to a domino effect.

Tourism jobs have slumped by 25 per cent this year as the impact of the Covid-19 pandemic wreaks havoc in the tourism sector. Both job postings and searches containing keywords such as “tourism” and “hospitality” fell by 25 per cent in Ireland compared to 2019. However Ireland, along with Germany, remained one of the least affected European countries in terms of job declines.

The Irish tourism industry attracted nine million visitors to this country last year. A government report acknowledged that up to 200,000 jobs could go in the sector over the next year due to anti-virus restrictions. The data shows a stark contrast to years previous when Ireland had a buoyant tourism industry which had seen a 7 per cent growth in jobs between 2016 and 2019.

Jack Kennedy, an economist with Indeed, said tourism is vitally important to the Irish economy, particularly in rural areas.

“Last year Brexit was the biggest threat facing the sector, however Covid-19 has brought a fresh wave of challenges,” he said.

“Tourism is vital to the Irish economy. It employs many in rural communities across Ireland, acting as an economic pillar that provides jobs and opportunity, especially for younger people. It also has a big knock-on effect on the informal economy in these regions, due to the multiplier effect it has on jobs’.

Impacts by Tourism Sector

Aviation The current impact of COVID-19 is hard to quantify accurately with many of the flights that did fly almost empty but the number of flight departures from Dublin Airport was down 90% between 18 March and 16 April. With widespread lockdowns, closed borders and calls for those abroad to return home urgently, an entire industry has been stopped in its tracks.

- Ryanair The impact of Covid-19 on air travel was perfectly illustrated last week in a trading update from Ryanair, the biggest budget airline in Europe. It is currently operating fewer than 20 flights a day as against a normal schedule of 2,500 daily. It cannot provide any guidance on profits for the current financial year because it simply doesn’t know when air travel will resume or gauge accurately the level of consumer demand after the lockdown. Many carriers around the world will go bust in the coming weeks and months.
- Aer Lingus reported an operating loss of €3.2bn (before exceptional items) for the first nine months of the year on passenger revenues down by 71%. IAG’s already strong balance sheet has been boosted by a recent €2.7bn rights issue Aer Lingus, the group’s leading source of revenue and profit in recent years, is well positioned as a ‘value airline’ on the North Atlantic, and the airline’s leading source of revenue and profit in recent years, is well positioned to gain first mover advantage on transatlantic services as soon as demand resumes. US airlines are likely to be slower to restate services on thinner US-Europe routes providing a distinct advantage to Aer Lingus in gaining market share of both the Ireland inbound and outbound markets as well as attracting greater numbers on routes from North America to Europe via its Dublin hub.

Hospitality Hotels Federation survey estimates 9.5m bednights were lost last year as Covid-19 battered industry costing Irish hotels E2.6bn in 2020 alone (Irish Hotels Federation (IHF) That’s a 60% drop in revenue, and room occupancy dropping to 30%.

- Dalata Hotel Group is Ireland’s biggest hotel chain. It has closed 29 of its 44 hotels, with the balance providing accommodation to healthcare staff and other essential workers.
- Citywest in Saggart, the biggest hotel in the country, has been converted into a HSE facility to treat patients with Covid-19. Dalata chief executive Pat McCann, an industry veteran, expects restrictions to last until September. If that is true, summer has effectively been cancelled, which would be devastating for towns and villages across the country that rely on revenues from the peak tourism season.

Impacts on Tourism Businesses

March 2020 Hospitality Sector (bars, restaurants and hotels) were the hardest hit. The Hospitality sector is a key component of the Irish economy worth up to €7.6bn and employing 180,000 people (71% of sectoral employment is outside of Dublin). In March 100,000 people approx. (over half the sector) were laid off. This severely damaged the economy as taxation is huge in tourism. Payroll expenditure generates a weekly economic contribution of €87.7m, including exchequer related payroll payments of ~€5.14m. Firms within the accommodation and food services sector made €791m worth of VAT, Corp. Tax and CGT related payments in 2018. The sector itself is also a key buyer from Irish suppliers with purchases totalling €3.2bn in 2016

It was predicted that the government spend would be €64bn to resolve the crisis. (These figures are still not finalised or released). Tourism enterprises have since benefited from supports such as the COVID Resilience Support Scheme, the VAT reduction, the rates waiver and tourism specific schemes. These measures played an important ensuring survival for the sector. It is predicted that the tourism and hospitality businesses account for approximately two thirds of the payments under the *CRSS Covid Restrictions Support Scheme or €114 million.

Without these supports – impacts such as economic loss, damage to the brand and social fabric would have been huge and difficult to recover from. In March the income continuance scheme was estimated to cost net €2.4m per week for the Hospitality sector. We would argue that bold and early action will ultimately be more positive and impactful. For example in March 2020 it was predicted that example the bar with food trade - would need to be able to sustain 62 weeks of negative cash before returning to the black.

*CRSS Advance Credit for Trading Expenses (ACTE) is payable for each week a business is affected by the restrictions. The CRSS is expected to continue until 31 March 2021. The ACTE is equal to 10% of the average weekly turnover of the business in 2019 up to €20,000, plus 5% on turnover over €20,000. In the case of new businesses, the turnover is based on the average actual weekly turnover in 2020. The ACTE is subject to a maximum weekly payment of €5,000.

Labour/Employment

- Majority of full time and all part time staff laid off immediately.
- Anticipation is to try and re-employ all when operating again.
- Focus on trying to retain key staff but for how long is uncertain.

Supply Chain

- Limited cash reserves available to pay a number of key suppliers/ staff.
- Focus on maintaining future supply chain by paying key suppliers.
- Trying to support the small local suppliers.

Fixed Overheads

- Ensure cash is available to cover immediate overheads.
- Insurance - potential to claim loss cover v future premium increases.

Cashflow Shortages

- Concern surrounding how finance/credit will be obtained when operating again.
- Fear of cash shortages and availability of funding
- Accumulated negative cash balances from period of shut down.

Profitablity

- Intense price competition amongst hotels in an attempt to increase occupancy rates.
- Negative impact on profitability if widespread price competition occurs.
- Overall, increased competition

Permanent Closure

- Risk of newer businesses without cash reserves being unable to reopen.
- Loss of rural bars and restaurants feared.
- Food Ireland ecosystem at risk and unlikely to recover quickly

Long Term Impacts Brand

- Risk of long term damage to the sector through shuttered properties, slow recovery and squeeze out of quality players

Corporate Spend

- Corporate bookings for the remainder of the year are being cancelled.
- Reduction in corporate events being held for the foreseeable future.
- Corporate travel to Ireland is likely to be curtailed.

Short term government solutions

1. Government to provide 75% of the net take home pay to 180, 000 employees in the sector (€1.16 bn hospitality sector contributes to Exchequer)

2. Benefit capped at the equivalent of an annual salary of €50,000 per annum and strictly limited to one week after the end of social distancing

3. Provide a 0% loan based support interest free to provide working capital for the instustry to start itself

Businesses Will Need to Adjust

- Be able to continue to respond to fast-evolving government restrictions
- Target new markets (and niche), especially locally
- Focus on experiences that have safety protocols and contactless tourism experiences
- Minimising group transport and guests preferring private transport will cost more and have a negative effect on the environment
- Change their offering to meet customer expectations and health authority guidelines
- Negotiate revised funding structures with lenders
- Invest to adapt their operations to be more COVID friendly
- Will need to upskill, train and invest in digitalisation especially in tourism services to accelerate, including a higher use of automation, contact-less payments and services, virtual experiences, real-time information provision…
- Continue to have have bills to pay, while having no revenues
- Additional expensive investments required to manage new sanitary or health requirements could be substantial and will impact their profitability. Many are wondering if it will be worth reopening this summer or if they should wait until the end of COVID-19. But can they?
- The brutal fallout from Covid-19 still lies ahead, and many businesses will not reopen
- Rebooting the industry once restrictions begin to be lifted will be extremely challenging. Social distancing will continue to be a feature of life until a vaccine has been developed and is widely available, and people around the world will naturally be slow to travel abroad again for fear of putting themselves in the way of danger.
- Remain in survival mode until well into 2021 when hopefully international tourism returns

Vaccine Rollout Implications

The demand and supply factors need to be managed where economic and health consequences are interlinked – i.e. where does Tourism lie in the ‘queue’ the vaccine is the best solution to assist with building consumer confidence and travel behaviour, build back up the tourism economy, minimise the crisis impacts and continued uncertainty.

- Social distancing will continue to be a feature of life until a vaccine has been developed and is widely available
- Vaccine roll out will take some time, and the sector is potentially facing stop/start cycles for some time.

- This will further damage business and traveller confidence, and business survival prospects. Despite the proven resilience of the tourism economy to previous shocks, the sheer scale and combined economic and health nature of this crisis means that the road to recovery is highly uncertain.
- Especially festivals and events, leisure and business tourism, sports events will be negatively impacted long term. All cancelled to avoid peaks with restrictive measures. Gatherings are seen to be something of the far and distant future.

Public Sector Response

The sector will need a series of initiatives will be needed to help kick-start the industry again. Fáilte Ireland is already scoping out the possibility of another version of the Gathering, a 2013 tourism-led initiative to encourage the diaspora to return home to visit family or attend an event.

Innovation is required: In the wake of the financial crash, a special VAT rate of 9 per cent was introduced to support the hospitality sector before being scrapped last year. The State lost €2.6 billion in tax revenue but the measure boosted competitiveness at a crucial time in our recovery and helped drive visitor numbers to record levels. Marketing initiatives such as the Wild Atlantic Way were also launched with success.

Similar innovation will be required this time around and the industry will also have to play its part in providing value for money to consumers. The public sector also suffered impacts as a result of COVID

- A decrease in taxes generated or supported by tourist spending
- Cost to supporting affected businesses continues to grow
- Have to prioritise health spending during the worst pandemic the country has seen for a century.
- Ability of the industry to retain its accommodation capacity and skilled workers will depend on an ambitious and coordinated plan from public and private stakeholders. Strategic and evidence-based decisions will need to be made before the summer season to give clarity to tourism businesses and these actions could need to be maintained for at least two years
- Flexible policy solutions are needed to enable the tourism economy to live alongside the virus in the short to medium term, it is important to look beyond this and take steps to learn from the crisis, which has revealed gaps in government and industry preparedness and response capacity. Co-ordinated action across governments at all levels and the private sector is essential.
- The Irish government needs to 'rethink Irish Tourism' and consider the longer-term implications of the crisis, while capitalising on digitalisation, supporting the low carbon transition, and promoting the structural transformation needed to build a stronger, more sustainable and resilient tourism economy.
- It is also an opportunity to take look at invest and take advantage of new technologies, implement green recovery strategies, and shift to policy and business practices that better balance the environmental, social and economic impacts of tourism e.g. part of the recovery plan incorporating sustainability and resilience models of tourism development

The Public Sector Will Need to Implement Short Term and Long Tourism Business Solutions

Short Term Solutions (Possible)

- A considerable, rapid and sustainable financial support package, tailored to the needs of each tourism sub-sector (e.g. accommodation, attractions, live events, business tourism, pubs and restaurants)
- Responsive operational support to tourism businesses (e.g. strategy, liquidity, HR, insurance, debt)
- Restoring traveller confidence
- Supporting tourism businesses to adapt and survive
- Promoting domestic tourism and supporting safe return of international tourism
- Providing clear information to travellers and businesses, and limiting uncertainty (to the extent possible)
- Evolving response measures to maintain capacity in the sector and address gaps in supports
- Strengthening co-operation within and between countries

- Building more resilient, sustainable tourism sectors in regions

Long Term Solutions (Possible)

- A forward-looking plan to address the challenges and capitalise on the opportunities of this crisis for the Irish tourism offering
- A coherent 'Team Ireland' approach to keep building on the attractiveness of a destination that has consistently been punching above its weight for the last decade
- Must continue the longstanding Irish tradition of welcoming visitors with open arms and our famous hospitality in order to fight this.

People are predicated almost certainly to remain reluctant to travel. They will remain in fear for their health and safety in the context of COVID-19 and a potential additional surge in the pandemic that could occur later this year. If we compare to other countries recovery from terror attacks and virus (SARS in Thailand, EU Terror Attacks) it took between six and nine months to return to pre-crisis activity levels. However COVID is global. Elderly, those with underlying conditions will be most reluctant to travel and may have difficulty accessing suitable travel insurance.

The affordability and access to disposable income to travel will be unlikely. As in recovery it is predicted Ireland's key tourism markets including the Eurozone (-2.6%), the US (-1.8%) and the UK (-1.6%) which will be more affected than emerging countries such as China (-0.7%) according to Oxford Economics April 2020 forecast. Even as incomes stabilise, the current uncertainty and crisis mentality may make consumers less likely to spend extravagantly, preferring to instead save for a rainy day.

Germany

Regional measures to support tourism

As already noted, both government restrictions and the decisions of the demand side are reflected in the economic situation of entrepreneurs. At the same time, a part of employment that varies according to the location is jeopardised. The question is which and to what extent regional and state measures should be taken. In any case, the guideline is to only make such expenditures that do not defeat their purpose. The purpose is the preservation of healthy enterprises that got into the crisis through no fault of their own; to be distinguished from this for efficient aid are in turn those enterprises that got into the crisis through their own fault and would be kept alive artificially by the measures. To this end, state support measures could be designed and approved on the basis of the following principles:

Firstly, the companies and the industry should be placed in the same position as they would be without the damaging event (the restrictions). Thus, those who previously operated profitably and safely should be given a presumption in favour of the subsequent period.

Secondly, the government measures do not serve to compensate for wrong business decisions or developments that originated before the pandemic.

Thirdly, state aid should be granted as a priority to those companies that experience reduced revenues or liquidity bottlenecks as a direct result of state-imposed closures. In connection with this, attention should also be paid to whether the companies could benefit from any catch-up effects, so that lasting damage in particular can be avoided. Depending on the likelihood of post-crisis recovery, different instruments should be used. Therefore, it is necessary to determine the post-crisis recovery.

Especially in the services sector, only limited catch-up effects can be expected. After all, needs could already be met through a one-time use of service providers, so that the turnover losses of the crisis period cannot be recovered to a large extent. The only thing that can help here is to replace the lost income. Loans and the associated interest burdens would in turn require the possibility of repayment, which, as explained, is not possible if revenue losses do not recover. It is questionable whether this finding is conclusive.

However, catch-up effects are to be expected where long-lasting consumption desires are only postponed or even accumulate and are postponed. A car that should have been bought before will most likely be bought again at the next possible opportunity. In this case, a liquidation bottleneck due to the loss of income is possible, but lasting damage resulting in insolvency can be ruled out. In such cases of impending liquidity bottlenecks, the German government has launched comprehensive programmes for liquidity assistance through the Kreditanstalt für Wiederaufbau (KfW). Loans are granted at favourable interest rates and liability is assumed for bridging loans with house banks. To remedy the time pressure and largely prevent insolvency, loan disbursement is accelerated through a simplified risk assessment. Nevertheless, consideration must be given to the possible repayment and interest burden of, for example, a small company that is already financed by other loans and also has to meet this liability within a more rigid period of time. Therefore, it is advisable to design the maximum term and the repayment rate in such a way that it takes into account any existing interest burden. For example, a term of up to 12 years and an extension of the grace period to up to four years could be agreed upon without major costs for the public sector.

Such grace periods of a loan term would then also be a set of instruments that can also become useful to enterprises and sectors without post-crisis recovery. The Schleswig-Holstein state government also recognised this and developed the IB-SH 2020 SME programme. It offers five-year interest-free and two-year repayment-free loans with optional follow-up financing, as well as a loan liability assumption of 90 %. The partial demand for a 100 % assumption of liability for loans is disproportionate, and the consideration must also take into account the need to prevent possible future loan defaults and windfall profits from the point of view of the public purse.

Here too, however, in view of small businesses that are essentially dependent on tourism, it becomes apparent that revenues can probably only be generated by large crowds and that this precondition will practically only be met when the pandemic ends. In addition, since catch-up effects will be largely absent, a safeguard is required in these cases that also goes beyond liquidity supply with relaxed redemption provisions. Thus, as already mentioned, for certain companies without a catch-up effect, "compensation" in the form of a state subsidy is certainly necessary. The federal government subsequently addressed this problem and developed the "Corona-Überbrückungshilfe III" (Corona Bridging Assistance III) package. In this package, the federal government provides proportional fixed-cost subsidies to entrepreneurs in relation to the size of the business and the drop in turnover. Approval is tied to conditions that are probably met by the majority of the tourism industry; however, it remains to be determined to what extent the bureaucratic hurdles and payment processes deny effective assistance, especially in view of the tourism industry's total loss of revenue.

Another possibility, which, however, has not yet been implemented in Germany by the federal government and the state governments, is a protective umbrella for planning security in the event and tourism industry. For example, Austria, through the Austrian Hotel and Tourism Bank, grants reimbursement to event organisers for expenses incurred by the companies that cannot be recouped directly due to restrictions or due to cancellations by guests in connection with the restrictions.

A regional approach, on the other hand, is provided by the Paderborn Cultural Office with a best-practice approach that takes into account the local economic and social conditions and, instead of financial resources, can provide supplementary, especially non-material resources.

Spain

Central Administration measures

The Central Government has announced a series of measures that we group into six categories, which are summarized below, without pretending to be exhaustive:

a) Cross-cutting measures

- Plan for the Transition towards a new normality
- European Recovery Plan to support the tourism sector

b) Aid for the liquidity of companies and the self-employed

- ICO financing line, endowed with € 400M and guaranteed by the State to all companies and self-employed workers with tax domicile in Spain that are basically included in the economic sectors of passenger transport, accommodation, and restaurants.
- Creation of a line of guarantees and public guarantees of up to 100,000 million euros. The Government approved on March 24 the conditions of the first tranche of the guarantee line for an amount of 20,000 million euros, of which 50% will be reserved to guarantee loans for the self-employed and Pymes
- CESCE guarantee a line of 2,000 million euros for internationalized companies or in the process of internationalization and that face a liquidity problem or lack of access to financing as a result of the impact of the COVID 19 crisis on their economic activity, favoring especially SMEs.
- In the case of ERTEs, the employer will be exonerated from the total business contribution of Social Security contributions, if the company has less than 50 workers. If you have 50 workers or more, the exemption from the obligation to contribute will reach 75% of the business contribution.
- Specific regime of suspension of public contracts, with an extension of terms and compensation of salaries, to avoid the loss of employment.
- Through regulatory reform, companies from countries outside the EU are prevented from controlling Spanish entities in strategic sectors.
- Extension of the mortgage moratorium on properties affected by economic activity for entrepreneurs and professionals whose activity has been suspended due to the state of alarm or whose billing has dropped significantly.
- Moratorium of six months, without interest in the payment of social security contributions for the self-employed and companies.
- Postponement of payment of debts to Social Security until June 30 for companies and self-employed workers that do not have another postponement in force.
- Measures so that the self-employed and companies that have been affected by COVID19 can make the payment of basic supplies such as electricity, water, or gas more flexible, even reaching the possibility of suspending their payment. Amounts owed will be paid no later than six months after the end of the alarm state.
- In the case of self-employed individuals, it establishes that beneficiaries of the benefit for the cessation of activity may pay the contributions for March corresponding to the days before the declaration of the state of alarm after the deadline and without surcharge.

c) Tax obligations

- Suspension for one year and without any penalty of the payment of interest and amortizations corresponding to the loans granted by the Secretary of State for Tourism.
- The flexibility of the deferral of the payment of tax debts with the Administration for six months, upon request, with a partial reduction in interest rates to avoid possible treasury tensions of the self-employed and small and medium-sized companies

d) Employment measures

- Extension of the bonus to discontinuous fixed contracts from February to June in the tourism, commerce, and hospitality sectors linked to tourism.
- Employees are allowed to adapt or reduce their working hours up to 100% to meet the conciliation and care needs derived from this crisis.
- Teleworking is established as the main measure of flexibility when circumstances permit.
- Flexibility of ERTEs. Those caused by the COVID-19 crisis will be considered force majeure and workers will have the right to the contributory unemployment benefit, even if they do not meet the required prior contribution requirement. The collection of this benefit will not count towards the subsequent collection of the unemployment benefit.

- For the self-employed, access to the cessation of activity and the collection of their benefits in the event of financial difficulty is made more flexible.
- A recoverable paid leave is regulated for non-essential service workers to reduce the mobility of the population in the context of the fight against COVID-19.
- The group of potential recipients of the electricity social bonus is expanded, to which people who have been affected by employment regulation measures of their companies or, in the case of self-employed, have ceased their activity or seen reduced your income by more than 75%.
- Adaptation of the extraordinary benefit for the cessation of self-employed activity with a high degree of seasonality.
- New extraordinary subsidy is equivalent to 80% of the monthly amount of the Public Indicator of Multiple Effects Income (IPREM) for people who have completed their temporary contract of at least two months that would have expired after the declaration of the state of alarm and who do not reach the minimum contribution period to receive unemployment benefit.

e) Competitive intelligence: markets and competition

- Weekly reports prepared by the Tourism Councils that contemplate the changes that each issuing market is undergoing in the field of intermediation, in the characteristics of the demand, as well as the situation in the country and the prospects for recovery in each case, in light of the global pandemic.
- Campaign on social networks reinforcing the emotional bond with Spain. It is a video edited in 5 languages and disseminated from the profiles of @spain, to reinforce the emotional bond with Spain in international tourism and to remember the attractions and the country's offer.

f) Other measures of interest

- Declaration as essential services to certain tourist accommodation.
- The Secretary of State for Tourism, in collaboration with SEGITTUR, launched a set of training actions within the Tourism Hosts program, with the aim that professionals in the tourism sector can make the best use of the confinement situation, and be better prepared to face the exit from the current crisis.
- More flexible maintenance rules for airport slots.
- The start-up of programs to support digitization and R&D of SMEs is accelerated, which will facilitate the implementation of teleworking.
- Carrying out all the procedures with the Social Security regarding deferrals in the payment of debts, moratoriums, or returns of undue income through the RED Electronic Communication System.
- Regarding package trips canceled due to COVID19, it is expected that the organizer or retailer can give the consumer a voucher to be used for one year for an amount equal to the corresponding refund; If not used during that period, the consumer may exercise the right of reimbursement. Complementary measures are also established to protect organizers or retailers against the non-payment of suppliers.
- Extension and reinforcement of the Thomas Cook financing line, initially foreseen by Royal Decree-Law 12/2019.
- Measures are established to ensure a moratorium on mortgage debt for the acquisition of the habitual residence, of properties related to the economic activity carried out by businessmen and professionals, and of houses other than the usual rental situation.
- Secretary of State for Digitalization and Artificial Intelligence (SEDIA): DataCOVID, the population mobility study that will help in decision-making in the face of the coronavirus.

Measures of the Autonomous Administrations

As of the closing date of this report, the various regional administrations have announced some actions that we group into nine categories but which are expected to increase as the process of recovery in tourist activity progresses.

a) Aid for the protection of the payment chain, credit lines, and settlement of aid

- Line of credit to improve the liquidity of companies and mitigate the effects of the coronavirus pandemic (in Catalonia, Aragon, and Extremadura).
- Help to support the self-employed and SMEs in the tourism sector affected by COVID19 (in Catalonia and Valencia).
- Announcement of the reduction of the water fee in hotel establishments, campsites, and other accommodations (in Catalonia).

b) Tax obligations

- Suspension or extension of the installment payment terms of personal income tax, certain self-assessments, and tax debts of the self-employed and SMEs (in Galicia and Navarra).
- Moratorium on the payment of the tax on stays in tourist establishments (in Catalonia).

c) Employment measures

- Inclusion of certain groups of discontinuous permanent workers in the hospitality sector and accessory activities in the temporary employment regulation files provided for in articles 22 and 23 of Royal Decree-Law 8/2020 (in the Balearic Islands).
- Assistance in monitoring and control of infection in workers and the company and in disinfection work, equipment, and facilities for measuring sanitary conditions, disinfection of facilities and people, and individual or collective personal protection and safety. For the manufacturing industry, transport, and hospitality, including hotels and campsites (in La Rioja).
- Recommendations for companies and workers on actions related to COVID-19 situations (in Catalonia).

d) Competitive intelligence: markets and competition

- Benchmarking on the measures taken in the issuing markets (in Catalonia).
- Monitoring report on the impact of COVID-19 on tourist activity in the autonomous community (in Catalonia and Valencia).
- Simulation study for tourist demand. Scenario simulation (in the Canary Islands).

e) Innovation and ICT tools

- Digital edition of a children's book with content related to the autonomous community translated into the language of the main source markets (in the Canary Islands).
- Geographic information system on the epidemiological situation (in Castilla y León, Balearic Islands, and Asturias).
- Online data collection platform that measures the economic impact of COVID-19 in the tourism sector (in the Basque Country).
- Campaign to recover the destination's image on social networks (in Catalonia and the Canary Islands).

f) Governance

- Technical group of tourist cities to agree on the de-escalation of the sector (in Valencia).
- Technical committees with different agents of the tourism value chain (in Andalusia and Valencia).
- Guide to aid for the tourism sector (in Murcia).

g) Physical distancing

- Contingency plan for COVID-19 to apply in the Tourist Info Network of the Valencian Community.

h) Training

- Online training initiatives (webinars) aimed at companies, destinations, and professionals in the tourism sector (in the Canary Islands).

i) Reactivation plans

- Preparation plan for the tourism sector to advance its reopening (world tourism safety laboratory) (in the Canary Islands).
- Shock plan to recover and reactivate the tourism sector in the face of the health and economic crisis caused by the coronavirus pandemic (in Andalusia).
- Investment plans to help the sector (in Galicia).

Local Administration Measures

There are still few local measures in these initial phases because as the de-escalation progresses, the town councils will be deploying new actions, adapting them to the measures already established by the Autonomous Communities and the Central Government. Only some examples of the first measures announced as of the closing date of this report are shown here.

a) Aid for the liquidity of companies and the self-employed

- Social and economic measures for the reactivation of the municipal economic fabric (in Palma de Mallorca)
- Refund of the payment, to bars and restaurants, for the occupation of the public domain of tables and chairs, of the rate corresponding to the entire year 2020 (in Calviá).

b) Tax obligations

- New, broader, and more flexible fiscal calendar that will mean delaying and extending the term of voluntary payment of taxes (from July 1 to November 15) (in Calviá).
- Suspension of fees and modification of the Ordinance to expand the area of the terraces of bars and restaurants (in Gandía).

d) Employment measures

- Social and economic measures for the reactivation of the municipal economic fabric (in Palma de Mallorca).

e) Competitive intelligence: markets and competition

- Survey on the behavior of potential tourists to the province of the region after the health alert for Covid-19 (in Huesca).

f) Innovation and ICT tools

- Initiative to make trade and essential services visible during COVID-19, operational in each district (in Madrid).
- Website designed to consult businesses that sell at home or are collected in a store (in Conil de la Frontera).
- Campaign to recover the destination's image on social networks (in Lorca).
- PATTI RECOVERY project based on conducting Covid19 tests to establish protocols for the reopening of establishments (in Benidorm).

The objective of such wide and varied measures is to protect the tourism sector in an unprecedented crisis, however, it is still too early to rigorously evaluate the success or otherwise of these measures

Scotland

How Tourism SMEs Navigate their Way Effectively through Crisis

As a sectoral level, short-term policy response units, such as the Scottish Tourism Recovery Task Force, have set out a number key priorities for the recovery of the tourism sector, including creating a sustainable destination for the safe return of visitors and boosting innovation to provide great customer experiences. More pertinent to this project, developing a skilled, valued and committed workforce and building business resilience and sustainability were also identified as priority measures (STRT, 2020).

At the individual SME level, Riskonnect (2020) proposes a number of key steps to prepare for recovery:

- Ascertain what is working, and what isn't, in your recovery plans.
- Consider all possible risks.
- Create a crisis recovery team, with appropriate accountability and leadership.
- Create a plan, and test it.

Both Riskonnect and the Executive Strategy blog identify the importance of 'gathering facts while understanding the emotional impact on the organization' and taking positive steps to resolve the issue and assuage workforce fears, with communication, to suppliers, workers, guests etc, a key consideration (Executive Strategy, 2019).

Source: Noggin (no date)

Noggin (no date) suggests that there are three stage to crisis management, as illustrated above: preparation for possible crisis, crisis response, and a form of critical self-reflection to ascertain what could be done better to handle further crisis.

More directly aimed at the tourism sector, Future Place Leadership (2020) advocates:

- Understanding the new needs of the market, focussing on segments that have the ability to bounce back more quickly, such as special interest tourism and the domestic market.
- Rebuilding with health and safety in mind, demonstrating the highest standards.
- Promoting skills development, especially digital, to advance the skillset of the sector and promote recovery.
- Collaborating across the sector, as the industry is recognised as being stronger together.

As an example of the last point, the European Travel Commission's recovery report considers that the pandemic has in many cases brought the national tourism organisations closer to the business community, as SMEs have become more reliant on the insights and guidance that they have been providing during the crisis (ETC, 2020), and made good use of (free) local or national advice (Niininen, 2013).

Future Place Leadership (2020) goes on to suggest how important it is to:

- Learn from this crisis, to become better prepared.
- Think about the future and how the current pandemic does give the industry to rethink and do things differently.
- Use digital as an enabler, for more effective promotion, communications and collection of consumer data.

Although taking a more academic perspective Niininen (2013) interviewed hotel managers and suggested some similar issues to take account of, but also drew attention to the importance of effectively managing costs during a crisis to allow an SME to bounce back quickly during recovery.

Safertourism.com (2020) suggests a number of consideration to help tourism businesses negotiate crises:

- Never assume that a crisis will not touch you – have a crisis recovery plan in place prior to a crisis.
- Often it is the media that define a crisis as a crisis. Ensure that the correct information is given to the media as quickly as possible.
- The best recovery programmes consist of a series of co-ordinated steps, not one remedy – for example coordinate advertising and marketing campaign with an incentive programme for consumers.

- During a crisis geographic confusion often occurs – again, ensure that the correct information is given to the media as quickly as possible.
- If your business/community is not closed for business make sure that you let people know.
- Encourage people to support your community by visiting it - reward those who do so.
- It is essential to train employees in crisis management and how they will present themselves, and the company they represent, to the general public.
- Do not complain; instead, emphasise the positive.
- Seek ways to gain exposure for your business and the local tourism community – invite bloggers or journalists to write articles about your recovery.
- Be creative in developing products that encourage the local population to enjoy local tourism businesses.
- Collaborate with industry partners to work together to encourage people to return.

Crisis Management Skills Required to Help SMEs out of Crisis

Numerous academic studies have been undertaken on the development of frameworks for the development of crisis response skills, both across a range of sectors and within the tourism industry. In an attempt to amalgamate findings, they have been synthesised into four stages, using the model espoused by Hong et al. (2012):

1. Pre-crisis phase – prevention and/or detection

- Creating a risk management strategy, to identify and address risks and mitigation measures (Mikušová & Horváthová, 2019).
- Having a crisis management plan or contingency plan, to establish procedures for crisis response, for example purchasing from alternative suppliers (Alves et al., 2020; Mikušová & Horváthová, 2019).
- Making the business prepared, though market diversification and product innovation (Hong et al., 2012).

2. Crisis occurrence phase

- Ensuring product flexibility or diversification, eg. cafes selling more takeaways (Alves et al., 2020).
- Increasing promotional activity (Alves et al., 2020).
- Exploring new inbound consumer markets (Alves et al., 2020), and new domestic markets.
- Flexible staffing arrangements, in terms of taking annual leave, working hours, and revising HR policies (Alves et al., 2020).
- Developing a containment strategy to minimise risk (Hong et al., 2012).
- Creating and demonstrating effective leadership (Hong et al., 2012).
- Undertaking cost control - adopting IT solutions, buying cheaper substitutes and abandoning unprofitable areas of the business (Kukanja et al., 2020; Hong et al., 2012).
- Making labour-force cutbacks, empathetic to employees and without undermining training and re-employment during recovery (Kukanja et al., 2020).
- Staying abreast of and making the most of organisational support (Kukanja et al., 2020), through national or regional support agencies or membership organisations.
- Demonstrating a willingness to collaborate and co-operate with other businesses (Kukanja et al., 2020).
- Being able to restructure liabilities (Mikušová & Horváthová, 2019).

3. Recovery phase

- Formulating a recovery plan (Hong et al., 2012).
- Undertaking customer-oriented marketing, focussing on loyal guests (Kukanja et al., 2020).
- Investigating and enabling product diversification (Mikušová & Horváthová, 2019).
- Undertaking effective communication with suppliers (Hong et al., 2012).
- Benchmarking performance against competing SMEs (Kukanja et al., 2020).

The Crisis Resource Center (2020) identified the importance of digital marketing as an essential element of an SME's recovery, in terms of:

- Keeping international travellers, partners, and trade informed and aware of the destination status and recovery plans.
- Undertaking direct to consumer digital marketing campaigns to audiences considered receptive to travel messages.
- Curating, purposing and repurposing content and digital resources for marketing campaigns.
- Re-purposing this content for recovery plans and future marketing.

4. Resolution phase

- Undertaking a crisis management review (Hong et al., 2012), to analyse impacts, and preparedness, as well as perceptions of employees and consumers (Mikušová & Horváthová, 2019).
- Strategic planning (Hong et al., 2012).
- Restoring business credibility, as appropriate (Mikušová & Horváthová, 2019).

European Needs Analysis on Crisis Management for Tourism SMEs

Part 3: Good Practice Case Studies

Navigating Tourism
Crisis Recovery

Co-funded by the
Erasmus+ Programme
of the European Union

CONTENTS

INTRODUCTION

The final report for Intellectual Output (IO) 1 contains six elements:

- Introduction and Methodology
- Online Research
- Good Practice Case Studies
- Literature Review
- Analysis of Industry Interviews
- Competence Framework and Conclusions

This document forms part three: Good Practice Case Studies. Please visit https://www.tourismrecovery.eu/resources/ for the full suite of IO1 reports.

GOOD PRACTICE CASE STUDIES

Iceland

Friðheimar - a company that puts responsibility at the forefront

Friðheimar is a family run business in South Iceland that runs miscellaneous operations: restaurant, green-house, and an equestrian centre. The family started growing tomatoes in 1995, and since they were also horse enthusiasts, they decided to build an equestrian centre to start a horse tourism business. When visitors started to come, they showed a lot of interest in the green-house operation and wanted to know more about how it is possible to grow tomatoes so far north. Thus, in 2013 the owners decided to open the greenhouse for guided tours and subsequently a restaurant was open within one of the greenhouses. The menu is solely based on tomato related dishes such as tomato soup, tomato beer, tomato ice-cream etc. The waiters were trained to inform their guests about the horticulture industry in Iceland, in particular the tomato production. The restaurant quickly became very popular. In 2019 around 190 thousand tourists visited Friðheimar opposed to 900 the year 2008. As a result, Friðheimar grew and in the year 2017, the family employed 35 people all year around and during the summertime there were about 49 during employees. Friðheimar has gotten various business recognitions, the last one 2020 when Friðheimar were selected by the Icelandic Tourism Cluster an exemplary company in regards to responsible tourism.

Figure 1. Customers eating in the restaurant in the greenhouse (Photo: Fridheimar.is)

Figure 2. Growing tomatoes in greenhouses (Photo: Fridheimar.is)

The owners of Friðheimar have throughout the years emphasized that their staff is an integral part of their tourism product, and thus they have highlighted the importance of human resource management. In the spring of 2020, the owners realized that the tourism collapse could result in them losing their key staff which would mean a lost investment in training and skill enhancement throughout the years. In order to be able to keep their key (restaurant) staff fully employed, the owners decided to enhance the horticulture operation. The restaurant staff was offered work in the green houses during the crisis period. All the staff accepted this offer.

Figure 3. An exhibition of the Icelandic horse (Photo: Fridheimar.is)

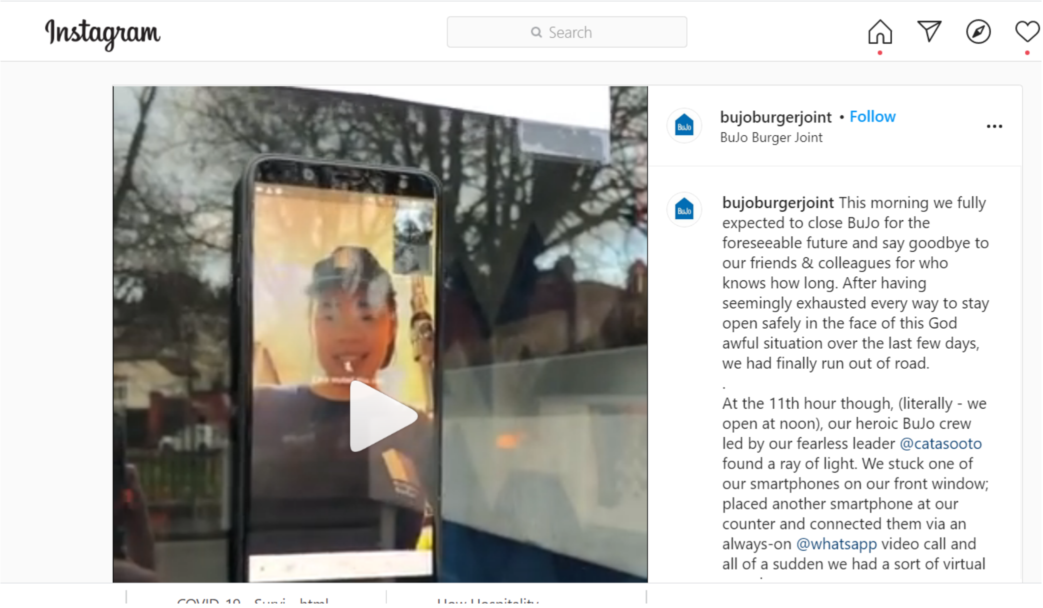
Friðheimar is a good example of a company that has built on what has been labelled as related variety and that has contributed to the company's resilience so far. Related variety aims at focusing on various types of paths/operations and thus, not putting all the eggs in the same basket. These various paths/operations, however, need to complement each other.

Furthermore, Friðheimar's focus on the importance of the human resource is strongly supported by theories regarding successful crisis management. Thus, studies have shown that enterprises that are flexible and supportive and care about the welfare of employees are better equipped to cope during crisis situations (Hall et al., 2017; Prayag, Spector, Orchiston, & Chowdhury, 2020).

Ireland

BuJo, Sandymount, Dublin

A burger bar which reinvented how to do business 'closed'. The owner Michael Sheary created a digital drive-thru using WhatsApp to take orders. While it's very much so a take-it-day-by-day approach, it's a testament to the inventiveness of some business owners, and a clever way to work around the social distancing guidelines.



'We stuck one of our smartphones on our front window; placed another smartphone at our counter and connected them via an always-on @whatsapp video call and all of a sudden we had a sort of virtual portal. It provided the social distance, (no guests allowed on the premises); a contactless pick-up service, (we simply delivered our guests order to them or their car), and a sprinkle of BuJo hospitality with our front of house team on the screen to take orders all St. Patrick's Day from our very loyal friends & neighbours in Sandymount. It wasn't and isn't perfect, but we are still, barely, open for at least one more day'.

IMPASTO – Restaurant (Dublin)

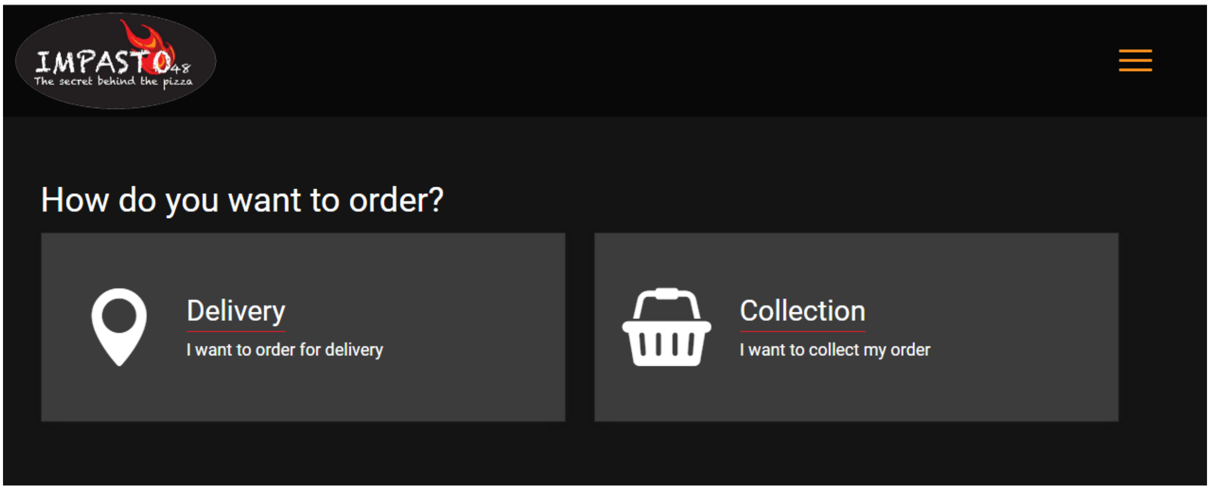
Flipdish gives us, possibly the best software available to restaurants for takeaway and delivery. A lot of our customers have raved about how easy it is to order as soon as you hit our website.

'We've been through unbelievable challenges like many restaurants, we had to focus mainly on takeaway and delivery and we found a brilliant partner in Flipdish.

"They held our hand from start to finish, the setup was amazing, their platform is absolutely second to none and flipdish was a perfect fit for us."

[FlipDish Food Web Ordering](https://www.flipdish.com/ie/customers/) Your own branded food ordering / click and collect website.

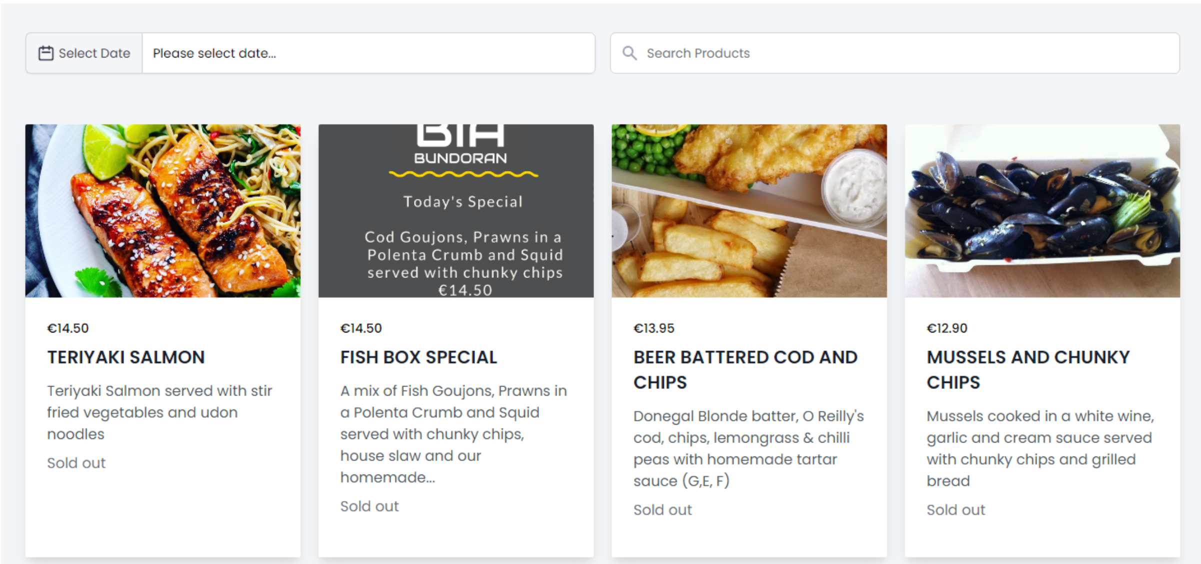
https://www.flipdish.com/ie/customers/



Bia Bundoran, County Donegal

Are you in the mood for good food ? Our menu offers something for everyone using the freshest local ingredients. From fish lovers to burger enthusiasts, vegetarians to gluten intolerance we have got you covered. If your preferred slot time is full, feel free to ring us on 0870518592 and we will try our best to accommodate you. Opening hours Thursday 4.45 - 8 pm, Friday and Saturday 4.45 pm - 9 pm and Sunday 4.45pm -8.00 pm

Please come to Bia Bundoran(Donegal English Language School), West End, Bundoran, F94 X997 at your designated time. Please come up to the door and we will give you your order.



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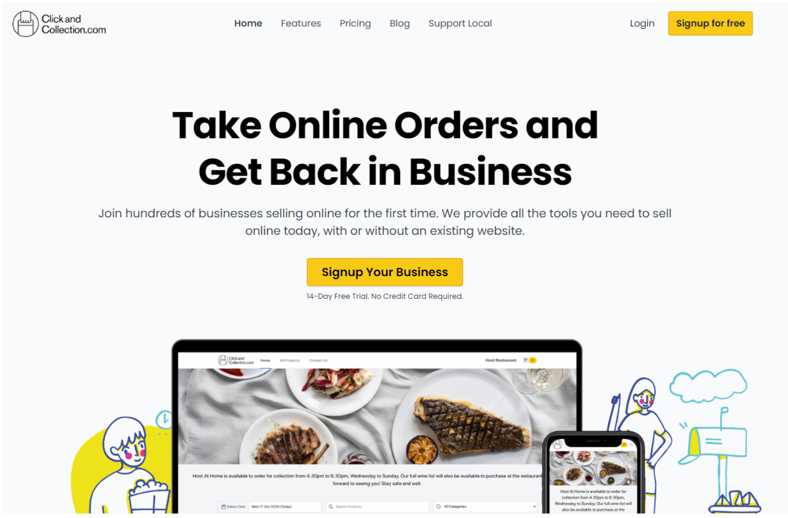


Pandini's, Restuaurants, Ireland

Uses Nuacom for its bookings and online restaurant functions – features voice, mail to mail, call recording (to go back and check your orders), App developed for on the go and organise call, SMS for promotions, the lines are never busy can take all calls at the same time.

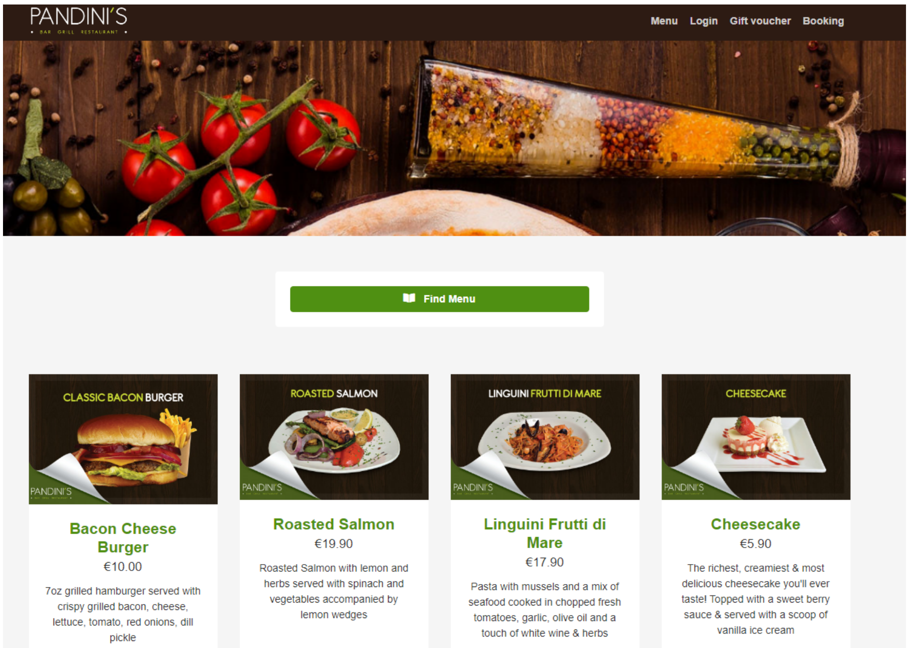
Nuacom, is a Maynooth-based cloud phone service that has seen an uptick in demand as employees adjust to working from home. Restaurants are doing a lot more business over the phone now. To limit the number of employees on site, many restaurants have turned to cloud-based phone systems so that employees who take calls and orders can work from home.

"The system has lots of nice features but the most important is the lines are never busy." Michael Mazilu, Owner, Pandinis Restaurant

"There are a couple of employees preparing food on site, respecting physical-distancing in the kitchen," he said. "Then they have people who take orders, who work from home, and they place the orders into the point of sale remotely to send orders to the kitchen.

"The phones have become an important part of the business, because before this they were only used for bookings."

See how Pandini's managed to improve the customer service quality and also reduce the running cost of telecom by adopting the NUACOM cloud phone system. Cloud phone system, Business Phone System, Voip Phone System, Office Phone System, Phone System for small business, Telephony, IP Phones, Irish telecom provider, Irish phone system provider, Irish Voip Provider...



Germany

The Paderborn Cultural Office describes how to hold open-air events in a Corona-compliant way. With their best practice approach, they try to support the regional tourism industry. In the study, different open-air events were analysed and compared. This resulted in various recommendations for action that should make it possible for organisers and cities to hold smooth events even during the pandemic while complying with regulations. Events help the tourism industry to attract day tourists to cities on the one hand and to promote the number of overnight stays in various hospitality businesses on the other. The aim is to support the event industry in 2021 and to enable open-air events. Consequently, the perspective of cultural workers such as artists and event technicians, who set up and dismantle the stages and technology, should also be improved.

Based on the analysis of various open-air events, various recommendations were made. These recommendations were divided into ten points (entry and exit, minimum distance, guest registration, catering, mouth-to-nose coverage, sanitary facilities, seating, artists and staff, duration of the event) as well as supplemented by a checklist. For example, prior registration of visitors is recommended to relieve and equalise entry, markings on the floor, and one-way systems facilitate compliance with the minimum distance, and digital registration of visitors helps to ensure traceability. In terms of catering, the alternative is given to only give out bottled drinks and allow visitors to bring their own food. A compensation could take place through a corkage fee. There should be a distance of at least 1.5 metres between chairs and an attempt should be made to divide the event over several days and runs. Artists and others involved in the event should be briefed on the arrangements. These points can be worked through with the help of the checklist.

The Best Case Study of the Paderborn Cultural Office shows the enormous importance of the event industry for tourism. The event industry is a central component of regional tourism.

In addition to the event industry, the catering industry has also had to accept major restrictions and is facing a difficult time and great strain due to various restrictions and "lockdowns". Restaurants benefit from good tourism in the region, but they also contribute an indisputable part to the added value in the tourism industry. It was all the harder for restaurateurs to have to close their doors and no longer be able to serve guests in the restaurant since the "lockdown light". However, an anonymous consultation case shows how it can be achieved to creatively rely on other solutions in order not to rely exclusively on financial aid from the state.

The restaurant has 60 seats and offers mainly home-style cooking. Online offers and takeaway orders hardly played a role in the normal regular business before Corona. In the first lockdown, the focus was on selling food away from home for the first time. Regular customers, who make up 60 % of the restaurant's customers, supported the restaurant and accepted the new offer well. In addition, state aid such as subsidies and short-time allowances were applied for.

With the opening after the first lockdown in spring, a comprehensive hygiene concept was developed. The concept prescribed, for example, the reduction of tables and the compulsory wearing of masks by guests. With the development of the case numbers in October, a "Plan B" was developed for a renewed closure of the catering trade. In an inventory it was found that although the takeaway sales were well received, the offers were not advertised, nor was the website adapted. Consequently, there were not many new customers.

Based on the stocktaking, a "Corona concept" was developed, which should bring the restaurant through the "lockdown light" financially, but also have positive effects for the time after the closure. First of all, the homepage was adapted. Guests can now order from a selection of dishes that change 1-2 times a week by mail or online. In addition, the menu has been adapted and reduced in size. This has the advantage of being able to prepare dishes freshly and to guarantee an optimal taste experience; in addition, the lower use of materials and goods has resulted in a reduction in the amount of throwaways. A bonus system is also intended to strengthen customer loyalty. New customers are to be attracted by flyers pointing out the current offer.

The first results were quite positive and provided information for further planning. For example, a delivery service for businesses and self-employed people in the area is planned. Finally, it can be said that catering businesses in particular were hit hard by the lockdowns. New concepts and changes in the business model were needed quickly. Above all, however, the creativity and staying power of the restaurateurs is needed.

Spain

Galicia

The current situation in Galicia at the tourist level does not differ from many other parts of the planet, and especially from the rest of Spain. Tourism is a key sector in the Galician economy, which in the face of the current pandemic has been totally paralyzed. That is why the Autonomous Community of Galicia, aware of the situation and needs of the sector, publishes on May 5, 2020, through the Consellería de Cultura e Turismo da Xunta de Galicia its reactivation plan after COVID-19 for two key sectors: culture and tourism.

This plan contemplates an investment of 27 million euros and about 50 measures for both sectors, with three main objectives:

- promote employment
- generate liquidity
- reactivate consumption

The document proposes nine lines of action with an investment of 11 million for the tourist activity and 10.6 million for the cultural sector, in addition to 5.1 million for cross-cutting measures included in the Xacobeo 2021. Four of these areas are focused on the tourism sector, including a total of 24 measures.

- Promotion actions in Galicia and reactivation of demand
- Creation of new tourism products
- Support to the business fabric and maintenance of tourism employment
- Training, competitiveness, and innovation.

A priori it is observed that these axes are of help to reactivate the tourist activity after this circumstantial stop, but that they also serve as a starting point to continue working on a tourist strategy in this community in the medium and long term. An example of this are the measures related to the training of the sector or the creation of new products. These measures are summarized below.

Actions to promote and reactivate demand

- This first axis includes six measures, three of them with an impact on employment, reactivation, and liquidity, and three only on reactivation. Those with the broadest impact are: New actions to promote the Galicia destination. With three key actions: reformulating the current communication campaign adapting to the new context, emphasizing the strengths in a post-COVID-19 scenario; aimed at the domestic market in the early stages, to gradually resume the international market; and something fundamental, all with public-private coordination.
- Promotion of MICE tourism: it is proposed to promote Galicia as a MICE destination, for which a hygienic-sanitary adaptation of companies in the sector to the new reality is essential.
- Establish an agreement with the professional guides of Galicia: it seeks to reactivate the activity of this group and the creation of the product "Meet Galicia" that travel agencies could offer. All this under a climate of sanitary guarantees and sector training.

And three measures with an impact on reactivation:

- Application of BIG DATA to the post-health crisis tourism industry: this path intends to monitor tourist flows and adapt the offer to specific demand, as well as orient promotional actions.

- Design of actions for tourist city councils for the implementation of hygienic-sanitary measures: reinforcement of municipal coordination to promote the image of Galicia as a safe destination in terms of hygiene-sanitary factors.
- Promotion of the creation of gastronomic product: promotion of the development of tourist products associated with gastronomy, since the quality of this resource is one of the great value elements of this destination.

Creation of new tourism products

This axis includes a total of seven measures, four of them with a social impact at three levels (employment, reactivation, and liquidity), two at an intermediate level (reactivation and liquidity), and one of them only at the reactivation level. The broadest are:

- Agreement of the tour operator sector for the promotion of Galicia and the creation of new products. Use of multichannel platforms for the promotion and creation of new products, as well as the promotion of products in new strategic areas.
- Promotion of geo-destinations for the creation of new tourism products: collaboration of the Xunta with the entities that manage geo-destinations.
- Agreement with the Galician Association of Axencias de Viaxes: collaboration and support for this group.
- Agreement with the Active Tourism Association: to readapt the equipment to hygienic-sanitary conditions, promote and improve the sector and train it in new technologies (especially for promotional channels).

The two measures at the intermediate level are:

- Thematic visits to “A outra Galicia”: free guided tour of the city chosen by those who have stays of 2 or 3 days in the same hotel (July to September). Two modalities: couples/family group and associations and groups.
- Agreement with the Wine Routes: promotion of a promotional campaign, action protocols against coronavirus, and adaptation of these activities to the new hygienic-sanitary requirements.

And finally a measure only at the reactivation level, an agreement with hotel chains to promote holiday exchanges.

Support to the business fabric for the maintenance of tourism

- In this axis there are five proposed measures, the first three of social impact at three levels (employment, reactivation, and liquidity) and the last two at the liquidity level:
- "Galicia Safe Destination" Program: reformulation and promotion of tourist products adapted to the new hygienic-sanitary situation.
- Support for hygienic-sanitary adaptation for hotel establishments and tourist accommodation: support for the implementation of hygienic-sanitary measures and sanitary protocols.
- Health safety certification for tourist establishments: it seeks to favor the incorporation of hygienic-sanitary criteria in the existing certification processes.
- Support for financing and dialogue with financial entities: facilitate financing by financial entities in the event of cancellations made in this sector.
- "Stay in Galicia" program for the free financing of tourist activities: it seeks to offer free financing through collaboration with banks, for the purchase of tourist products to enjoy in Galicia; aimed at residents in Galicia and local tourism.

Training, competitiveness, and innovation

- A total of seven measures, four at all impact levels, two at the employment and reactivation level, and one at the reactivation level:
- Solidarity bonus for the consumption of tourist products: to encourage tourist consumption with a multiplier effect and give workers a social / family break.
- Drafting of the 2030 Post-COVID-19 Tourism Strategy: create a committee of experts to prepare the 2030 plan, taking into account the future implications of this crisis.
- Training plan in the tourism field: improvement of professional training. Reinforcement of online training and inclusion of new training programs in the hygienic-sanitary field.
- Preparation of hygienic-sanitary manuals in the field of tourism: preparation of protocols and manuals in this field.
- Online consulting and advice program for the tourism sector: online consulting and personalized measures for each business area.
- Observatory for tourism innovation and sustainability: a reference space for all the actors involved in improving the tourism sector.
- Online marketing platform: a new platform for wine tourism experiences to encourage online reservations

Scotland

1. *Nithbank Country Estate*

Nithbank Country Estate is an award winning country house B&B in Dumfries & Galloway, with an explicit commitment to responsible tourism, particularly in relation to working with the local community and wildlife conservation. Responding to the threat from the pandemic its owner, Melanie Allan, owner, stated:

Here at Nithbank, we champion responsible tourism through collaboration: ‘Always Local First’ making a conscious choice to work with some great rural businesses. It's easy for us to do this with the support network of the Galloway and Southern Ayrshire UNESCO Biosphere. There is a vibrant cohort of like-minded, conscious businesses who inspire us every day and share the passion for our ‘world class environment’. It really is about nurturing stories and creating opportunities to make your business stand out leaving guests inspired and eager for a future visit.

The guest experience is really important to us, we decided early on, that despite managing the extra demands of COVID-19, we would not compromise on the luxury touches we provide. It's more important now than ever, that our guest‘s experience surpasses their expectations.

Post-lockdown, we offer more, not less. That's providing guests with more luxuries, more advice and more of our time! We have a big job to do, to encourage our visitors to take in more of our beautiful surroundings, savour their experiences, spend locally and ‘stay a while' which is key to sustaining our business and local economy.

And it’s working… since lockdown our guests are staying longer, exploring our recommended routes and enjoying our local produce, with advance bookings coming through well into winter. It has been a very positive start for us.

https://www.visitscotland.org/news/2020/climate-week-case-study---nithbank-country-estate

2. Developing Mountain Biking in Scotland: Guide for Businesses

https://www.dmbins.com/developing/covid-19/downloadable-infographics--2

3. Scotland's tourism businesses are adapting to survive (The Herald, October 11th, 2020)

Around 90 minutes' drive north from Inverness and spanning 23,000 acres of dramatic Highland scenery, there are plans that one day Alladale Wilderness Reserve will again be home to lush pine forests and spectacular wildlife, including packs of wolves which once prowled through its deep glens. But while the estate in Ardgay, Sutherland, is rooted in the past, it is also surprisingly modern - precisely the kind of sustainable and innovative business that may well represent the future of tourism in Scotland.

According to recent research from national tourism organisation VisitScotland, the post-pandemic visitor will probably shun previously crowded holiday hotspots in search of spirit-enhancing experiences which offer the chance to 'give back' to nature, perhaps by digging, planting and restoring in places where the air is cleaner. Its Navigating the New Normal insight paper predicts a leap in the number of younger domestic tourists with a conscience; raising the prospect for smart businesses which innovate towards environmentally-friendly and mindful tourism to capitalise on a new leisure industry landscape.

At Alladale, where guests pay well to lose themselves in remote lodges miles from civilisation – albeit with Nutribullets, Nespresso machines and WiFi – there are plans to offer a much deeper 'back to nature' experience. Next year's guests are likely to be offered the chance to play an active role in 'rewilding', by planting trees, creating a wildflower meadow, or helping the estate collect data related to wildlife, flora and fauna. The estate has just taken delivery of an electric 4x4 buggy, powered thanks to the estate's micro-hydro generator. Two electric motorbikes are being trialled.

An aquaponics vegetable garden has been established, again powered by the hydro generator which also feeds excess electricity to the national grid. There are further plans to develop other guest activities which require no petrol, diesel or carbon emissions – in line with the national tourism strategy, Scotland Outlook 2030, which suggests a 'reboot' of the sector to help reduce its environmental impact.

Nearly 500 miles away at The Five Turrets in Selkirk, although bruised by the impact of Covid-19 restrictions, Gethin Chamberlain has also created new strands to his self-catering business aimed at capturing emerging demand for 'slow tourism' and nature-themed experiences. He recently launched Go Wild Scotland, a nature and wildlife tour business and is set to create a nature reserve within a woodland plantation alongside Ettrick Water which will offer opportunities for tourists to explore but will also provide local community benefits.

Across the country, tourism businesses are meeting fresh demand from a growing breed of visitors seeking low-impact and often nature-based experiences rather than simply ticking traditional sightseeing boxes. In Stornoway, Immerse Hebrides offers wild swimming experiences in the waters around Lewis and Harris, while at Glenview on the Trotternish Peninsula on Skye, Simon Walloork and partner Kirsty Faulds are masters of innovation.

They launched Glenview as a fine dining restaurant business 13 years ago, gained two AA Rosettes and then switched to a café specialising in pies after finding evening work clashed with family life. The Skye Pie Café is now an occasional pop-up and Glenview has evolved into B&B accommodation, yarn and textile dyeing workshops and a yoga retreat.

"We didn't want to move from here, so we had to adapt and change what we do," says Simon. The pandemic has meant the business has to keep evolving: "We are a bed and breakfast but we now offer evening meals to our guests as people are cautious about going out or the restrictions changing," adds Kirsty.

An online wool shop has helped offset lost footfall trade, and the couple are looking to expand the natural dyeing workshops to meet high tourist demand seeking to combine a holiday with a new skill. "I think for UK folk holidaying at home, a holiday with a twist where you learn a new skill or practice an old one is becoming very popular," she adds.

At Alladale in Sutherland, the manager thinks the pandemic may be the spark required to reboot Scotland's tourism sector for a modern age. "I hope because of Covid people start to realise that we are a part of nature, that we should work with it, not against it," he says. "If there was any moment in our lifetime to step back and really look at the impact of our natural world, this is it. "This is a slap in the face by nature saying enough is enough we need to listen to that and take responsible and change things for the better."

(this is an abridged version of an article from

https://www.heraldscotland.com/news/18784415.scotlands-tourism-businesses-adapting-survive/).

European Needs Analysis on Crisis Management for Tourism SMEs

Part 4: Literature Review

Navigating Tourism

Crisis Recovery

Co-funded by the
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CONTENTS

INTRODUCTION

The final report for Intellectual Output (IO) 1 contains six elements:

- Introduction and Methodology
- Online Research
- Good Practice Case Studies
- Literature Review
- Analysis of Industry Interviews
- Competence Framework and Conclusions

This document forms part four: Literature Review. For the full suite of IO1 reports please visit https://www.tourismrecovery.eu/resources/.

ABOUT CRISES IN TOURISM

Running a tourism business involves a great deal of uncertainty. The history of tourism is full of various events that have caused great changes in the supply and / or demand of tourism (Hall, 2010). From seasonal fluctuations, eruptions, political situation, economic fluctuations, to war, etc (ibid). It is important that business owners and managers can minimize the negative consequences of uncertainty and be able to respond to it with minimal negative consequences for the company itself, society, the economy, and nature.

Crisis has been defined as a "situation that individuals, groups or organizations need to face, which they cannot cope with using traditional business practices" (Booth, 1993: 85-86 in Cushnahan, 2004). As a result, companies must resort to unconventional methods to survive. The methods used can be diverse, and different methods are needed for different crisis. Crises can be gradual, regular, or sudden, depending on the size and strength of how long their effects persist (Backer & Ritchie, 2017; Ritchie & Jiang, 2019) and what action needs to be taken. The uncertainty that accompanies crises makes all work and planning to survive difficult (Sharma, Leung, Kingshott, Davcik, & Cardinali, 2020).

Ritchie & Jiang (2019) reviewed 142 papers published 1960-2018 on tourism risk, crisis and disaster management. The papers were grouped into three main categories that reflected the main focus of the literature: 1) preparedness and planning 2) response and recovery 3) resolution and reflection. Response and recovery were the most common category (55%), preparedness and planning were somewhat popular (13%), but only few categorised as resolution and reflection (6%). A total of 15% of the papers covered all these stages. The last category focused on articles on crisis and organisational learning, knowledge management and resilience of enterprises and destinations. The small size of this category perhaps indicates that research should focus more on what tourism companies and destinations have learned from the crisis process. The articles in the response and recovery category focus on multiple strategies from governmental, industry/sector, and individual business perspective. The preparedness and planning category focuses on crisis management planning and strategies.

Crisis management are the decisions and tactics that enterprises do to avoid or minimise the effect of the crisis. The aim of crisis management is to try to avoid the crisis from happening or diverting the crisis to a lesser impact, and to diminish the effect the crisis has on the operation of the company, the flow of income or its employees (Santana, 2004).

To examine the coping strategies that companies take in times of crisis, research on the resilience of companies have been somewhat prominent. In this context, the resilience of companies is often referred to as their ability to survive, adapt and maintain the operations of companies through a turbulent sea of change (Ates & Bititci, 2011). Research on resilience focus mainly on three elements 1) the ability to adjust, 2) recover and 3) adapt. A detailed literature review by Hall, Prayag and Amore (2017) on research on the resilience of tourism companies states that there are basically three factors that involve the resilience of tourism companies: human resources (staff is important for business resilience), processes (preparation and planning), and networks (the ability of different stakeholders to work together to respond to crisis) (Hall et al., 2017).

Thus, how the tourism industry responds to crisis and how it is prepared for crisis has been the focus of the academia for a while. However, due to the complex nature of tourism, the literature on crisis in tourism focuses mostly on the destination as a whole, rather than on individual tourism enterprises. Nevertheless, for the interest of a clear focus, this literature review centres on articles that primarily address tourism businesses not the ones that focus on crisis in tourism destinations.

It is a well-known fact that small businesses are a large part of the tourism industry. SMEs in tourism are, furthermore, considered more vulnerable during times of crisis than larger companies due to their limited ability to reduce risk. They are not considered to have the same potential as large companies with more resources (money, advice etc.) to respond to crises (Cushnahan, 2004; Zeng, Carter, & De Lacy, 2005). However, they can be more flexible and agile than large companies to make radical decisions that can be important for survival (International Trade Centre, 2020, June; Irvine & Anderson, 2004). This flexibility is a key factor in the resilience of small businesses (Williams & Vorley, 2014). The ability of small companies to be flexible and creative is an important factor in the resilience of those companies.

The following review is organized in five sections based on the themes identified in the above-mentioned reviewing tourism articles of Hall et al. (2017) and Ritchie and Jiang (2019). Each section starts with a short summary or an outline of the main topics within each theme. It should be noted that the summary is not only based on a literature regarding tourism businesses, but relevant articles for further explanation are used. However, after the summary in each section there is a table that contains a list of relevant articles that specifically focuses on tourism businesses in crisis.

EXAMPLES OF GOOD PRACTICE ON HOW TOURISM SME NAVIGATE THEIR WAY THROUGH CRISIS

Preparedness & Planning

Much of the literature on crisis and emergency management is about what can be done to be prepared for crisis and what signs there are to be noticed (see table 1). The response to disaster/crisis is considered the key to the recovery process (Mair, Ritchie, & Walters, 2016). Therefore, planning is important to be efficient in response and to ensure continuity of operations in the event of disaster. Appropriate strategies in place can lessen the damage imposed by crisis situations. However, research has showed that many tourism businesses are not well prepared for crisis (Anderson, 2006; Coles, 2003; Volo, 2008).

Some models and frameworks have been developed for tourism crisis and disaster management (Paraskevas & Arendell, 2007; Ritchie, 2004; Stafford, Yu, & Kobina Armoo, 2002). Faulkner (2001) developed a much-cited tourism disaster management framework. The framework is addressing the need for a coordination and broad consultation between various tourism stakeholder groups, for effective planning. However, it has been pointed out that there is a need to address small businesses in tourism crisis planning discourse, and that plans that have been made do not necessarily match the capability of small businesses (Cioccio & Michael, 2007).

Academics have put effort to try to understand the lack of preparedness and planning in the tourism industry. Explanations found in various areas and one of them being lack of time and resources, especially in small companies (Ritchie & Jiang, 2019). One popular research areas is risk and how managers and owners of tourism enterprises perceive it and how they prepare for disaster is there amongst (Lihui, Hayashi, & Dun, 2019; Orchiston, 2013; Prideaux, 2004) and even how managers can spot signs beforehand that indicate upcoming crisis (Paraskevas & Altinay, 2013). However, research has indicated that tourism operators in some cases, perceive disaster planning not an essential part of business management. Specially if there is little history of disasters/crisis (Prideaux, 2004). Various demographic characteristics have been associated with disaster preparedness (age, gender, education, psychological factors) and other personal factors such as the ability to learn from previous incidents. Thus those that have experienced crises are considered to be better prepared for the next incident (Ghaderi, Som, & Wang, 2014).

The results show that there is a need for disaster plans to be in place before crisis happen. There is a need to form plans that are considering the capability of small businesses. Adding to that, there is a need to inform and educate managers about possible crises, emphasise the importance of preparing and planning for possible crisis event.

Table 1. Articles on preparedness and planning of tourism enterprises in turbulent times

Author (year)	Name of article	Summary
Fang, Prayag, Ozanne, and de Vries (2020)	Psychological capital, coping mechanisms and organizational resilience: Insights from the 2016 Kaikoura earthquake, New Zealand	Hope, optimism, self-efficacy and psychological resilience of owners and managers of small tourism business, affect business recovery of tourism enterprises.
Lihui et al. (2019)	Tourism Sector Preparedness in zones with a high seismic risk: A case study of the capital region of Japan.	A research about perception and responses of tourism managers towards disaster in tourism destinations. The result show that knowledge of threat affects how the manager perceive risk and how they prepare for disaster.
Filipović, Krišto, and Podrug (2018)	Impact of Crisis Situations on Development of Business Continuity Management in Croatia.	The study focused on the influences of different crises situations on development of business continuity management. Results show that there is a link between if the likelihood of crisis situations increases, development of

		business continuity management is more likely to be done.
Ghaderi et al. (2014)	Organizational Learning in Tourism Crisis Management: An Experience From Malaysia	This study explores the importance of learning from previous crisis/incidents in managing crises. Result show that tourism organisations are not learning from past crisis events.
Orchiston (2013)	Tourism business preparedness, resilience, and disaster planning in a region of high seismic risk: the case of the Southern Alps, New Zealand	A research on tourism business operators on how they perceive themselves as prepared and planned for future crisis. The result show that the perception is overly optimistic and lack proper knowledge on the possible result of a crisis event as a big earthquake.
Paraskevas and Altinay (2013)	Signal detection as the first line of defence in tourism crisis management	A study that explores the signal detection of 16 corporate tourism executives. Results identified four types of knowledge: procedural, behavioural, third party, and learned ignorance on how executives respond to an emergency
Wang and Ritchie (2012)	Understanding accommodation managers' crisis planning intention: An application of the theory of planned behaviour	Study on what psychological factors influence crisis planning in the accommodation industry. Result show that attitude, subjective norms, and past crisis experience being the key factors that influence crisis planning behaviour
Ritchie, Bentley, Koruth, and Wang (2011)	Proactive crisis planning: lessons for the accommodation industry	An evaluation on crisis planning and crisis preparedness in the Australian accommodation industry. The results highlight the need to plan to ensure the business continuity in case of crisis.
Erichsen, Jörgen	Advisory example: How catering companies can cope with the Corona crisis: Analyze the situation and take action, in: Business	In the article by the management consultant Erich-sen, the situation of catering businesses is analysed and measures are worked out on how the business-es can cope with the Covid19 crisis. The analysis and derivation of the measures are shown based on an anonymised consulting case. Other gastronomy businesses are thus shown possibilities to mitigate financial consequences and to secure the major part of their business.
Mikušová, M. & Horváthová, P. (2019)	Prepared for a crisis? Basic elements of crisis management in an organisation	The aim of this paper is to identify the basic elements that must be taken into account when constituting the complete process of crisis management in an organisation. This study explains the following: the identification of the basic elements; the sequence of the basic elements' relationships in the creation of crisis management; the reason for their importance in this process; terms; and the person/team responsible for their determination. The identification of the elements is based on a mind map. The logic progress of each action is presented in the network. Detailed graphical and tabular representations of the verbal accompaniment have been used to highlight the diversity of the activities and skills required when creating crisis management in an organisation. Thus, the elements presented and their relationships are a tool for managers. Their practical usefulness has been

		confirmed in several applications in different organisations.

Networks – Cooperation

A firm's ability to survive a crisis is often dependent on connection to other people. Relationships are important to be able to respond effectively to crisis and to get through adversity (see table 2). Enterprises are part of a social context and the people (for ex. managers and staff) are socially embedded to larger networks and society. Being a part of a larger network can be a valuable source of social capital when the network is used to be able to achieve goals. The idea behind social capital is about how networks can be an asset for accessing important resources (Bourdieu, 1986). In crisis, firms often rely on established relationships to be able to survive and rebuild. Being socially embedded can give individuals a chance to identify necessary resources/networks to achieve a goal of surviving and rebuilding.

Cooperation in competition can be important for improving business performance (Peiró-Signes, Segarra-Oña, Miret-Pastor, & Verma, 2014). Cluster theory takes the idea of relationships by implying that enterprises who compete, can by collaborations better their performance (Porter, 1998). Porter (2000, p. 15) defines cluster as a "Geographic concentrations of interconnected companies, specialized suppliers and service providers, firms in related industries, and associated institutions in particular fields that compete but also cooperate" (p. …). In crisis situation the cluster can provide certain advantages like bettering access to necessary resources for coping with crisis (Skalholt & Thune, 2014).

In summary, relationship & networks, are important for business coping. Whether it is personal or professional, both can play important role. Relations to other members of society, members of the supply chain, clusters, institutions, or other. The importance is that different stakeholders can work to together and such cooperation can increase companies' flexibility in responding to crisis. Being a part of a network opens access to various resources that could otherwise not be accessible and could separate between life and death of a business.

Table 2.Articles on networks and cooperation in crisis times

Author (Year)	Name of article	Summary
Dahles, Prabawa, and Koning (2020)	Local Tourism Businesses in Indonesia: A Pathway to Crisis Resilient Development?	This study explores the role of embeddedness, how the managers and the owners of small tourism enterprises are connected to local community. Result show that these social connection for ex. Bring more opportunities to deal with crisis and therefore affects the resilience of the tourism businesses.
Chowdhury, Prayag, Orchiston, and Spector (2019)	Post disaster social capital, adaptive resilience and business performance of tourism organizations in Christchurch, New Zealand	The study is evaluation interfirm relationships among tourism businesses in times of crisis. Result show that there is a positive relationship between interfirm social capital and business performance.
Ferguson, Dahles, and Prabawa (2017)	The Indonesian tourism industry under crisis: a Bourdieuan perspective on social boundaries among small-scale business owners	An exploration on how various type of Social Capital can have good and negative effect on enterprises dealing with turbulent times.
Dahles and Susilowati (2015)	Business resilience in times of growth and crisis	A research on how tourism businesses have been able to show resilience through decade of crisis. Explanation found in the

		business embeddedness to the local community.
Peiró-Signes et al. (2014)	The Effect of Tourism Clusters on U.S. Hotel Performance	A study on the role of clusters in hotel performance of hotels. Result show that they do have an effect on the performance in some cases.
Sainaghi and Baggio (2014)	Structural social capital and hotel performance: Is there a link?	Research about how networks can affect hotel performance. The result show that the structure of network is strong factor that determines hotel performance and that there is a need to establish relationship with other companies in the same geographical area.
Racherla, P., & Hu, C. (2009)	A Framework for Knowledge-Based Crisis Management in the Hospitality and Tourism Industry	Crisis management, disaster recovery, and organizational continuity are critical areas of competence for managers of individual businesses and entire destinations. For large-scale problems, crisis management may be a critical factor that determines the sustainability and success of a destination. In this article, the authors develop a framework that incorporates knowledge management principles to enhance the effectiveness of crisis management and planning for the hospitality and tourism industry. In addition, the authors develop a crisis typology based on the perceptions and knowledge needs of Philadelphia-area lodging operators. Subsequently, the authors apply the framework to envision the design concept of a knowledge-enabled crisis management system that can better support the crisis management and preparedness of a regional hospitality and tourism industry.
Pitarch-Garrido (2020)	Resilience capacity of the different tourism models in the face of the pandemic crisis of the coronavirus in Spain	With the current crisis, the vulnerability of tourist territories has become evident. The tourist specialization of some autonomous communities has contributed powerfully to a worse evolution of their labor market during the state of alarm. This sectoral effect explains 90% of the worst performance of communities such as Valencia compared to Spain (IVIE, 2020). Presumably, then, the political measures taken to counteract the effect of COVID-19 on the economy must be different in each region, according to their productive specialization, business fabric, and labor relations, in short, according to their vulnerability to the crisis.

Human Capital

The employees of a company can influence the resilience of the businesses (see table 3). Resilient employees are considered to be better equipped to navigate through turbulent and stressful workplace (Hall et al., 2017) and those enterprises that are flexible and supportive and care about the welfare of employees are better equipped to cope (Hall et al., 2017; Prayag, Spector, Orchiston, & Chowdhury, 2020).

Employee resilience refers to the “capacity of employees, facilitated and supported by the organization, to utilize resources to positively cope, adapt, and thrive in response to changing work circumstances” (Näswall et.al., 2015 in

Tonkin et al., 2018, pp. 8-9). The resilient employee can be solution-oriented and can use their own personnel or professional networks that are crucial to work through turbulent times. Their ability and authority to be able to respond efficiently to a crisis is important (Gámez, Ivanova, & Campiranon, 2014; Lee, Vargo, & Seville, 2013). Furthermore, close communication between employees and management during times of crisis are a significant factor for enterprises survival (Mansour, Holmes, Butler, & Ananthram, 2019). Therefore, it is important in turbulent times to try to have some employment relationship rather than laying off employees (Gámez et al., 2014).

Table 3 Articles on the role of human capital in tourism crisis

Author (year)	Name of article	Summary
Prayag et al. (2020)	Psychological resilience, organizational resilience and life satisfaction in tourism firms: insights from the Canterbury earthquakes	Are exploring how different types of resilience affect the recovery of tourism organisation. Result show a positive relationship between employee resilience contributes to organisational resilience.
Mansour et al. (2019)	Developing dynamic capabilities to survive a crisis: Tourism organizations' responses to continued turbulence in Libya	A study on what is important for firm's survival in crisis times. The result show that action of employees play a big part of the firm survival and adaptation in a new environment.
Gámez et al. (2014)	Tourism and economic crisis management within apec. cases: Phuket and los cabos	Research on the aftermath of the 2008 financial crisis on the lodging sector in Phuket and Los Cabos. The result show that the management of the personnel was a key feature for the resilience of these hotels.
Hall, C. M., Prayag, G., & Amore, A. (2017)	Tourism and resilience: Individual, organisational and destination perspectives	This is the first authored overview of resilience in tourism and its relationship to the broader resilience literature. The book examines resilience at individual, organisation and destination levels, and with respect to the wider tourism system. It is designed to be an upper-level undergraduate and postgraduate primer on resilience in tourism. Contents List of Figures List of Tables List of Boxed Cases and Insights Acknowledgements List of Acronyms 1. Disturbance and Change in the Tourism System 2. Resilience: Responding to Change 3. Individual Resilience 4. Organisational Resilience 5. Destination Resilience 6. Conclusion: Is Resilience a Resilient Concept? References Index This title is available on the Channel View Publications website: www.channelviewpublications.com
Prayag, G., Spector, S., Orchiston, C., & Chowdhury, M. (2020)	Psychological resilience, organizational resilience and life satisfaction in tourism firms: insights from the Canterbury earthquakes	From a socio-ecological systems perspective, resilience is dynamic, multi-dimensional and multi-scale. This study provides evidence of the relationship between different types of resilience (psychological, employee and organizational resilience) affecting the recovery of tourism organizations after the Canterbury earthquakes in 2010/2011. A survey of tourism business owners and employees (managers) was undertaken five

		years after the February 2011 earthquakes. Results show significant and positive relationships between psychological and employee resilience. Further, employee resilience contributes to both life satisfaction of tourism business operators and organizational resilience. Life satisfaction of business owners and managers contributes to organizational resilience. Implications for the well-being of tourism business owners and managers, and ways of strengthening both psychological and organizational resilience are suggested.
Bauer, Richard	Understand and win the guest of the future - Guest trends can be used for tourist offers do	In the chapter of the anthology, tourism is de-scribed and presented as an emotional product. Travel decisions are based solely on trust, which is naturally on shaky ground in times of crisis and thus presents the tourism industry with major chal-lenges. Various trends that are emerging in tourism are shown, as well as a possible profile of the fu-ture guest and customer of tourism products.

Entrepreneurship and innovation

Entrepreneurship and innovation is considered an important part for building dynamic capabilities to deal with crisis (see table 4) and relates to organisational resilience (Dahles & Susilowati, 2015; Mafabi, Munene, & Ahiauzu, 2015).

As stated, a crisis involves the emergence of situations that companies cannot control using traditional operating methods (Booth, 1993: 85-86 in Cushnahan, 2004). Therefore, it is important that companies can be creative in times of crisis to respond effectively to difficult and unusual situations (Branicki, Sullivan-Taylor, & Livschitz Sarah, 2018).

The focus does not have to be on new product or new services to be able to cope and rebuild in crisis times. Various kind of innovation could be of value. Innovation diversity can create synergistic effect on further innovation and it reduces the effect of uncertainty on the performance of businesses (Verreynne, Williams, Ritchie, Gronum, & Betts, 2019).

Business model innovation (BMI) also mediates the performance of tourism businesses in turbulent times (Breier et al., 2021; Cheah, Ho, & Li, 2018; Kraus et al., 2020). In crisis times original business models of companies is affected. Creating new innovative business models could be a part of the solution to adapt and recover from crisis (Kraus et al., 2020).

A personality trait of entrepreneurs is considered to be ideal for crisis times. Entrepreneurship is characterized and defined by behaviour and entrepreneurs exhibit many of the characteristics commonly associated with resilience. An entrepreneur who is responsive, flexible, and resilient can have a positive effect on the resilience of his/her business (Branicki et al., 2018).

In summary, to promote the resilience of SMEs, greater attention should be made to building capacities to cope with uncertainty. That is done by activating the ability to experiment, think creatively, and be innovative in responding to crises. The focus does not have to be on enhancing the product variety, rather on innovation in every aspect of running a business.

Table 4. Articles on the role of Innovation and Entrepreneurship in turbulent times

Authors (year)	Name of article	Summary
Breier et al.	The role of business	An exploration whether businesses model innovation can be a solution

(2021)	model innovation in the hospitality industry during the COVID-19 crisis	to recover and cope with crisis. Results that business model innovation is useful for overcoming crisis and to restart.
Verreynne et al. (2019)	Innovation diversity and uncertainty in small and medium sized tourism firms	A study about how active innovation (named innovation diversity in the paper) in enterprises have effect on performance in uncertain times. The result show that innovation diversity is reducing the effect of uncertainty on the business performance. Especially on tourism dependent SMEs.
Branicki et al. (2018)	How entrepreneurial resilience generates resilient SMEs	The study investigates the role of entrepreneurs and entrepreneurship in the resilience of small and medium-sized organizations in tourism. The result shows that that those entrepreneurs who are highly resilient are more likely to enable enterprise resilience.
Mafabi et al. (2015)	Creative climate and organisational resilience: the mediating role of innovation	A cross sectoral study on creative climate, innovation, and organisational resilience. The result show that creative climate associates with innovation and organisational resilience.
Campo, Ana, and María (2014)	Hotel innovation and performance in times of crisis	An on-line survey among four-star hotel managers on how innovation influences the performance of hotels in crisis times. Results indicate that the hotel who innovate does not contribute directly on short-term performance but on the medium- and long-term
Gardini, Marco A.	Corona - the Kairos moment of the tourism industry?	The article describes how the tourism industry, despite existential fears caused by the Covid19 pandemic, can make positive use of what is really a poor starting position. The time for establishing sustainable and qualitative tourism has never been better.

Response and recovery

Within business and management literature, the capacity to survive in uncertain times is often framed as existing and revolve around the organization, and what changes/action/responses are made by the business models/organisation in times of crisis. The actions that company take during the crisis are of importance. However, studies on response and recovery in tourism are mostly from the perspective of public authorities or the industry itself but research on tourism business response is considered limited (Ritchie & Jang, 2019). However, the number of articles in this overview does not reflect that. Those studies covering tourism businesses focus on various actions taken by businesses such as cost cutting to reduce cost and expenses (Lai & Wong, 2020; Thorgren & Williams, 2020) and give discounts (Kim, Roehl, & Lee, 2019). A number of studies focus on communication, media management and marketing (Alonso-Almeida & Bremser, 2013; B. J. Liu & Pennington-Gray, 2015; Luo & Zhai, 2017; Möller, Wang, & Nguyen, 2018; Pappas, 2015).

Table 5. Articles on actions of tourism organisations taken in times of crisis

Author (year)	**Name of article**	**Summary**

Lai and Wong (2020)	Comparing crisis management practices in the hotel industry between initial and pandemic stages of COVID-19	A study that looks at how hotels have responded to the crisis in the beginning of Covid-19. Various strategies have been made; reducing prices, changes are marketing, cost cuts, reducing labour force etc.
Thorgren and Williams (2020)	Staying alive during an unfolding crisis: How SMEs ward off impending disaster	A Cross sectoral study that explores what action SMEs in various industries have taken to cope with crisis. The results showed that most of them reduced labour cost and expenses.
Türkcan and Erkuş-Öztürk (2019)	Survival of Firms in Crisis: Evidence From Antalya Tourism City	This study investigates the factors influencing firm survival in various industries. One of the results show that the survival rate of firms in tourism regions are better than in other regions and travel agencies and hotels are more sensitive to shocks than other type of companies.
Kim et al. (2019)	Effect of hotels' price discounts on performance recovery after a crisis	This study analyses the effect of price discounts on the performance of hotels. The result show that they do not.
Möller et al. (2018)	#Strongerthanwinston: Tourism and crisis communication through Facebook following tropical cyclones in Fiji	This research explores how social media is of use in disaster communication and how it affects the organisational resilience. The findings show that social media were underused, and it played a crucial role in raising funds and donations during the recovery phase.
Luo and Zhai (2017)	"I will never go to Hong Kong again!" How the secondary crisis communication of "occupy central" on Weibo shifted to a tourism boycott.	A study about how online discussions have an effect tourism business. Results show that negative online discussion has an effect.
Brown (2017)	"The Tourists Still Come, but They Don't Buy as Much as Before": Vulnerability and Resilience in Two Bay Island Communities in the Wake of the Global Financial Crisis	A study on how tourism businesses recover from a global financial crisis. The findings indicate that recovery has been uneven, and larger tourism businesses and their employees are coping better than small-scale entrepreneurs.
Pappas (2015)	Marketing Hospitality Industry in an Era of Crisis	A study on hotel marketing strategies during recession. The findings showed that that much effort was in cost minimisation and that affected marketing. Many hotels also focused on innovative policies to improve the business environment.
B. Liu,	Bed bugs bite the	A study on how news coverage can affect the performance of tourism

Pennington-Gray, and Klemmer (2015)	hospitality industry? A framing analysis of bed bug news coverage	businesses in crisis. Result show that news coverage of a crisis event can affects business performance in a negative way.
Alonso-Almeida and Bremser (2013)	Strategic Responses of the Spanish Hospitality Sector to the Financial Crisis	A research on which measures companies in the hospitality sector take in times of crisis and their effectiveness. The results showed that hotels that focused on high quality, brand image and loyal customers where better equipped to handle the crisis. Furthermore, a marketing effort seem to be able to ease the impact of crisis but it is not recommended that hotels should go into cost cutting.
Kulturamt Paderborn	CORONA COMPLIANT OPEN AIR EVENTS: Best Case Study, Paderborn, Germany	The Best Case Study shows how organisers can carry out Corona-compliant open-air events. On the basis of various open-air events, recommenda-tions for action are worked out, which should make an event possible under the circumstances of the pandemic. Not only the organisers, but also artists and event technicians, as well as cities and municipalities, the hospitality industry and gas-tronomy will benefit from such a best case study and the resulting recommendations for action.
Schrader, Klaus Stehn, Jürgen Laaser, Claus-Friedrich	Schleswig-Holstein's service provider in the Corona crisis: Impending damage and economic policy options	In Schleswig-Holstein, almost every fifth work-place in the state is directly affected by the restric-tive measures. For this reason, the state govern-ment of Schleswig-Holstein provides its own means and procedures to complement those of the federal government.
Adeloye, D., & Brown, L. (2018)	Terrorism and domestic tourist risk perceptions	Previous research suggests that threats to security influence tourists' risk perceptions and travel decision-making. This qualitative study investigates British domestic tourists' risk perception in the light of the rapidly growing global trend of terrorism. This study yields three insights: (1) the incidence of terrorism produces an emotional response of fear and anxiety; (2) willingness to travel despite perceived travel risk varies depending on factors such as reason for travel, visual presence of security services and the one-off nature of the attack; (3) the media's influence on travel risk perception is a function of how the media is perceived.
Hong, P., Huang, C., & Li, B.	Crisis management for SMEs: insights from a multiple-case study	Research in crisis management involves a variety of perspectives, including crisis impacts, strategic vision and leadership, contingency planning and technical capabilities. However, crisis management mechanisms of small and medium enterprise (SMEs) were rarely investigated for sound theory building and practical guidance for management. The aim of this paper is to explore mechanisms by which SMEs use to manage crisis. This paper presents a general crisis management model that represents crisis management processes in terms of detection, occurrence, recovery and resolution. To validate and refine this model, a multiple-case study is designed to investigate five SMEs' actual crisis management practices. The case study results show that SMEs, in spite of their resources constraints and relatively weak market positions, display resilient market responsiveness. This paper further suggests that effective crisis management of SMEs involve

		proactive business mindsets for sustainable growth and continuous expansions.
Alves, J. C., Lok, T. C., Luo, Y., & Hao, W. (2020)	Crisis Management for Small Business during the COVID-19 Outbreak: Survival, Resilience and Renewal Strategies of Firms in Macau	We know that small businesses are vulnerable to crisis, however little is still known about how they cope during long crisis as the COVID-19 pandemic. This paper provides a qualitative analysis of small businesses in Macau, China, in the months following the outbreak. We collected interview data from six local small firms. We found that the sudden decline in demand has the strongest impact on small firms. As compared with large firms, new startups and small firms show high flexibility in their reactions to the crisis, partly due to the low level of bureaucracy and limited social responsibility compliance. Among the various types of response strategies, all participant firms adopted flexible HR strategies. Other common survival strategies include the increase of product diversification, exploration of new markets, and increase of learning. We also found that some small businesses had a formal crisis plan and strategy before the outbreak, and these firms tend to have longer history, experience in dealing with crisis, and operate in more regulated sectors. Based on these results, we define five types of renewal and survival strategies for small businesses and propose a SME crisis resilience model.
Araujo N., Fraiz J.A. and Toubes, D.R. (2020)	The economic impact of academic tourism in Galicia, Spain	After an explanation of the term 'academic tourism', the authors analyse the positive economic impact of academic tourism in Galicia, distinguishing between direct and indirect impacts. For the empirical application, an expenditure survey was carried out and the input–output technique was used. The results demonstrate that, owing to its characteristics, academic tourism has a greater economic impact than conventional tourism. In light of these results, the policy implications are discussed.
Vallano, R. (2020)	The post-Covid19 period will define the calendar of Hotel Projects in Spain	Alimarket counts more than 31,000 new rooms in process, 12.3% more than at the end of 2018. The opening date and the development of a large part of this hotel plant will be conditioned to the reactivation of tourism. The temporary cessation of construction works and the blockade exercised for a few months on tourist activity as part of the measures to combat Covid-19 will lead to a delay in the inauguration of various hotel projects planned for this year. Despite this, consultants and investors agree on the temporary nature of the pandemic and the early reactivation of tourism. Alimarket Hoteles has more than 31,000 accommodation units under development in Spain for the coming months and years, 12.3% more than at the end of 2018. International operators continue to strengthen their commitment to our market, with Marriott at the forefront, at the same time that an increase in urban projects and high-end hotels is detected.

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European Needs Analysis on Crisis Management for Tourism SMEs

Part 5: Analysis of Industry Interviews

Navigating Tourism
Crisis Recovery

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CONTENTS

INTRODUCTION

The final report for Intellectual Output (IO) 1 contains six elements:

- Introduction and Methodology
- Online Research
- Good Practice Case Studies
- Literature Review
- Analysis of Industry Interviews
- Competence Framework and Conclusions

This document forms part five: Analysis of Industry Interviews. For the full suite of IO1 reports please visit https://www.tourismrecovery.eu/resources/.

INTERVIEW ANALYSIS

1. How effective are policymakers and/ or current legislation in terms of responding to crises in general?

The overriding opinion was that legislation and responses had been more reactive than proactive. Some felt that there possibly had been crisis planning but that the unprecedented events of COVID-19 had meant no planning could have been possible or that the pandemic had to override any previously formed ideas. Although whether responses, especially financial aid ones, had been effective differed many did agree that the length of time they took to implement had been too long. Again, this suggests that there were no planned responses in place.

"Overall, I have the feeling that there are no long-term crisis plans and strategies" (Germany 1)

"Reactive in a word" (Scotland 1)

"It actually took a long time to implement this" (Iceland 4)

"We understand that it is the health crisis that determines the actions of governments" (Spain 3)

"Reactive action has been taken because we did not know how the SARS-CoV-2 coronavirus that causes the COVID-19 disease operated" (Spain 4)

"In theory I think that there is a system that in theory should cut in when something like this happens but I think the reality [is] governments are feeling their way through the situation" (Scotland 2)

2. Can crises represent an 'opportunity' – to do something new or do something differently?

The majority of the responders felt that the opportunities came about through the changes to business models, or operating procedures, forced upon them by the crisis. Many even went as far as to say the Covid crisis would have a positive effect on business as the forced changes and adaptations have brought flexibility, innovation and creativity to business models, as well as providing time to "reorganise the business" (Iceland 5) or "get stuff done that we never got the chance to do before" (Ireland 2).

"Sometimes you need crisis to affect change and not that it is an excuse to push through change, but sometimes some things need to break quite spectacularly for there to be that lightbulb moment, to think actually maybe we need to do this differently"

(Scotland 1)

The move to digitalization was often mentioned as a key opportunity but also highlighted as an example of where one business' opportunity can be a weakness for another if they are not prepared or prepared to change (Spain 3).

> "Then you have a company like Hey Iceland that is fully engaged in digital travel and is taking advantage of the time now and their staff to transfer a very entrenched travel agency from being a very typical old fashion travel agency to the digital world in its entire process"
>
> (Iceland 2)

Another recurring opportunity was the potential for building more sustainable tourism both in terms of growth and in relation to the environment.

Despite the general agreement that there was opportunity some interviewees did not agree: "I don't see any real opportunity for our industry" (Germany 2), and others could see that there were opportunities but felt that outside help would be required to make that happen: "it's an incredibly beautiful idea to list how we want the tourism industry to be when it starts up again after Covid. But who is going to do it?" (Iceland 2). "It would have been good if the government provided us with the ways and supports to be able to take advantage of opportunities" (Ireland 5).

3. Could closer collaboration, for example with other businesses, help individual's crisis response and, if so, how?

Many recognised the need for and help from informal collaborations established during the crisis where the key collaboration was mutual support or information sharing.

> "Once they started talking about the problem it was helpful" (Scotland 1)
>
> "We update each other on who has information, what might be planned" (Germany 3)
>
> "Just to meet and chat and try to be creative together" (Iceland 3)
>
> "[It] would have been very useful, especially if we could talk and figure out what to do after news announcements" (Ireland 5)

A few interviewees felt that no direction came from these collaborations however it could be argued that this was down to lack of leadership or direction within the collaborators.

> "We had plenty of zoom calls and training but no direction on opportunities or how to respond appropriately" (Ireland 3)
>
> "We exchange ideas – but this does not actually help in the current situation. In the end everyone fights for themselves." (Germany 4)

A common theme throughout the successful collaborations seemed to be that they had formed organically, a coming together of organisations to support, chat and learn from each other.

> "The travel cluster emerges from the grassroots, the companies wanted to work together on solutions" ((Iceland 2)
>
> "They've come together, they've learnt from each other" (Scotland 4)

4. What experiences or examples from elsewhere are you aware of that may help tourism business respond to crisis?

Answers varied from specific examples of individual companies to generic ideas or responses.

The individual responses included:

- Owners using facilities for completely different businesses
- Individuals working on different projects
- Using spare time for community projects
- Food industries diversifying into takeaways, deliveries or new clients

More generic responses talked about included:

- Changing the methods for how to engage with customers
- Using ecommerce
- Digitalisation
- Expanding the geographical reach of the company through online facilities
- Creative adaptation of products

"An awful lot of organisations have become much more active and much more creative in the way they engage with their membership"

(Scotland 2)

"It's a lot of fun because in general tourism people are extremely creative. They do not stop being creative despite these difficulties"

(Iceland 3)

Some answers focused on the perceived success or failings of government responses:

"The tourism industry is better supported in other countries . For example, in Ireland or England, aid money arrives and is given more unbureaucratically." (Germany 3)

"They've got a crisis plan" (Scotland 1)

"It would already be helped if the things that were decided or announced were also implemented. We applied for support a long time ago- but it has still not been paid out." (Germany 4)

"At the end of the SARS pandemic in 2003, these Asian countries initiated important marketing and communication strategies to build trust and rebuild the image of these tourist destinations" (Spain 4)

The need to "train and learn from other experiences" (Spain 1) was also mentioned to "give businesses that are not able to operate [the] tools [and] ideas [for] how they can improve right now" (Scotland 4).

5. How prepared is the tourism sector to navigate its way through crisis?

There was almost a dichotomous split between positive and negative responses from the interviewees, with many stating outright that preparation was "terrible" (Ireland 1), "not nearly looked at enough" (Scotland 3) or "not at all" (Germany 4). Yet others saw evidence of resilience and previous track records: "the tourism industry has faced health crises before [and] the data shows that tourism has not only survived but recovered" (Spain 4).

Among the positive responses the varied nature of businesses, seasonality of demand, the relatively quick reaction to demand and the general desire of people to travel were highlighted.

"But people are incredibly prepared for a crisis, because of this flexibility. I think it is because of seasonality. Because you have this flexibility in operation of the companies and the investments are not risk-averse due to seasonal fluctuation."

(Iceland 3)

In contrast, some negative responses cited certain business accounting methods which did not support resilience.

"Now that countless customers are cancelling their trips [deposits] have to be paid back. Many colleagues are not in a position to do that. They have no reserves and have already spent the money" (Germany 4)

"Labour costs have become far too high, as the cost of running a business, it was simply heading for some nonsense" (Iceland 1)

One area which did bring consensus was that the tourism industry cannot be looked at as a whole due the huge differences in operational sizes and the individual capacities of the owners.

6. Were a major crisis, such as Covid-19, to recur, are tourism businesses now better placed to respond than they were pre-pandemic?

The general overview of the interviewees was that no they weren't better placed to respond but that maybe the simple experience of having been through the Covid-19 crisis had created some "self-learning" (Scotland 2).

"Basically, you should always try to learn from crises and prepare yourself accordingly. But it's hard to prepare for the unpredictable"

(Germany 1)

There was concern that, at present, the industry is so financially challenged that it is actually more vulnerable than before.

"They are so financially challenged and there's a lot who are almost ready to go under already and trying to keep afloat is the main challenge at the moment. So, if saving lots of extra funds or trying to think up extra resources was required, there just isn't the headspace or the resiliency to do that at the moment."

(Scotland 3)

7. Thinking beyond COVID-19, what other types of crises can substantially affect tourism businesses?

Responses were grouped into five areas:

- Climatic
    - Climate change
    - Natural disasters
- Transportation
    - Regulations, travel bans or restrictions
    - Border controls, Brexit
    - Costs
- Man made
    - Financial crisis
    - World war
    - Terrorism
    - Political fall out
- Zoonotic diseases/ drug resistant bacteria
- Rapid unsustainable tourism growth

"The whole travel world and mechanisms from which people move from a to b is going to and has already been shaken up quite significantly by this."

(Scotland 2)

"Our crisis in Iceland is, of course, far too much because of the rapid development of the tourism industry."

(Iceland 4)

8. What are the specific issues that a crisis can create in the tourism sector? Do these disproportionately affect one sub-sector, i.e. accommodation, hospitality, experience providers?

Many responders commented on the loss of, or the worry about losing, staff to other sectors. This is perceived as going to create issues with quality control or the ability to be able to find employees on reopening. Alongside this many worried about the loss of markets and the ability to be able to reconnect with them. It was felt that businesses, or countries, which relied more heavily on foreign tourists would experience market loss the greatest.

"As Spain depends so much on international tourism, this has affected a lot."

(Spain 1)

Financially it was generally felt that smaller, possibly more rural, accommodation companies had fared better due to lower overheads, the ability to adapt and being able to operate closer to 100% capacity when restrictions briefly lifted.

"Hotels in the capital area in particular. Their challenges are much greater than perhaps smaller hotels in the countryside." (Iceland 2)

"A smaller organization is more nimble – we can just take bookings as and when because out initial outlay isn't as much." (Scotland 5)

"The much larger types of accommodation, they did really badly out of it because they weren't able to open properly." (Scotland 4)

Specific sub-sectors which were felt to have been disproportionately affected included:

- Travel agencies
- Marine travel
- Residential sectors
- Business travel companies
- Recreation based tourism

9. At which particular points in a crisis are tourism enterprises particularly vulnerable?

It was felt that tourism enterprises are vulnerable during both the booking periods and when visitors actually come: "tied in with the lead in time when you look at how, at what point did people book and then travel" (Scotland 2). This dependance on "external factors combined with seasonality" (Germany 1) meant it is not easy for tourism enterprises to plan and if one point is affected by a crisis it has a knock-on effect, creating vulnerability. The Covid crisis has created a particular vulnerability in the "deterioration of customer confidence" (Spain 2) and the "confidence in the safety of the services [on] offer" (Spain 3).

10. How can the crisis resilience of tourism enterprises be sustainably improved at an individual business level?

Although many of the respondents felt that the tourism industry already had high levels of resilience the need for "economic sustainability" (Spain 1) and ensuring the business had financial reserves was essential:

"Tourism companies could improve their resistance to the current crisis and future crises in a sustainable manner if they have the knowledge enabling them to create a minimal adaptive capacity to ensure the organisation's bare survival for the duration of the crisis."

(Spain 4)

"reserves are the be-all and end-all" (Germany 2). Tied in to this financial resilience was the need for careful business planning with sustainable growth, gaining a thorough understanding of the market, their own business and "generally [acquiring] a better understanding of the businesses and how they operate" (Scotland 4).

"That we need to set some specific goals for the expansion or increase of staff, or expansion of spaces or more rooms or something like that" (Iceland 2)

"I think that business decisions around borrowing and business decisions about risk management- the levels of risk that businesses are willing to take will be different" (Scotland 2)

"I think the important thing is to get out of this short-sighted vision. It would be much more successful for us to build up more slowly and the resilience would follow" (Iceland 4)

"Establish networks and market channels and work together better" (Ireland 2)

11. What regional peculiarities exist, if any, especially, for example, the differences between urban and rural areas?

When comparing the urban and the rural it was generally assumed that the defining difference was that rural businesses tended to be smaller and urban larger. With regards to the impact of COVID-19 there was no consensus as to whether the urban or rural had been impacted harder. Rural areas, where there is greater seasonal fluctuations in tourism, were seen as able to adapt better to full lock down and then adapt to servicing new domestic markets when restrictions lifted. However the lower population densities mean difficulties with finding staff and less footfall for local markets. It was also felt that communication issues with generally poorer internet or transport connections were a disadvantage to rural areas.

> "When you are talking about bigger companies, often there are more assets. Assets that are burning is a buffer before the affects start to have a more direct effect on the owners. But there are examples that owners have had to mortgage their home to be able to cover this fire. And when you are talking about the biggest companies, they have considerable assets that can counterweight. Bu the burn is in the same way greater, but not any personal impact on the owner."
>
> (Iceland 1)

Larger, more urban, companies were often seen to have greater assets and better access to funding, but also more overheads. The differences in the direct impact of the crisis on people were also seen as to have an urban/rural divergence. With smaller rural companies generally being owner-run the financial effect of closure was more personal, as was the connection to, and impact on, the wider community. The lower population levels had generally meant lower levels of infection, but as businesses reopened, bringing more people to the rural areas, there was concern this would also raise infection levels. It was also noted that the crisis has created an interesting trend of distrust for more urban areas, with more people now seeking out rural or less densely populated destinations.

> "I think there has been a really damaging effect on the cities and tourism in cities." (Scotland 4)
>
> "People who want to get away from the city into the big outdoors" (Ireland 5)

12. Are you aware of any existing training courses or materials on crisis response and have you used them? If so, were they useful? Why or why not?

Many of the respondents were not aware of any training materials and had generally just searched online. One interviewee, who was aware of training and help available, commented that social media platforms were "part of the problem. The discussion about help available in these forums is just terribly wrong" (Iceland 1).

Trainers or training courses mentioned included:

- The University Institute of Tourism and Sustainable Economic Development, belonging to the University of Las Palmas de Gran Canaria, has produced a publication that analyses the behaviour of world tourist destinations during the COVID-19 pandemic (Spain 4)
- BCN Safe City, BCN Safe Visit (Spain 2)
- Turisme de Barcelona: training modules on Health and Safety (Spain 2)
- Turismo de la Generalitat: online sessions on Change Management (Spain 3)
- Business Gateway: crisis management events (Scotland 1)
- Highlands and Islands Enterprise (Scotland 1)

- ABTA: workshops on staff mental health support (Scotland 2)
- PHAROS: Crisis training and crisis management webinars (Scotland 3)
- Wild Scotland/Visit Scotland: scenario planning (Scotland 3)
- Small Iceland: business consulting company (Iceland 1)
- The Icelandic Travel Industry Association (SAF) (Iceland 1)
- Ratsjáin (Iceland 2 & Iceland 3)

13. What subjects should be included in a course programme specialising in crisis management?

The following key themes emerged from the findings:

- Financial information
  - Funding
  - Government support measures
  - Refinancing plans
  - “Planning and liquidity management are elemental” (Germany 4)
- Communication
  - “Marketing and communication plans” (Spain 4
  - “How to communicate with your staff, your clients, with other businesses” (Scotland 5)
  - “How to communicate with our visitors, templates for communication” (Ireland 4)
  - “Team leadership, especially what is related to being able to manage teams during times of change” (Spain 1)
- Crisis and emotion management
  - “Emotion management with the client and human resources; psychology and emotional recovery of tourism professionals” (Spain 4)
  - “Keeping an eye on staff, your mental health and well-being” (Scotland 5)
- Disaster recovery plan
  - “What is it, what should it have in it, who needs to be working on it and how often” (Scotland 1)
  - “Planning for different scenarios in terms of operating” (Scotland 3)
  - “Different scenarios relating to different types of crisis” (Scotland 4)
- Business plan/strategy
  - “Find the purpose again and to find focus” (Iceland 2)
  - “Analysis of the projected image and analysis of the perceived image” (Spain 4)
  - “Isn’t business just crisis management?” (Iceland 3)
  - “There is a lack of basic business knowledge among many industry participants” (Germany 3)
- Digitalisation/online skills
  - “Digital skills and know how to manage my website and make it better” (Ireland 2)
  - “Appropriate use of technology through a crisis” (Scotland 1)
  - Social media
- Market/product analysis
  - “Customer and competition analysis, pricing and customer targeting” (Germany 4)

- "Creative thinking and design process. How do we take advantage of getting new ideas and not boxing us too much into a particular idea of what we consider to be the best idea to run our business?" (Iceland 2)
- "Marketing a quality product at the value it's actually worth" (Scotland 3)

14. What other feedback would you like to give us that may help us design effective training materials?

It was felt that it would be good to learn about, and from, how other countries and businesses have responded, perhaps creating, or suggesting how to create, business focus groups or specific communication channels: "One of the basic principles in any crisis management, do not try to do everything yourself" (Iceland 1). One example of best practice was to use "fast-paced meeting[s]" to connect businesses (Iceland 2).

Ensuring that any materials follow a step-by-step process was also mentioned and making sure that they come from, or are delivered, by people who are relevant to the industry.

"Step by step guides to help them adapt" (Scotland 4)

"Make sure it is step by step whatever you do not too much reading. Plenty of videos if you can" (Ireland 3)

"Those teaching have been people who have nothing to do with us, have no connection to us and our situation. We have not been receptive to them." (Iceland 4)

Additionally, how the information was to be presented and the time it took, or the frequency of any sessions, would be important.

For content of the materials it was suggested that "there is a need to divide crisis to three phases. When it starts. The middle. Afterwards. There should be a different emphasis in each of them. You need to have a plan for each segment of the crisis." (Iceland 5)

"Make sure it is easy to understand, that I can get it on my phone because I don't get to sit down in front of my computer much" (Ireland 4)

"It would be good to get someone out to do a show and tell instead of do a course online" (Ireland 3)

"Something we have found is that a series works well" (Scotland 1)

"I would say every month is okay for a session" (Scotland 1)

One respondent gave an example of what they were working on: "We have been working on a project to create a sustainability wheel where we would like to have a self-assessment test for business owners where they evaluate themselves and, depending on where they stand, they are sent educational material where they can read and strengthen themselves in aspects needed." (Iceland 2)

15. What are the key indicators for measuring well-being, potentiality, and recovery from a crisis within the tourism industry? What were these indicators like before Covid-19 and what are they like now?

The overwhelming response was for economic indicators.

"Healthy bank balance" (Ireland 2)

"Compare planned and actual figures, adjust our liquidity forecast and plan our medium-term expenditure and investment" (Germany 1)

"Money. What you need to survive." (Iceland 5)

Within the basic economic indicators respondents also highlighted other criteria:

- Booking rates
- Changes in booking habits
    - more or less hotel nights or self-catering, experience holidays
    - Booking classes/budget
    - Travel duration
    - Domestic or international bookings
- Seasonal fluctuation changes
- Investment positions
- Changes in purchase habits

Health and wellbeing indicators, along with health safety issues, were mentioned as being more important post crisis.

"Health safety and epidemiological indicators are beginning to be incorporated for the first time" (Spain 4)

"A good sign of well-being would be healthy working hours and less screen time." (Scotland 3)

Sustainable tourism indicators are also rising in importance, with criteria being developed (Spain 1 &2).

16. What consultation documents or surveys are you aware of that aim to understand how the tourism sector has been affected overall by Covid-19?

The following documents, surveys or initiatives were mentioned:

- Scottish Tourism Emergency Response Group (Scotland 1 & 4)
- Visit Scotland (Scotland 1 & 5)
- Scottish Tourism Alliance (Scotland 1)
- Scottish Chamber of Commerce (Scotland 1)
- Association of Self Catering (Scotland 1)
- Motorhome Association (Scotland 1)
- Adventure Travel Trade Association (Scotland 4)

17. What qualities and characteristics must a business leader/administrator have in order to make appropriate decisions within the context of the Covid-19 crisis?

By far the most mentioned characteristic was good communication skills: “above all communication” (Iceland 1). Also ensuring that people have appropriate skills or education, are knowledgeable about their sector and that they create a “culture of continuous training” (Spain 1).

Despite the perceived requirement to be knowledgeable many also mentioned that “humility” (Iceland 2 & Spain 1) and “asking for help and advice” (Scotland 1) were also very important qualities. Leaders would also need to be forward thinking: “to have a long vision of things” (Iceland 5) to “draw up appropriate business plans and develop contingency plans” (Germany 3).

However, it is also important to “be willing to change” (Scotland 1), to ”have a flexible business model” (Ireland 2), to have the vision and creativity to adapt, change and inspire.

> “Endurance, calmness – and planning skills”
>
> (Germany 2)

> “A great leader must inspire, be open to change, be conservative where necessary”
>
> (Spain 1)

> They need to have a creative mind and be open to new ideas but also incredibly humble towards acknowledging the problem and the powerlessness and making mistakes and calling for all sorts of reflections from other[s]”
>
> (Iceland 2)

18. What else has helped you in your own crisis response?

Again, communication was the most frequent answer with respondents saying that it was important to have both casual and work-related conversations regularly.

> “Networking and communicating on a regular basis with people I work with has got me through it” (Scotland 4)
>
> “Actually have honest, frank conversations when it’s been pretty crap” (Scotland 1)

European Needs Analysis on Crisis Management for Tourism SMEs

Part 6: Competence Frameworks and Conclusions

Navigating Tourism
Crisis Recovery

Co-funded by the
Erasmus+ Programme
of the European Union

CONTENTS

INTRODUCTION

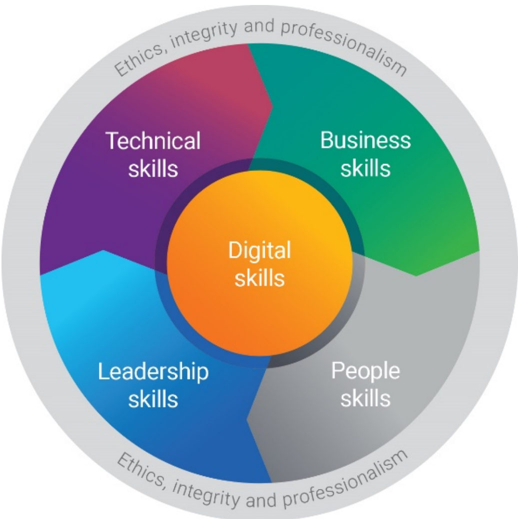
The final report for Intellectual Output (IO) 1 contains six elements:

- Introduction and Methodology
- Online Research
- Good Practice Case Studies
- Literature Review
- Analysis of Industry Interviews
- Competence Framework and Conclusions

This document forms part six: Competence Frameworks and Conclusions. Please visit https://www.tourismrecovery.eu/resources/ for the full suite of IO1 reports.

On the following three pages three competence frameworks are presented. A competence framework is broadly defined as a "model that broadly describes performance excellence within an organization… [and] a means by which organizations communicate which behaviours are required, valued, recognized and rewarded with respect to specific occupational roles" (IAEA, nd: 3).

Based on the results of the literature review, the interrogation of industry reports and national and regional policies and, most importantly, the industry interviews undertaken by each project partner, the frameworks outline the skills and knowledge needed to successfully navigate a business through a virulent crisis.



Three frameworks have been created, recognizing that entrepreneurs, business directors and trainers have broadly similar but subtly different competence requirements. These frameworks, and all the material that underpin and inform them, serve as a structure and basis for the development of curricula, trainer guidelines and resources that will be developed in IO2, focusing on an SME audience, and IO3, taking a more holistic higher education perspective on crisis management and recovery.

TRAINERS' COMPETENCIES

General competencies

Item	Evaluation criteria	Competencies
Business knowledge	Knowledge of the functional areas of a business and its environment	Analyzing the business's operation, in particular the functional areas and their interrelation, from a systemic approach
Crisis management knowledge	Ability in making the right decisions during great adversity and critical situations.	Developing skills for assertive decision making to reverse the adverse and negative effects of the crisis within a tourism organization
Digital skills knowledge	Appropriate use of digital tools to study and develop academic skills	Acquiring skills in the use of digital tools and platforms that enable acquisition of new knowledge in the field of European tourism recovery

Specific competencies

Item	Evaluation criteria	Competencies
Tourism innovation	Ability in generating tourism innovation projects in the field of tourism	Developing tourism innovation projects
Crisis management plan	Developing a crisis management plan	Building an effective and efficient crisis management plan
Crisis communication strategy	Designing an effective communication strategy for crisis management	Designing an effective communication strategy for crisis management
Emergency policies and procedures	Designing policies and procedures for before and after a crisis	Formulating policies and procedures for times of crisis in tourism organizations
Scenario creation	Developing pessimistic, realistic and optimistic scenarios for decision making in the context of a crisis	Identifying and calculating the implications of the possible occurrence of different scenarios: pessimistic, realistic and optimistic, in tourism organizations
Identification of contingencies	Ability in identifying unforeseen events that alter and modify action plans	Analyzing the business environment to define possible unforeseen events and threats that threaten the homeostatic balance of the organization
Project management	Developing projects with a focus on efficiency, efficacy and effectiveness in the use of resources	Developing organizational projects with a focus on efficiency, efficacy and effectiveness in the use of resources
Digital information management	Appropriate use of digital tools for the acquisition of new knowledge	Developing digital skills for the acquisition of new knowledge.
Search for information and sources	Ability in searching for reliable resources and information on the Web	Searching for reliable information and resources on the Web
Filtering and selecting content on the Web	Ability in choosing and filtering the best sources of information on the Web	Filtering and choosing the best sources of information on the Web

ENTREPRENEURS' COMPETENCIES

General competencies

Item	Evaluation criteria	Competencies
Entrepreneurial knowledge	Constructing a business plan in the field of tourism	Developing a business plan in the field of tourism considering strategic, marketing, operational and financial aspects.
Crisis management knowledge	Ability in making the right decisions during great adversity and critical situations.	Developing skills for assertive decision making to reverse the adverse and negative effects of the crisis within a tourism organization
Digital skills knowledge	Appropriate use of digital tools to study and develop academic skills	Acquiring skills in the use of digital tools and platforms that enable acquisition of new knowledge in the field of European tourism recovery

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DIRECTORS' COMPETENCIES

General competencies

Item	Evaluation criteria	Competencies
Leadership and management skills	Mastery of leadership theories and application for specific situations	Developing leadership skills for the management of heterogeneous groups
Crisis management knowledge	Ability in making the right decisions during great adversity and critical situations.	Developing skills for assertive decision making to reverse the adverse and negative effects of the crisis within a tourism organization
Digital skills knowledge	Appropriate use of digital tools to study and develop academic skills	Acquiring skills in the use of digital tools and platforms that enable acquisition of new knowledge in the field of European tourism recovery

Specific competencies

Item	Evaluation criteria	Competencies
Sustainable Tourism and Territorial Planning	Generating sustainable tourism proposals	Developing sustainable tourism projects, in line with the land-use planning of a given site
Events and Business Tourism	Planning and organization of events in the tourism sector	Planning and organizing events in the field of business tourism
Tourism innovation	Ability in generating tourism innovation projects in the field of tourism	Developing tourism innovation projects
Crisis management plan	Developing a crisis management plan	Building an effective and efficient crisis management plan
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IO1 CONCLUSIONS

The reality of the COVID-19 pandemic is that global tourism will be hard hit throughout 2020 and beyond, even with the spread of the virus being brought under control, affecting both the international and domestic tourism markets; given the limited resources of tourism SMEs, many solvent firms could go bankrupt (OECD, 2020). This is clearly a huge issue in some countries such as Iceland, where tourism became the countries' most important export industry after the financial crash in 2008; Iceland and Spain are ranked two of the top three OECD countries in terms of the proportion of the total GDP contributed by the tourism industry (OECD, 2020).

In other partner countries, such as Ireland, tourism was one of the first sectors to be deeply impacted by the pandemic, as measures introduced to contain the virus led to a near-complete cessation of tourism activities around the world. In Spain, Between January and September 2020, the country lost €43 billion in overseas tourist revenue (European Central Bank, 2020). Due to the dramatic contraction in the tourism industry, many workers may become unemployed or displaced. While other sectors may absorb some of the displaced workers, low-skilled, casual and temporary workers, typical of many parts of the tourism industry, are likely to be the first to lose their jobs and may find it difficulty in seeking employment in other sectors of the economy (UNCTAD, 2020).

In terms of policy responses to the crisis individual countries reacted in a multitude of ways. For example, in Iceland an annual survey of Icelandic tourism businesses was undertaken for the Icelandic Tourism Cluster and the Icelandic Travel Industry Association in 2021 to understand, among other things, how Icelandic businesses were handling the pandemic and how it threatens the industry. In Germany, state and regional measures were introduced to support a range of industries, on the principle that companies should be in the same position as they would be without the causal event and aid should be granted as a priority to those companies that experience reduced revenues or liquidity bottlenecks as a direct result of state-imposed closures.

Examples of good practice related to how tourism SMEs overcame the imposed restrictions were identified across the partner countries. In Ireland, for example, the BuJo burger bar in Dublin created a digital drive-thru using WhatsApp to take orders, a clever way to work around the social distancing guidelines and testament to the innovation and flexibility exhibited by many business owners. The Paderborn Cultural Office in Germany devised a best practice approach to support the regional tourism industry, through recommendations for organisers for hosting events during the pandemic, an initiative replicated in many areas as regional and national authorities strive to find the compromise between business activity and public safety. Spanish authorities in Spain, for example, created the "Galicia Safe Destination" programme, a rethinking of tourist products adapted to new hygiene requirements.

In order to survive, and thrive, a new or enhanced set of skills may be required by SME owners and employees, ensuring that future crises, whether global or localized, see businesses better prepared and able to adapt to restrictions, demand fluctuations or supply constraints. Future Place Leadership (2020), for example, supports:

- Understanding new market needs and focussing on segments that have the ability to bounce back more quickly.
- Revising products with health and safety in mind.
- Enhancing digital skills in particular.
- Working in collaboration across the sector.

It suggests that business review the present crisis, to understand the issues and constraints, and indeed the opportunities, and ensure better preparation for future such events. Other suggested coping mechanisms include:

- Product diversification.
- Exploring domestic markets.
- Creating and demonstrating effective leadership
- Identifying areas where cost reduction measures can be implemented.
- Making the most of organisational support.

Some or many of these elements were picked up in the stakeholder interviews undertaken as part of IO1. Participants identified a number of existing courses which explored relevant subjects, from scenario planning and crisis management in Scotland, to change management and health and safety in Spain. Quizzed on the most appropriate subjects for a course programme specializing in crisis management, the principal responses were grouped under the following headings:

- Finance and funding
- Effective communications
- Mental health management
- Disaster recovery plans
- Business planning and strategizing
- More effective digital skills
- Creative marketing and consumer analysis

It was suggested that step-by-step guides would be very useful for businesses, along with the facility to learn about good practice in other countries. These results, and the key findings from the industry reports, have been used to create competence frameworks aimed at trainers, directors and entrepreneurs, which will underpin and inform the development of the invaluable training resources developed by the T-CRISIS NAV consortium.

These resources will help to facilitate the adaptation, change and evolution that were key words reported by the BBC when exploring survival techniques for tourism businesses. In the short term this has meant expanding into new activities for some businesses, or altering what they offer, or when/how they offer it, to customers. In the medium-term, it reports that SMEs are looking to new forms of sustainable or innovative tourism business practices; from turning to more carbon -neutral business practices to offering 'slow tourism' opportunities that encourage people to spend longer in communities, the industry has shown that it has the capacity to reinvent (elements of) itself.