

WHITE PAPER

**HOSPITALITY SECTOR POLICY
&
CRISIS COMMUNICATIONS**

Finding opportunity in diversity



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HOSPITALITY SECTOR POLICY & CRISIS COMMUNICATIONS

Finding opportunity in diversity

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EXECUTIVE SUMMARY

This white paper presents a **brief strategy outline** in order to address and reverse the effects of negative press coverage of the crisis and its related events in Greece. It may also be a useful document for countries with a **similar hospitality sector to that of Greece**, especially **Spain** and **Portugal**, as they start being covered adversely in the media.

The present situation and its media representation could predispose your customers negatively. Moreover, it creates market uncertainty, which may affect the companies you work with. Do not underestimate during this period, the **advantages** that your size and flexibility offer. You are able to innovate where large corporations and government agencies are lagging behind.

The negative climate can and should be reversed.

ANALYSE – PLAN – ADAPT – COMMUNICATE

ANALYSE

- Customer and stakeholder needs analysis
- Recognition of the substantive and emotional impact of the crisis
- Analysis of the position and philosophy of your company and how they can be adapted to the new circumstances

PLAN

- Plan in order to address the impact
- Complete plan of new services
- Complete communication plan
- Organisation and consistency: Each member of staff should be aware of the new strategy

ADAPT

- Customise your services to meet new requirements
- Negotiate with your stakeholders and partners
- Redesign your added value services

COMMUNICATE

- Frequent and positive communication with partners and customers – take nothing for granted and promote your value added services
- Full use of your existing tools (e.g. your web site)
- Use new tools - suitable for your purposes
- Use your customer data file (without forgetting data privacy legislation and regulation)



Communication is the key in any crisis-tackling strategy and it is vital if a company wants to not only survive but to establish its future path.

It is important for any company that wants to design a responsible and effective strategy at this juncture to invest **time** and **drive** and to avoid hasty solutions that will only lead to negativity - **especially at a time when every customer has a potentially worldwide audience.**

This white paper is general as different strategies will suit different businesses. It is important to adjust this to your circumstances and make changes that match the profile of your business.

The people of **SoMaFusion**, with extensive experience in the tourism sector and excellent knowledge of the European public are able to help you plan your present and future path.

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1. INTRODUCTION

This white paper aims to briefly keep you up to date and support you during the crisis that occurs in the hospitality sector while Greece receives negative coverage in international media. We present a brief and generic strategy for a first take at crisis communications with a view to tackle the situation.

In times of crisis, the companies that will continue to evolve and thrive are those that invest in **strategy**, in **analysis**, in **personal** communications and in **essential** services.

It should be stressed that different communication styles will work better for different businesses and it is beneficial for your communications strategy to be specifically planned and adapted. Hence, this note can only be general and we would advise you to **adapt it to your own situation** in collaboration with specialist advisors.

2. CURRENT CLIMATE

The recent international media coverage of Greece's debt and riots represents a crisis for the hospitality sector of unprecedented proportions.

The negative reports in the international press, especially in key-markets for Greece, are covering the financial crisis, financial mismanagement, strikes, protests and street violence. The reports present Greece and the situation negatively.

Apart from international media coverage, there are real problems with the financial situation such as insecurity of transactions, reduced creditworthiness and strikes.

3. EFFECTS

You cannot and should not underestimate that negative impact of media coverage and practical problems caused by the economic situation.

Greece as a destination is quickly associated with negative impressions. Visitors even unconsciously devalue the destination and might not be willing to risk their days of rest in a place that is considered unsafe. This devaluation affects not only travellers' holiday plans but also their general view of the country, the people and the available services.

The visitor is already **negatively** predisposed and in this light he/she will determine the entirety of his/her trip and stay. **This tendency can and must change.**

Media reports aside, it is worth noting that visitors who have a negative experience - for example, due to a strike of air traffic controllers - will narrate their story. This 'word-of-mouth' narrative should not be underestimated and can now be done with great publicity via the internet and new media used by the majority of visitors to Greece - according to their age, their income, their education level and country of origin.

4. REVERSING THE NEGATIVITY

Moving to reverse the negative climate on a business or community level should be immediate. The strength of the local businesses and communities in these cases is their **flexibility**.

The state and the authorities use time-consuming processes and they are not able to react, or work with innovative tools that are available to businesses and local communities.

The hospitality sector business that will survive and blossom in the future is the one that will recognise the power of **communications** and **essential services**, tailored to the circumstances of the day.

It is easy in difficult times for panic to prevail and for businesses to go into fire-fighting mode. This can only have negative results as it does not put forward an image of your business as healthy and confident.

In times of crisis what will help are the **effective** and quick **study** and **treatment** of uncertainty that your clients and business partners experience.

The aim should be **to offer services that address this uncertainty effectively** and present them in a positive manner to your audience.

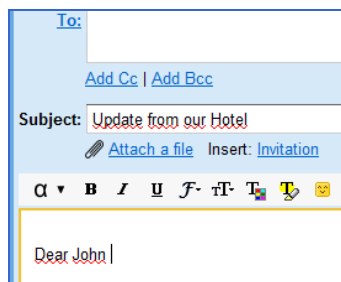
5. COMMUNICATION WITH BUSINESS PARTNERS

It is best practice not to underestimate the general insecurity that prevails in times of crisis in the domestic and international market.

The general rule is that your company should appear stable, with confident people and well-designed services.

You may find some suggested actions below

>> Communicate often and on a personal basis



Do not underestimate the value of a phone call or an e-mail at regular intervals. Other companies - such as suppliers, agents, etc. - are essentially your business partners and they are equally concerned about the state of the market. Contact them at regular intervals and avoid negative discussions. Instead, it is better to show interest in their experiences and present a true and, as much as possible, positive image. The key message that you are communicating in this way is that you as a company are

interested in your partners and you are there to support them. These **links** are invaluable in a time of crisis.

>> Needs analysis and added value services

Your business partners will have some needs due to the crisis. Being aware of your sector means that you will be able to realise which needs are **real** and which needs are **artificial**. When it comes to the real needs analyse your commercial operations and decide whether you can make changes which will help your business partners. When it comes to artificial needs it is necessary that you have a **response and negotiation plan** which will help you maintain your relationship without disadvantaging your business. The earlier you analyse the needs and plan your strategy, the better you will be able to safeguard your cooperation.

>> Communication regarding your value added services

Especially if you see that there are artificial needs – e.g. changes to arrival times leading to reduced service quality - it is vital to **communicate regarding the value added services** you can offer. Regular and personal contact, which we already mentioned, is a first step; however do not hesitate to use more tools available, such as newsletters for the agents you are working with. Your goal should be to be in a powerful position to negotiate services in the future.

6.COMMUNICATION WITH CLIENTS

In the hospitality sector your customers hold the key for your good reputation on a local, national and international level.

Your customers are increasingly **informed via alternative channels** and **do not trust the 'official' version** that is presented in your brochures or by travel agents.

A recent research¹ shows that **70% of consumers use the Internet to book their holidays** as opposed to 23% via the phone and 8% via agents.



It is worth also noting that **travellers scrutinize reviews on the Internet for any destination and travel service.**



This trend is not limited to the young - about 74% of consumers in their 35-45 years use the internet for their holidays.

¹ Total Media (Jan. 2010), Social Travel, <http://www.totalmedia.co.uk/TM.TravelReport.F01.Screen.pdf> (last accessed, May 2010)

It is evident that the target audience for Greek hospitality companies can be approached on a more personal level with innovative tools – and these people get their information from alternative sources. You should be that alternative source.

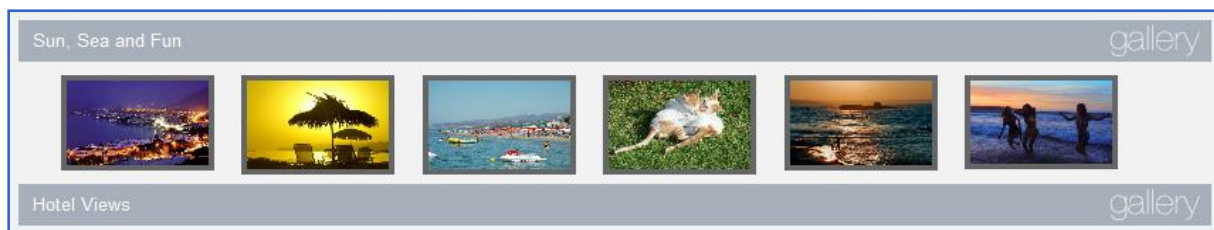
You may find some suggested actions below.

>> Use your website



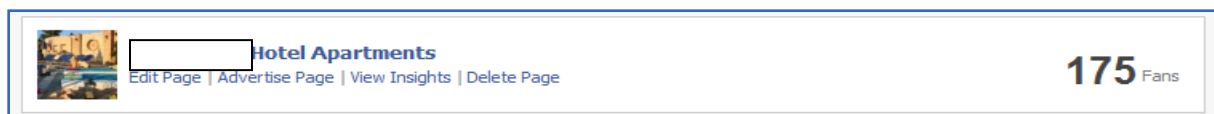
In your website you have an invaluable tool that offers the opportunity **to present your story** and your version of events. Consider whether you can integrate news, photos and short stories that will **communicate your day to day operations and the normality that prevails** in your business and your locality. Remember that the "official" version - that is, stylised, passive and impersonal accounts without honesty and openness – are believed less and less and it is possible that they nowadays have

negative effects.



>> Communication

If you keep **a record of you customers** now is the time to use it. If you do not have a database available then start collecting data today. We are stressing that there are **strict confidentiality rules** to follow when you record, keep and use personal data. The misuse of personal information can only have a negative effect. Provided that you follow personal information legislation and regulation, contact your clients. Consider using a variety of tools - such as email, your website and other media such as facebook, flickr and youtube. **Design a communications strategy and keep at it even after the crisis has passed.** Provided that your strategy is tailored to the profile of your business and it is followed with seriousness and consistency it will offer you invaluable links to your customers. Such a communications strategy cannot be rushed nor should it be left to chance.



>> Needs analysis and added value services

In times of crisis, your clients have concerns that are not only practical. Apart from the possibility of bad experiences because of the economic crisis and the impact of the situation – e.g. from strikes – it is likely that your customers are already negatively predisposed towards your services and your country. This leads to distrust and an overreaction to a negative experience that might otherwise not have been deemed so important. To work around this negativity **it is important to analyze the fears and insecurities of potential customers and see if you can offer value added services** - for example a pickup service from the airport in case of public transport strike. The services offered depend on your business but the key is to have a consistent strategy from the beginning and **scenarios which will help you and members of staff to react in a variety of incidents.**

>> Communication regarding your value added services

Many businesses consider their value added services as given. For example, the sense of '*filoxenia*', the famous Greek hospitality, offered by businesses dictates that no client will be left without a roof over their head if something unexpected happens, like a strike by air traffic controllers which would prevent departure at the appointed time, even if the contract offers no such guarantee. **The unwritten rules of Greek hospitality are not obvious to travellers today** - especially at a time when Greece is associated with mismanagement and fraud. **Communicating your value added services, especially those adapted to the crisis is critical** and will help you distinguish your business from others. Offering guarantees and help to the traveller will affect the way he/she views you from the outset, avoiding any bias and helping the travellers see your services more clearly.

7. GENERAL PRACTICE

Undoubtedly there are practices that will benefit your business not only in a time of crisis but also in general. Design and consistency in communication helps to support the image of the company. Moreover they **create** and **support** the ethos of the company not only externally but also internally with members of staff and stakeholders.

We note briefly some practices recommended for every business

- ◉ Establish a communication **strategy**
- ◉ **Consistency** in communications at all levels
- ◉ **Adjust** the image and style of communication depending on the audience
- ◉ **Honesty** and **consistency** in communications
- ◉ **Redesign** you communication messages at regular intervals to address changing conditions
- ◉ **Communications management techniques** such as contact archive, contacts and client database, contact analysis etc.

8. NEXT STEPS

The crisis Greece faces at this time **can be an opportunity for businesses and destinations that will plan in a sober and responsible manner their path and strategy.**

Policy and communication are key in any strategy designed to tackle the crisis and they are vital if a company wants to not only survive but to secure its future course. Underestimating the importance of policy and communications in time of crisis can negatively affect your business not only during the crisis but especially following the crisis.

It is important for any company that wants to plan a responsible and effective strategy at this juncture to invest time and to avoid hasty solutions that will only lead to negative results - especially at a time when every customer has a potentially worldwide audience. It is worth noting that negative news are always more widely covered than positive news and so any negative impressions will hurt your business much faster and must more seriously.

SoMaFusion is a communications agency with extensive experience in the hospitality sector and we know European audiences. We hope that this note helped you find some ideas to analyse and plan during this crisis and beyond.

The people at **SoMaFusion** remain at your disposal for any further information and discussion.

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