Crisis Management in Meeting and Incentive Industry: A Case Study in Phuket

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This is to certify that the work here submitted is the result of the candidate's own investigations. Due acknowledgement has been made of any assistance received.

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I hereby certify that this work has not been accepted in substance for any degree, and is not being currently submitted in candidature for any degree.

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บทคัดย่อ

อุตสาหกรรมการจัดประชุมและการท่องเที่ยวเพื่อเป็นรางวัลในจังหวัดภูเก็ตได้สร้างรายได้
และเป็นประโยชน์ต่อประเทศ เนื่องจากนักท่องเที่ยวกลุ่มนี้มีการใช้จ่ายเงินมากกว่านักท่องเที่ยวที่
เดินทางเพื่อมาพักผ่อน แต่เป็นที่น่าเสียดายที่ในปีพ.ศ.2551-2552 อุตสาหกรรมนี้ได้รับผลกระทบ
จากหลายเหตุการณ์ที่ไม่ได้คาดคิดทั้งในระดับภูมิภาคและระดับโลก ในขณะที่งานวิจัยส่วนใหญ่ได้
กล่าวถึงวิกฤตการณ์ต่างๆที่ส่งผลกระทบต่ออุตสาหกรรมท่องเที่ยว มีเพียงส่วนน้อยที่ให้
ความสำคัญต่อการจัดประชุมและการท่องเที่ยวเพื่อเป็นรางวัล ดังนั้นงานวิจัยนี้จึงมุ่งเน้นไปที่
ผลกระทบที่ตามมาของวิกฤตการณ์ การตอบสนองของผู้ที่มีส่วนได้เสียในการจัดประชุมและการ
ท่องเที่ยวเพื่อเป็นรางวัล และข้อเสนอแนะของการจัดการวิกฤตการณ์ในอนาคต

วัตถุประสงค์ข้อแรกของการศึกษาคือการจำแนกลักษณะของวิกฤตที่เกิดขึ้นในส่วนของ
การจัดประชุมและการท่องเที่ยวที่เป็นรางวัล วัตถุประสงค์ข้อสองเพื่ออธิบายระยะเวลาและการ
ตอบสนองในช่วงเวลาที่เกิดวิกฤต วัตถุประสงค์ข้อสามของการศึกษาคือการประเมินผลของการ
จัดการวิกฤตของผู้ที่มีส่วนได้เสียในการจัดประชุมและการท่องเที่ยวเพื่อเป็นรางวัลในจังหวัดภูเก็ต

ข้อมูลของงานวิจัยนี้เก็บรวบรวมจากบทสัมภาษณ์แบบเชิงลึกจากผู้ที่มีส่วนได้เสียหลักใน
การจัดประชุมและการท่องเที่ยวเพื่อเป็นรางวัลในจังหวัดภูเก็ตจำนวนทั้งสิ้น 12 คนได้แก่ โรงแรม
6บริษัทรับจัดการ , 3 บริษัทจัดงานประชุมและสัมมนา , 2 และสำนักงานส่งเสริมการจัดประชุม
และนิทรรศการ (องค์การมหาชน) โดยเป็นระดับผู้จัดการขึ้นไปที่มีประสบการณ์อย่างน้อย 3 ปี บท
สัมภาษณ์นั้นเกี่ยวกับลักษณะของวิกฤตการณ์ ระยะเวลาของการตอบสนอง และประสิทธิภาพของ
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ผลการศึกษาตามวัตถุประสงค์ข้อแรกแสดงให้เห็นว่าวิกฤตการณ์เป็นเหตุการณ์ที่ไม่
สามารถวางแผนได้ หรือ สถานการณ์ที่เกิดขึ้นจากปัจจัยทั้งภายในและภายนอกซึ่งมีอิทธิพลต่อการ
ตัดสินใจของลูกค้าในทางลบมักจะส่งผลต่อการยกเลิกหรือเลื่อนการเดินทาง

ผลการศึกษาตามวัตถุประสงค์ข้อที่สองชี้ให้เห็นว่าในช่วง 2 ปีที่ผ่านมา ผลกระทบที่ส่งผล
อย่างมากนั้นคือเหตุการณ์ความไม่สงบทางการเมืองของประเทศนำไปสู่การปิดสนามบินนานาชาติ

จังหวัดภูเก็ต, ภาวะเศรษฐกิจโลก, ภาวะวิกฤตทางสังคม การระบาดของโรค) H1N1) และวิกฤต
ภายใน กระทบและตามลำดับ โดยแต่ละเหตุการณ์ส่งผล (การนัดหยุดงานของพนักงานสหภาพ)
วิธีการจัดการที่แตกต่างกัน

       ผลการศึกษาตามวัตถุประสงค์ข้อที่สามแสดงให้เห็นว่าผู้มีส่วนได้เสียหลักให้ความเห็นว่า
การบริหารจัดการในสถานการณ์วิกฤตนั้นอาจจะไม่จำเป็นสำหรับองค์กร ทั้งนี้เพราะธรรมชาติของ
วิกฤตการณ์ในปัจจุบันมีการเปลี่ยนแปลงตลอดเวลา และความยืดหยุ่นถือเป็นสิ่งจำเป็นอย่างมาก
สำหรับองค์กรในการจัดการต่อวิกฤตการณ์ที่จะเกิดขึ้นในระยะยาว อย่างไรก็ตามขั้นตอนแรกนั้น
บริษัทควรจะมีการจำแนกประเภทของวิกฤตการณ์ที่เกิดขึ้นจัดตั้งทีมในการดูแลเรื่องการสื่อสาร ,
และกำหนดความรับผิดชอบให้แก่สมาชิกในทีม

คำสำคัญ การจัดการประชุม, การท่องเที่ยวเพื่อเป็นรางวัล, การท่องเที่ยว, วิกฤตการณ์, การบริหาร
จัดการวิกฤตการณ์, ภูเก็ต, ประเทศไทย

Thesis Title   Crisis Management in Meeting and Incentive Industry: A Case study in Phuket

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ABSTRACT

Meeting and incentive industry in Phuket has generated high income and benefits to the country because meeting and incentive tourists have more spending than leisure tourists. Unfortunately in 2008-2009, the industry was affected by several unexpected regional and global negative incidents. While a number of researches have discussed the crises affected on other tourism sectors, few efforts have focused on the meeting and incentive sector. Therefore, this research is to focus on the consequences of the crisis, responses of meeting and incentive stakeholders, and to provide recommendation of crisis management for the future.

The objectives of this study were (1) to classify nature of crisis commonly faced in meeting and incentive market; (2) to identify timing and common responses during the time of crisis; (3) to evaluate the effectiveness of crisis management of the stakeholders in meeting and incentive in Phuket.

This research adopted a qualitative approach with purposive sampling method as it sought to identify nature of crisis, timing of response and effectiveness of situation handling procedures for meeting and incentive in Phuket. In order to meet the above objective of the study, in-depth interviews were conducted with 12 major meeting and incentive stakeholders in Phuket including 6 hotels, 3 organizers, 2 Destination Management Companies (DMC), and TCEB. No further interview was conducted after the 12th respondents as common responses were found indicating the data saturation. Respondents participating in the interviews were those who have a minimum of 3 years' experience in the industry and currently work in the managerial position of such organization in order to ensure the validity and accuracy of the findings.

Relating to the first objective, the results show that most of the interviewees defined the crisis as any unplanned event or situation occurring internally or externally which influence

client's decision making in a negative way in which often results either cancellation or postponing of the trip.

With regard to the second objective, the findings also pointed that for the past 2 years, Phuket has been largely affected by the country's political instability including the closure of Phuket International airport. Other major crisis that also impacted the industry are global economic crisis, social crisis (epidemic of H1N1), and internal crisis (union staff strike). Each crisis brought different consequential impacts, and subsequently requires different ways of dealing with each of them.

In relation to the third objective, the results show that crisis management may be no longer needed in the organizations. This is because the nature of crisis in today's environment is always changing and the flexibility for the MICE organizations is very much needed in order to deal with these unexpected as was in the traditional long term plans. However before that stage, the company should be able to categorize crisis. In to groups in order to list the scope of contact details of concerned authorities, set-up communication team and assign responsibility to crisis management team members.

Key words: meeting, incentive, tourism, crisis, crisis management, Phuket, Thailand.

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CHAPTER 1

INTRODUCTION

Tourism is one of the largest industry in the world today. The World Tourism Organization forecasted that by the year 2020, 1.6 billion people will travel annually and of these 1.2 billion will be intraregional while 378 million will be long haul traveler (United Nationals Tourism Organization, 2009; Gilsdorf, 2009). The rapid growth of the tourism industry is still rising. One of the most attractive and lucrative segment of tourism industry is the meeting and incentive industry. They represent one of the fastest growing and most important sectors not only within business travel but also in the whole tourism industry. Since the meeting and incentive tourists have more spending than leisure tourists (Thailand Convention and Exhibition Bureau [TCEB], 2007). Many destinations around the world have invested heavily in infrastructure development and promoting destinations to influence the site selection process to increase revenue from this section. Thailand has no exception.

Both of the meeting and incentive industry brings revenue and benefits to Thailand which the value can and cannot be calculated in an exact amount of money such as technology transfer, international trade and positive image (TCEB, 2007). According to the statistics from International Provider and Consultant (2007), the incentive market in Thailand has shown a rapid growth of 35.6 percent between 2005 and 2007 generating total revenue of 72.99 billion Baht. In response to the increasing demand of the industry in Thailand, the Thai government established TCEB as a country's key agency to promote and develop the industry in Thailand to compete with strong competition of global market. In 2009, TCEB developed the marketing strategy to promote meetings and incentives in Thailand focusing on five regions comprise of Bangkok/Pattaya, Chiang Mai/Chiang Rai, Nakon Ratchasima/Khon Kean, Cha-am/Hua Hin, and Phuket/Krabi/Phang Nga. The selected provinces are the region's most well-known travel destinations to the world and are rich of local identities, unique way of life and tourism resources.

Phuket is one of the most famous tourist destinations on the south western coast of Thailand. It is the sea paradise of the world which consists of many beautiful beaches on the north to south of the west coast. Numbers of internationally renowned resorts and top-class accommodations are available at the reasonable price when compared with other destinations.

The world-famous recreation and newly built entertainment theme park can be easily found there. The island will be filled up with more country's leading entertainment venues which is scheduled to be built up very soon. Phuket can be easily accessed by the International Airport which can support both incoming domestic and international travelers as well as by land and by sea. By these advantages, Phuket is not only one of the most attractive destination but also one of the best for meeting business and incentive travel.

1.1 Statement of the problem

Phuket's economy depends very much on the tourism industry. In year 2007, the destination attracted over 5 million tourists showing a rapid growth of 11.25 percent between 2006 and 2007 (Office of Tourism Developement, 2007). Nevertheless, the industry is highly sensitive to the external environment as well as the country's situation. During 2008-2009, numbers of tourist arrival to Phuket decreased as a result of the external and internal negative events such as the global economic crisis, natural disaster, terrorism, and the outbreak of swine flu or H1N1. The situation was heavily worsened by the country's internal political instability which led to a closure of Phuket International Airport in August 2008 and Suvarnabhumi International Airport in November 2008. These events affected to the whole country's tourism industry, therefore, there is no exception for meeting and incentive industry.

Considering the crisis impact that meeting and incentive have been facing, there are many challenges for industry's stakeholders in Phuket to develop proper plans and procedures to deal with. While a number of researchers discussed how the crises affected other tourism sectors, meeting and incentive industry were unfortunately seemed overlooked despite the fact that these sectors evidently bring quality tourists as well as generate such a high income for the island. Thus, the purposes of this study of the Crisis Management in Meeting and Incentive Industry: A Case Study in Phuket, attempts to understand the nature of crises, and examines recent crises in Phuket which the focus on the impact and the experience gained as the meeting and incentive's stakeholders has responded, managed and gone through the recovery practice. Furthermore, the results of this research could be used as a guideline for stakeholders in the industry as how to deal with future crises.

1.2 Aim and objective of the study

The aim of this research is to identify nature of crisis, timing of response and effectiveness of situation handling procedure for meeting and incentive in Phuket.

Objectives:

Objective 1 is to classify nature of crisis commonly faced in meeting and incentive market.

Objective 2 is to identify timing and common responses during the time of crisis.

Objective 3 is to evaluate the effectiveness of crisis management of the stakeholders in meeting and incentive in Phuket

1.3 Significance of the Study

Objective 1 will classify nature of crisis commonly faced in meeting and incentive so as to understand the current crises situation of the industry.

Objective 2 will identify timing and common crisis responses which include pre-crisis, during of time of crisis and post-crisis in order to learn and improve crisis management planning for preparing business from crises in the future

Objective 3 will evaluate the effectiveness of crisis management of the stakeholders in meeting and incentive in Phuket to ensure sustainability of the industry development. The study will also give guideline of how to best deal with crisis.

1.4 Scope of the Study

This research is to analyzing crisis management in meeting and incentive industry: a case study of Phuket. The crisis is operationally defined as consisting of external and internal negative impact to meeting and incentive industry especially in Phuket during 2008-2009. As the informants who witnessed the crisis occurred before 2008, such as the tsunami occurred in 2004, cannot remember the scene in detail, this research is then to study the only certain time span after.

The primary data information was conducted by in-depth interview with the major meeting and incentive stakeholders in Phuket, including:

- Hotels

- Professional Convention Organizers (PCOs)/Organizers

- Destination Management Companies (DMCs)

- Thailand Convention and Exhibition Bureau (TCEB)

The interviewees were those who have a minimum 3 years' experience in the industry and currently work in the managerial level of such organization in order to ensure the validity and accuracy of the finding.

1.5 Definition of Key Terms

1. Meeting is an event where the primary activity of the attendees is to attend educational sessions, participates in meeting/discussions, socialize, or attend other organized events.

2. Incentive is a travel reward given by companies to employees and customers who stimulate productivity. Also known as an incentive trip or incentive travel

3. Incentive meeting is meetings held during incentive trips given to employees, distributors and dealers as a reward for top performance.

4. Meeting and incentive stakeholders are the ones who receive profit from meeting and incentive using their service.

5. Crisis Management is the process by which an organization deals with a major unpredictable event that threatens to harm the organization, its stakeholders, or the general public.

1.6 Conceptual Framework

Figure 1.1 Conceptual Framework of the study
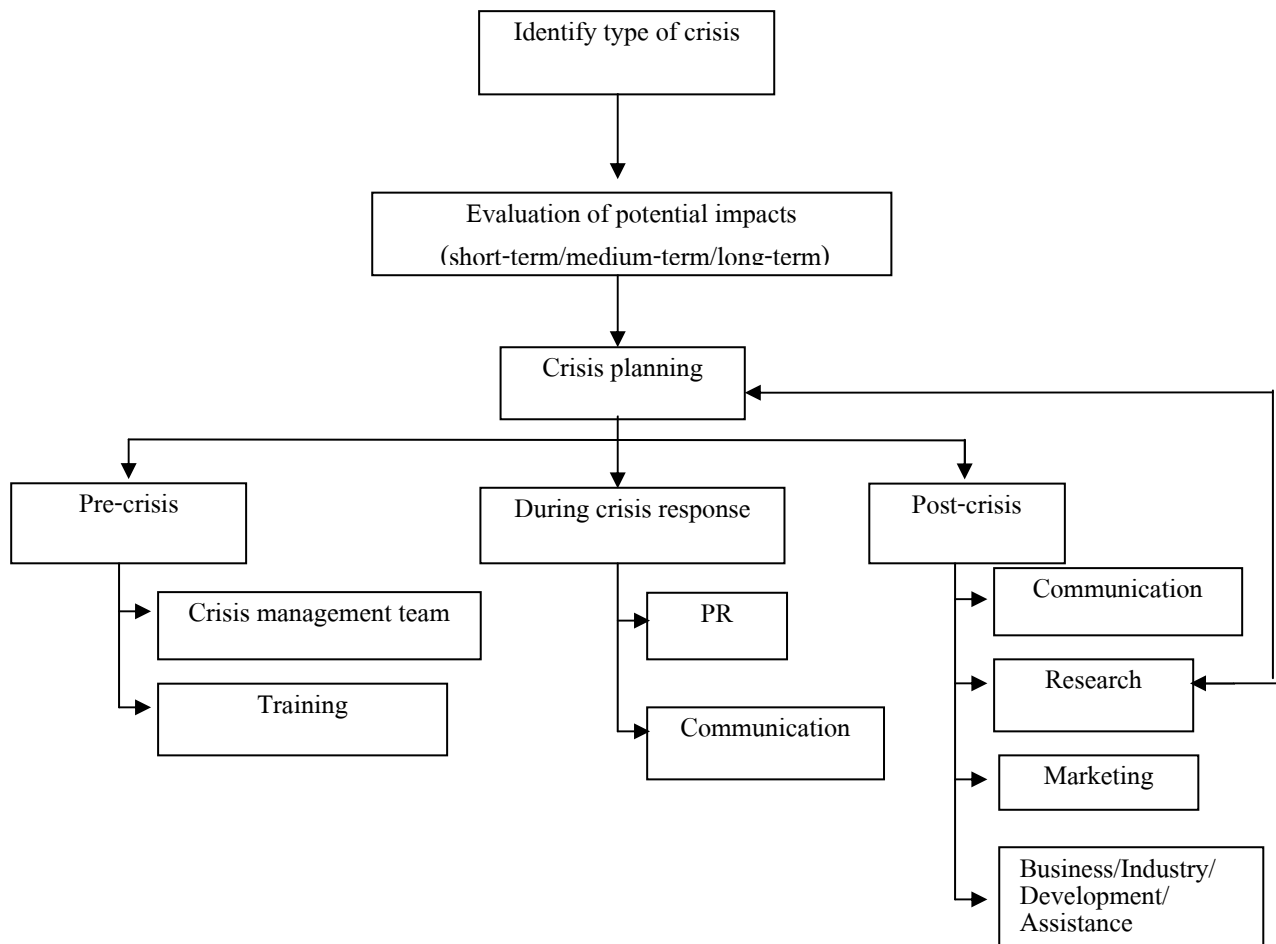
Source: Santana (2003), Tourism Queensland (2003) and PATA's (2003)

Derived from Santana (2003), Tourism Queensland (2003) and PATA (2003), Figure 1.1 is a conceptual framework which will guide the research design of this study.

CHAPTER 2

LITERATURE REVIEW

This chapter describes key theories and concepts pertaining to crisis management and terminology related to MICE industry. The structure of this chapter is organized into the following sections:

2.1 Meeting and incentive industry: definition and concept

2.1.1 Background of meeting and incentive

2.1.2 Meeting and incentive stakeholder

2.2 Development of meeting and incentive industry in Thailand

2.2.1 Factors driven the population of Thailand as a MICE destination

2.2.2 Government support in MICE sector

2.3 Meeting and incentive in Phuket

2.4 Definition and classification of crisis management

2.5 Crisis management in business

2.6 Crisis management in tourism

2.7 Crisis management in meeting and incentive industry

In the literature, the term "MICE" is an acronym for Meeting, Incentive, Convention, and Exhibition, however, in the current study the term is to be referred to only meeting and incentive.

2.1 Meeting and incentive industry: definition and concept

Tourism is a long established economic activity in many countries and many destinations are dependent upon tourism for their growth and survival (Ritchie, 2004). Meetings and incentives represent one of the fastest growing segments of the tourism industry. More specifically, they are part of MICE business, encompassing Meetings, Incentives, Conventions, and Exhibitions. Meeting is a crucial element of business, is used to indicate any type of get together. Meeting is a basic form of communication within companies for a common purpose the sharing of information, one of the most common reasons is to solve problems and make decision (Campiranon, 2006).

The Convention Industry Council (CIC) (2007) defined meeting as a coming together of a number of people in one place to confer or carry out a particular activity. Meetings vary in size and scope, but they ultimately function as a means of accomplishing a variety of organizational goals. A major purpose of meeting is therefore served conducting organization business. Meetings enable groups of people to communicate, educate, train, motivate, establish a vision, make decisions, promote, network, socialize, or attend other organized events. There is no exhibition component to this event (Fenich, 2005; Campiranon, 2006). The "group of people" may be employees of a single company, members of the same association or participants in similar businesses (Weirich, 1992). The generic term of meeting covers all off site gatherings including seminar, workshop, conference, clinic, retreat, convention, conclave, assembly, class, congresses, press conference, forum or symposium, lecture, panel, trade show and incentives, each meeting has different objectives that need to be met. Meetings range in size from small meetings of 5 to 25 people, to conferences for up to 200 delegates, and conventions attracting in excess of 4,000 people incorporating world-class exhibitions (McCabe, Poole, Weeks & Leiper, 2000).

In broad terms, the international meetings market can be segmented in many different ways; by the size of the meetings, by the kind of people who visit the meetings, by the purpose of the meetings and by many more criteria. International Congress and Convention Association (ICCA) (2009) separated international meeting into two categories; corporate or company meetings and association-type meetings (see figure 2.1).

Figure 2.1 Segmenting of the international meetings
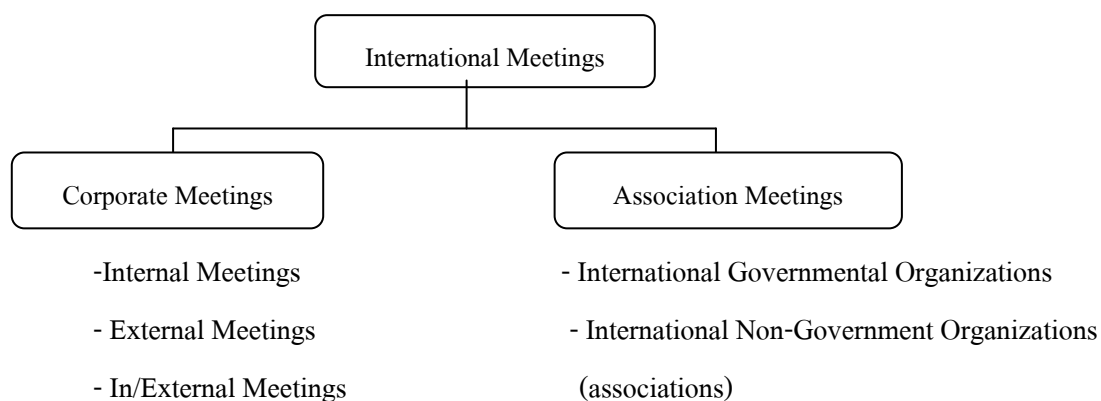
Source: ICCA (2009:12)

Furthermore, the international meeting market is also defined by The Convention Industry Council (CIC, 2005 quoted by Tansakul, 2007) as follow:

- *Corporate Meetings*, which businesses use to communicate with staff and distributors

- *Government Meetings*, which the governors from all over the world are participated. For example WTO, APEC and IMF conferences

- *Association Meetings*, which are usually of a practical or technical nature and are related to individual trade association, professional societies or academic institutions

An incentive is a reward from company to employee. Incentive programs begin with the structuring of a contest, by which entrants may win rewards, and culminate with the awarding of the prizes. These rewards may be in the forms of fiscal compensation (money, savings bounds, etc.), products (cars, television sets, etc.) or glamorous trip (Weirich, 1992). Generally, many companies around the world use incentive travel to reward and to motivate outstanding employees (Gilsdorf, 2009), as travel is stimulated by a number of motivators (Abbey & Link, 1994). Rubin (1986) described why travel is used as the reward that can effectively motivate employees the most. Since travel began to be used regularly as an incentive, it has proved to be the ultimate motivator. More people will work harder and exert more effort to win an incentive trip than any cash or merchandise items. Unlike a color television which anyone can purchase (and probably already has) and own for years afterward, travel is a unique experience that cannot be stored on the shelf and must be renewed each time (Ricci & Holland, 1992).

Incentive travel is a part of meeting business but the program is not a meeting. Meetings are included in 80 percent of all incentive trips and those meetings are calling *incentive meetings* (Astroff & Abbey, 2002). The Society of Incentive and Travel Executives (SITE) defined incentive meetings and travel as a global management too that uses an exceptional travel experience to motivate and/or recognize participants for increased levels of performance in support of organization goals (Roger, 2008).

Gilsdorf (2009) stated that incentive travel is an all-expenses paid trip to an interesting destination offered by a company to its employees for the purpose of increasing their loyalty to the company and motivating them to work harder. The benefits afforded by incentive trip cannot be underestimated. The camaraderie and company loyalty generated by the trip and its memories

go far in strengthening participants' feelings toward their employer (Nuelle, 1993; Shinew & Backman, 1995). Moreover, Davison and Cope (2003) pointed that the travel experience needs to include an element of surprise because if the participants feel special at the end of their incentive travel experience, the company will more likely achieve its objectives of increasing employee performance and employee loyalty to the company (Gilsdorf, 2009).

Hastings et al. (1988) stated that informants valued the incentive travel program more highly than the other possible extrinsic motivators currently offered at the company. It was perceived as containing intrinsic attributes, such as a sense of achievement, which theorists have long argued to be as essential motivational element (Shinew & Backman, 1995). Although incentive travel is most commonly viewed as a motivation tool; however, it has been used to improve morale, reduce turnover and achieve special sales targets (Astroff & Abbey, 2002).

2.1.1 Historical development of meeting and incentive sector

Meeting industry has a long history and its characteristics have changed over time. In 1960s, meeting was called for the executive member of the organization in which combine hotel reservation, luncheon and/or dinner. Thereafter, the meeting was fallen to a middle management level and to the secretaries of executive members. Meeting in the beginning period was not as complex and formalized as the recent years and was limited to smaller range of group of people, not many had the chance or invited to participate so many conference workshops, seminars or conventions. MICE in the beginning period was not as complex and usually did not concern or involve with tax and legal issues, audio/ visual setup or budgetary expenditures (Weirich, 1992). The need of businessmen and enterprise for business discussion was increased during that time; however, not limited to the business; the meeting was called by many individuals who require establishing the discussion or exchanging the idea in many areas including politics, religious, recreational and many other topics. With the establishment of enterprises, associations, clubs these had support and facilitate the growth of meeting. Meeting became the major activities in which called or scheduled by the most of the organization to be annual event and were request by the members of such organization to participate (Falk & Pizam1991; Spiller, 2002).

Date back to industry revolution period, the route of incentive travel start in this period. Companies were start to reward the most productive staff with vacation and traveling for example, in 1906, 70 most productive sales persons of the National Cash Registers Company of

Dayton, Ohio were given a diamond-studded pen and a incentive trip to visit the company head quarter (Ricci & Holland, 1992).

Incentive travel were introduced to the European in 1970s, The United King was the first country to reward the employees with incentive travel, 10 years after, incentive travel was more familiar to the people in the main land of Europe. The United Kingdom became the largest incentive travel provider in Europe followed by France, Germany, Italy, Spain, Belgium, Australia and the Scandinavian countries (Davison & Cope, 2003; Gilsdorf, 2009).

Even the incentive travel was regularly rewarded amongst the European, the country who uses incentive travel and the motivating tool the most is still The United States of America. The fast growing period of incentive travel industry was in 2001 which US$ 27 billion was generated to support the global economics (Stolovitch, 2002; Gilsdorf, 2009).

2.1.2 Stakeholders of Meeting and incentive industry

Meeting and incentive are largely characterized by its business and trade focus, though there is a strong public and tourism aspect to many of its activities (Allen et al., 2002). The organization of meeting and incentive incorporates a number of factors. To achieve a successful meeting and incentive, consequently, a number of specialists or stakeholders who represent these areas will be called on to manage, coordinate their services, (McCabe et al., 2000) and simplifying the consumer's decision making process.

McCabe et al. (2000: 39) mentioned the process of providing a MICE event as often compared with the design of a wheel (as shown in Figure 2.2).

At the centre of the wheel is the MICE event. All the other services providers are located on the spokes of the wheel. At any period of time during the planning or provision of the MICE event, one or more of the service providers might assume the components that are required to the complete success of the event. Around the edge of the wheel are the delegates or 'end customers'. At any one time during the event, the delegate will come into contact with a number of the services providers. Their overall experience of the complete event will be influenced by each of these service specialists or suppliers: therefore, the interrelationship between each supplier and the delegated is extremely important to the success of the MICE event. (McCabe et al., 2000:39)

Figure 2.2 The process of providing a MICE event

Delegates
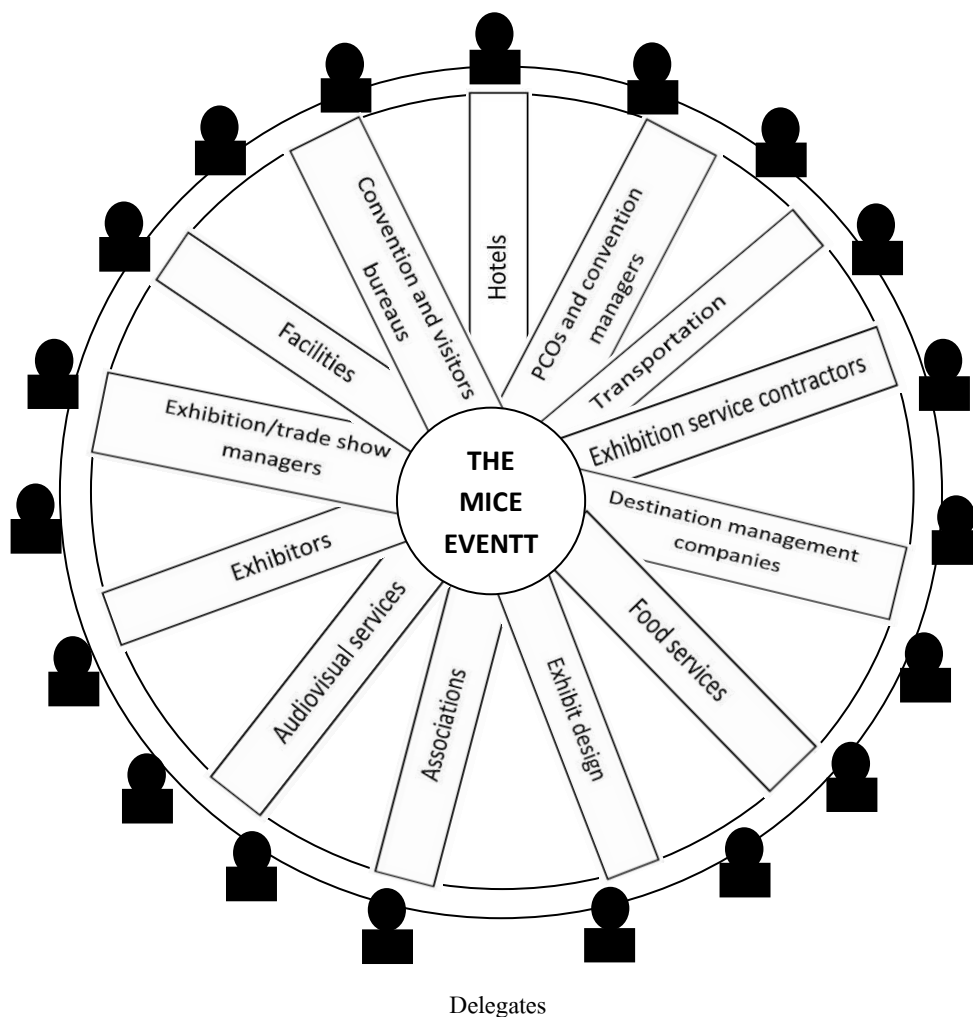
Sources: Don Walker, National of Exposition Manager as quoted in McCabe et al. (2000:39)

Figure 2.2 details the various stakeholders who are responsible for providing service and facilities to respond the customer requirements in MICE industry. As a result of meeting and incentive are part of MICE industry, thus stakeholders in the industry of this research are adapted from stakeholders in MICE industry. These are stakeholders involved in relation of successful meeting and incentive includes:

1.Venue

Venue is the place to hold and conduct the meeting. These venues provide accommodation, services and development meeting facilities. Hotels and convention centers are the most important criteria for site section decision making (Abbey & Link, 1994) when compare

with other type of venues include resorts, conference centers, universities, community centers, exhibit halls, and cruise ships. The factors that make hotel attractive for meeting comprise of quality food service, adequate meeting space, service, enough guestrooms, convenient location, attractive location, and security (Astroff & Abbey, 2002). Sometime, they might also provide entertainment and other guest facilities to serve the requirement of meeting and incentive planner.

2. Government organizations

A government organization is also involved with the MICE industry. Most countries around the world now have tourism organization, MICE bureau; these organizations are established for promotional activities to the international MICE industry. Gartrell (1994) identified the responsibility of these bodies that the single most important marketing organization for a community, projecting, and image for that destination into the various target market.

3. Transport operators

Transportation includes any means, or mobility, people use to get from one place to another, including walking. The transportation operators concerned in the industry can be classified into three elements (Fenich, 2005):

- *Air transportation*: This sub-segment includes regularly scheduled carriers such as charter air service that can involve jets, propeller aircraft, and helicopters. Air transportation facilitates and boost up short haul and long haul travel by shorten traveling times, travelers can spend more holidays in their desired no matter the destination is within the country or abroad.

- *Water transportation*: This includes cruise ships and paddle wheelers, charter operations, ferries, and water taxis. This segment is extremely important for the venues that locate in remote islands where air transportation cannot access. Huge cruise is also one of the good choices to be considered as incentive apart than as a transportation facility.

- *Ground transportation*: This kind of transportation includes automobiles, taxis, limousines, jitneys, buses, trains, cog railways, cable cars, and monorails.

Although, airlines play an important role in the transportation process as they handle both international and domestic delegates (McCabe et al., 2000), the professional ground

handle knows how and where to obtain the best vehicles to provide for the meeting's needs at the fairest prices (Weirich 1992).

4. Service support companies

The meeting attendees not only spend for venue and transportation but also distributes to other businesses such as audiovisual companies, printers, florists, food and beverage, travel agent, entertainment companies, shopping, etc. These businesses are calling service support companies. Once incentive is more well-known and usually used as rewards, these elements were then added to the trip especially for those employees in higher level. This segment directly increase value of the destination and have been always mentioned as attractions of the destinations as well as facilities of the venue.

5. Professional Conference Organizers

Professional Conference Organizers (PCOs) is an individual or organization who organizes and provides meeting services to client for a fee (McCabe et al., 2000). PCO's role can includes researching and recommending a suitable venue, helping to plan the conference programme including the social programme, marketing the conference and handling delegate registrations, booking accommodation/ housing for delegated, producing a budget and handling all of the conference finance (Rogers, 2003) that the meeting is a success.

6. Destination Management Companies

Specialty ground operators in the industry field called Destination Management Companies (DMCs) (sometimes called "ground handlers") plays a key role in the successful planning and delivery of meeting and incentive. DMCs function as the "local expert" for companies and associations in organizing gatherings and events (Tansakul, 2007). According to Rogers (2008) defined DMCs as a local service organization that provides consulting services, creative events and exemplary management of logistics based on an in-depth knowledge of destination and the needs of the incentive and motivation markets. When a company knows that it wants to hold an incentive events (or conference) in a particular destination, it can employ the services of a DMC to locate a venue, handle delegate accommodation, assist with transport arrangements and put together itineraries and social programmes, even to provide 'pillow gifts' for award winners.

Meeting and incentive stakeholders have different functions and objectives to achieve with respect to the industry whether in terms of providing venue, accommodation, facilities, transportations, entertainments and services. Meanwhile, a key challenge for the industry is not only to increasing the revenue, but also stakeholders must work together to ensure the quality and provision of the service is up to standard and to provide the ultimate satisfaction of the customer (McCabe et al., 2000), include to promote and develop destination's facilities for support the increasing demand of this industry.

2.2 Development of meeting and incentive industry in Thailand

The global market for meeting and incentive industry continues to expand. The growth of the industry has generated significant contribution to local and national. Several countries have heavily invested in infrastructure development and promoting countries to influence the site selection process to increase revenue from this section.

Asia has been one of the front-runners in taking advantage of this interest from the traditional markets such as Europe and America (Rogers, 2003; Campiranon, 2006). The examination of the international meeting based on the Union of International Associations (UIA) data suggests the growing importance of the meeting industry. Table 2.1 reveals the changes in market share by continent during the past three years.

Table 2.1 The worldwide breakdown (market share) by continent during 2007-2009

Continent	2007	2008	2009
Europe	53.7%	52.73%	54.1%
America (North & South)	19.2%	17.83%	15.7%
Asia	19.9%	21.67%	23.1%
Africa	3.9%	4.70%	4.9%
Australasia/Pacific	3.2%	3.07%	2.4%

Source: UIA, Press Release. (2007:2, 2008: 2, 2009:3)

Europe remains the continent hosting the majority of international meeting. It shares always more than half in market of international meetings, from 53.7 percent in 2007, decreased

to 52.73 percent in 2008 and increased to 54.1 percent in 2009 followed by Asia, America (North and South), Africa and Australasia/Pacific. The survey found that the number on international meeting hosted in Asia region has been increasing, from 19.9 percent in 2007, increased to 21.67 percent in 2008 and increased to 23.1 percent in 2009. The growth of the international meeting market in Asia is a good sign for this region that represents demand for the destination and its' reputation.

Among of the popular destination in Asia, Thailand is an emerging meeting and incentive destination with significant growth potential. Major infrastructure developments facilitate the growing demand. International hotels both chain and independent, are being built and equipped with modern meeting facilities. In addition, meeting facilities in Thailand offer a high level of service and easy access through airports from all the major international airlines and good local transport system. In 2008, a survey conducted by ICCA presented rankings and number of association meetings of individual countries on the international level is portrayed in Table 2.2.

Table 2.2 Number of Association Meetings Market per country in 2008

Ranking	Country	Number of meetings
1	U.S.A	507
2	Germany	402
3	Spain	347
4	France	334
5	United Kingdom	322
6	Italy	296
7	Brazil	254
8	Japan	247
9	Canada	231
10	Netherlands	227
11	China-P.R.	223
12	Austria	196
13	Switzerland	194
14	Australia	182

Table 2.2 Continue

Ranking	Country	Number of meetings
15	Portugal	177
16	Republic of Korea	169
17	Sweden	163
18	Finland	142
19	Greece	123
20	Belgium	122
21	Singapore	118
22	Argentina	115
23	Denmark	113
24	Mexico	112
25	Hungary	111
26	Norway	107
27	Poland	101
28	Turkey	98
29	Thailand	95

Source: ICCA, (2009:16)

In term of the country that held the association meetings in year 2008, the United States, Germany, Spain, France, and the United Kingdom represented the most popular destinations for association meeting, while, Thailand was ranked at the 29th place with a total of 95 meetings held in the country. Other statistic collected by World Travel Monitor (2008) reveals the growth of Thailand's MICE in East Asia (Table 2.3).

Table 2.3 The most important destinations for MICE trips to East Asia (2008)

Destination Countries	Number of MICE trips	
	In million	In percent
China	3.1	40
Japan	0.89	12
Thailand	0.66	9
Hong Kong, Macao	0.65	9
Singapore	0.54	7
Korea	0.46	6
Malaysia	0.44	6
Vietnam	0.22	3
Other South East Asian Countries: Brunei, Burma, Cambodia, Lao	0.2	3
Indonesia	0.17	2
Taiwan	0.13	2
Philippines	0.09	1

Source: World Travel Monitor as quoted in IPK International (2008:39)

In East Asia, China dominates the top ranking on the international MICE destination trip, it had the highest market share of 40 percent followed by Japan (12 percent). Thailand was ranked the 3rd, with 0.66 million inbound MICE trips. An estimated of 9 percent market share of the international MICE trips to East Asia were made to Thailand. In addition to the top destination countries as shown in Table 2.3, World Travel Monitor also tracked MICE destination countries by focusing on each of the MICE segments as shown in Table 2.4.

Table 2.4 Top destination countries by different MICE segments, 2008

Different MICE Segments	Top Destination Countries		
	1.	2.	3.
Conference/ Meeting/Seminar	China	Japan	Singapore
	1.8 million	0.41 million	0.33 million
Congress/Convention	China	Hong Kong, Macao	Japan
	0.16 million	0.14 million	0.08 million
Exhibition/Trade Fair	China	Hong Kong, Macao	Japan
	0.51 million	0.18 million	0.18 million
Incentive Trips	China	Japan	Thailand
	0.67 million	0.23 million	0.21 million

Source: World Travel Monitor as quoted in IPK International (2008:41)

Table 2.4 shows that China was the leading destination East Asia destination; Thailand was the top three destinations for incentive trips, with 0.21 million inbound incentive trips. The survey supports International Provider and Consultant (2007)'s statistics regarding oversea MICE earnings in Thailand (Table 2.5).

Table 2.5 Oversea MICE Earnings for Thailand during 2005-2007

Earnings for Thailand (Bt bn)	2005	2006	2007	% Change
Corporate meeting	9.81	13.43	15.76	17.3
Incentives	7.63	8.86	12.02	35.6
Conventions (non-corporate meetings)	16.04	23.62	30.11	27.5
Exhibitions & trade fairs	13.73	14.99	15.10	0.8
Total	**42.21**	**60.90**	**72.99**	**19.8**

Source: MICE statistics report by IP&C as quoted in TCEB Newsletter (2008:16)

Based on the statistics, the incentive market is small section when compared with other markets; however it had huge potential with the highest growth of 35.6 percent of oversea MICE

earnings for Thailand, generating 12.02 billion baht in revenue in 2007 followed by Convention (non-corporate meetings), corporate meeting, and Exhibitions & trade fairs.

Thailand has been focusing on businesses in the meeting and incentive industry. Incentive travelers generally have more spending than leisure tourists, because they are supported by the employers. The industry generates foreign exchange revenue for the Thai economy (Tourism Authority of Thailand [TAT], 2001; Campiranon, 2006). Each year, the industry not only generated high income but also generate benefits to Thailand, both the ones which the value can be calculated and cannot be calculated in an exact amount of money such as Technology Transfer, International Trade and positive image, etc. Regarding the data from TCEB (2008), the industry can bring more than 371,000 overseas tourists which helped to generated estimated revenue of 21 Billion Baht. In addition, the industry has helped the country by brought more investment into the country, as well as created jobs in related industries.

2.2.1 Factors driven the popularity of Thailand as a MICE destination

Thailand's meeting and incentive industry has gained popularity due to a number of reasons. Part of that is due to the country's strategic location being at the heart of Asia, the country serves as a gateway to the emerging economies of the Grater Mekong Sub Region (TCEB, 2009). The country truly has an advantage in terms of choices of destinations, variety of culture, local traditional, public utilities, the unique warmth of Thai hospitality, and very good value of money. The strong position of the Thailand in terms of offerings good value of money is supported by the award of the "Best Country Brand of Value for Money" in 2008 at the World Travel Market, the premier annual exhibition of the global travel trade. The same brand index also ranked Thailand as the 3rd in the category of "Friendly locals and Authenticity". The research represented that Thailand remain one of the first choice destinations for holiday travel and meetings/incentives (TAT, 2010). Moreover, Thailand has improved its airport service by improving Suvarnabhumi International Airport to be rated as the World's number 10, best airport in year 2010 as compared to number 16th in 2009 (Skytrax, 2010) (Table 2.6).

Table 2.6 World Airport Awards during 2009-2010

World Top 10 Airports 2010		
Ranking in 2010	**Airport**	**Ranking in 2009**
1	Singapore Changi Airport	3
2	Incheon International Airport	1
3	Hong Kong International Airport	2
4	Munich Airport	5
5	Kuala Lumpur International Airport	7
6	Zurich Airport	4
7	Amsterdam Schiphol Airport	8
8	Beijing Capital International Airport	17
9	Auckland International Airport	10
10	Bangkok Suvarnabhumi Airport	16

Source: World Airport Awards as quoted in Skytrax (2010:1)

All of these rewards all help to attract overseas tour operators to promote Thailand and finally bring more tourists to come to the country.

2.2.2 Government support in MICE sector

In Thailand, meeting and incentive industry has strong support from government sectors. Since 1984, the Thailand Incentive and Convention Association (TICA) was established as a means of help the growth of Thailand as a preferred destination for MICE (TICA, 2009). In view of the industry's potential economic benefits and response to the increasing demand of the industry, the government established TCEB in 2002 as a country's key organization in charge of promotion and development of Thailand's MICE industry to compete with strong competition of global MICE market. TCEB plays an important role as a coordinator and facilitation center for Thai business operators (both domestic and international) by offering an integrated one-stop service and supporting businesses involved in MICE in Thailand (Sangpikul & Kim, 2009), assisting organizers in coordinating with both public and private sector organizations, such as the Airport Authority of Thailand, the Customer Department, and TAT.

With an aim to become a globally recognized and preferred MICE destination in Asia (TCEB, 2009), TCEB has launched campaigns together with developing marketing strategy to promote MICE to encourage travelers to confidently choose Thailand as their event destination. TCEB has been running series of events at key of Thailand's most popular business destination, and are well equipped to serve the industry. One of the TCEB's strategies is to raise the profile of Thailand's diversity of landscapes and regional culture within the international meetings and incentives industry. In 2009, TCEB has set a marketing strategy called "Destination or Clustered Marketing" which has demarked five clusters comprising of Bangkok/Pattaya, Chiang Mai/Chiang Rai, Nakon Ratchasima/Kon Kaen, Cha-am/Hua Hin, and Phuket/Krabi/Phang Nga (TCEB, 2009). The selected provinces are the region's most well-known travel destinations to the world and are rich of local identities, unique way of life and tourism resources. Each destination also present unique selling point of each region then the combination give a clear images of each region as choices for tourist to select the theme, experience the organizer wish to offer to their travelers. Concurrently, TCEB launched MICE Clinic under TCEB One-stop Service to assist with all MICE problems including in cooperation with all relevant agencies, to establish assistance centre for visitors for tackling crises.

The Royal Thai government has allocated more budgets from US$ 10.2 million in 2004 to US$ 26.7 million in 2009 for TCEB to use for marketing activities (e.g. advertising, promoting) as well as for international bidding road shows, and trade shows (TCEB, 2004; TCEB, 2008; Sangpikul & Kim, 2009). To achieve developing Thailand into a preferred destination for MICE in Asia, TCEB works directly with other government bodies and private sectors to meet those new challenges they face, and enhances the local meeting and incentive sector's ability to win bids and mount international meeting and incentive.

2.3 Meeting and incentive in Phuket

Phuket is Thailand's largest island and Asia's premier beach destination. Located in the south of Thailand on the Andaman coast, the destinations boast some of the best scenery in the world. Phuket is often referred as "the pearl of the Andaman", or "the pearl of the south". Most beautiful beach of the island has been heavily developed into tourist centers. Each year, over million visitors arrive to enjoy Phuket's natural splendor and many amenities. Its natural

attractions include white powdery beached, limestone cliffs, tranquil broad bays, tropical in-land forests, and 32 other small islands. The island has a lot more to offer its visitors other than its natural heritage sea, sand, sky, beach, forest, and world diving sites. There are innumerable activities for visitor to Phuket, including every conceivable water sport, golf, trekking, dinning on outstanding seafood, and pampering oneself at luxury spa. Phuket has many five star hotels and resorts (both chain and independent), with business event venues that can accommodate up to 16,000 guests. As Phuket is connected with the mainland by bridges allowing overland travels between Phuket and its neighbor provinces i.e. Phang Nga and Krabi. Consequently, it is possible to travel to Phuket by land, sea, or air (TAT, 2009). Furthermore, Phuket has the international flight around 500 flights that are served by 23 international airlines and it has many high-standard national tour operators (TCEB, 2009). By these advantages, Phuket has become one of the major tourist attractions of Thailand. Phuket was voted in the second "Best Destination for Asian Holiday" in 2009 by Smart Travel Asia (Smart Travel Asia, 2009). It remains a big draw for traveler.

Tourism industry has dominated Phuket's economy. Both international and domestic tourists are major contributors to the Phuket economy. Details are provided in Table 2.7 on tourism statistics in Phuket during 2006-2008.

Table 2.7 Tourism Statistics in Phuket during 2006-2008

Type of data	Years		
	2006	2007	2008
Number of total visitors	4,499,324	5,005,653	5,313,308
Number of Thai tourists	1,616,545	1,722,243	1,693,194
Number of foreign tourists	2,882,779	3,283,410	3,620,114
Average length of Stay	4.52	4.71	4.85
Average Expenditure (Baht/Person/Day)	3,937.98	4,186.70	4,517.45
Revenue (Million Baht)	77,595.88	94,239.52	101,684.44

Source: Office of Tourism Development & Ministry of Tourism and Sports (2006:1, 2007:2, 2008:1)

Based on the information as shown in Table 2.7, during the past three years, the number of total visitors increased from 4,499,324 in 2006 to 5,313,308 visitors in 2008, with a revenue over 77 Million baht in 2006, and over 100 Million baht in 2008. The average length of stay was between four days to five days, with estimated average expenditure of 3,000 to 4,500 baht per person per day.

One of the most attractive segments of tourism industry in Phuket is meeting and incentive industry. Since growth in meeting travel frequently increases during times when the pleasure travel market is on the decline, the principal reason pleasure travel is outpaced by meeting travel during difficult economic times is because a poor economy actually stimulates non-discretionary travel activity by crating the need for more direct contact among business associates (Abbey and Link, 1994). Many hotels in Phuket recognize the essential of this fact; both hotels and resorts with international or local management have developed meeting infrastructure and facilities together with setup budget to promote their business to influence the site selection process to increase revenue from this industry. The survey of TCEB (2006, 2007, 2008) show the growth of the international meetings and participants both non-corporate meeting and corporate meeting in Phuket (Table 2.8).

Table 2.8 Number of international meetings and participants in Phuket during 2006-2008

Year	Non-Corporate Meeting		Corporate Meeting		Total	
	Meetings	Participants	Meetings	Participants	Meetings	Participants
2006	165	18,158	189	16,667	354	34,825
2007	147	18,731	191	15,461	338	34,192
2008	189	19,299	226	18,503	415	37,802

Source: TCEB (2006, 2007, 2008)

Table 2.8 shows that the number of international meetings in Phuket increased from 354 meetings in 2006 to 415 meetings in 2008, with estimated growth of 17.2 percent. Similarly, the number of meeting participants also increased from 34,825 in 2006 to 37,802 in 2008, with estimated growth of 8.5 percent. The number of corporate meetings are more than non-corporate

meetings; but the other hand the number of non-corporate meetings' participants are more than corporate meetings participants. In addition, based on the statistics of TCEB (2007, 2008) found that number of non-corporate meetings with the group size of smaller than 50 were increased in 2008 (Table 2.9).

Table 2.9 Number of non-corporate meetings and participants in Phuket, 2007-2008

Number of participants	2007		2008	
	Meeting	Participants	Meeting	Participants
less than 50	13	456	66	2,264
more than 50	134	18,275	123	17,035
Total	147	18,731	189	19,299

Source: TCEB (2007, 2008)

Between 2007 and 2008, meetings with the group size of smaller than 50 were increased from 13 meetings in 2007 to 66 meetings in 2008, while group size greater than 50 were decreased from 134 in 2007 to 123 in 2008. Despite many crises year in 2008, such as political problem, global economic crisis and the outbreak of disease affected size of meeting, the number of international meetings and participants were increased because the industry was supported by government and more cooperation from meeting and incentive stakeholders in Phuket.

Currently, Thailand is investing heavily in promoting the MICE business (TAT, 2003, 2005; Campiranon, 2006) and upgrading popular tourist destinations such as Phuket into center for the MICE business as well (Intarakomalyasut, 2004; TAT, 2004b; Campiranon, 2006). The government is also planning to build convention centers in Chiang Mai and Phuket (TCEB, 2008). Simultaneously, Phuket is now redirecting to improve to a better standard toward quality travel destination i.e. development of convention and exhibition center in Mai Khao Beach, variety of choice of International chain hotel, extending the Phuket international airport, many high-standard national tour operators, service infrastructure, and business event facilities to serve meeting and incentive tourists.

Phuket was included in TCEB's plan in 2009 to promote as one of Thailand preferred meeting and incentive destinations. The province is also promoted together with Phang- Nga and Krabi as the leading region in the south western coast for business travelers who want to experience the Andaman Sea. The strategy is aiming to create awareness to its' neighbor provinces due to the fact that Phuket is more well known to the world as leading beach destination and attracts travelers all year round while Phang Nga and Krabi are not popular during off season period as well as they are not well known to Asian tourists as Phuket is. Combing three provinces together will definitely give more choices to travelers in terms of day trip points of visit and variety of selling points within the region. The hope is that these cities will be influenced by the success of Bangkok and Pattaya which have positioned them as massive MICE centers after huge development on their marketing, infrastructure and human resources.

Due to the attractiveness of Phuket, there is no doubt that Phuket is clearly one of the top Thailand's destinations for Meeting and incentive market.

2.4 Definition and classification of crisis management

Hence, an event that damages a form's reputation or drastically harms the long-term goals of profitability, growth or survival is called a crisis (Barton, 1993; Lerbinger, 1997).

A crisis is a major, unpredictable event that has potentially negative results. A number of authors have attempted to identify a crisis to help improve understanding of this phenomenon. The word crisis comes from Greek 'Krisis', which means decision or turning point, and observes that the word is widely misused when applied to minor problems (Santana, 2003; Laws, Prideauz, Chon, 2007). Selbst (1978) defined a crisis as any action or failure to act that interferes with an organization's ongoing functions, the acceptable attainment of objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents (Ritchie, 2008). Fearn-Banks (1996) viewed a crisis as a major occurrence with a potentially negative outcome affecting an organization, company, or industry, as well as its publics, products, services, or good name (Tse, So, Sin, 2006). Meanwhile, Pauchant and Mitroff (1992) believed that a crisis as disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core (Tse et al., 2006).

Crisis is also seen as a surprise, panic, uncertainty, stock fear, threat and stress (Burnett, 1998; Darling, 1994; Okumus et al., 2005). A crisis has been defined as any unplanned event or situation emerging from internal or external environment of an organization, which can disrupt operations, threaten customers and employees physically and mentally, and endanger an organization's financial status and future viability (Kash & Darling, 1988; Okumus et al., 2005). A crisis is, therefore, a low-probability, high-impact event that threatens the viability of organization, and is characterized by ambiguity of cause, effect, and means of resolution, as well as by belief that decision must made swiftly (Pearson & Clair, 1998; Tse et al., 2006). Faulkner (2001) described a synthesis of the characteristic of crisis situations based on research by Fink (1986:20), Keown-McMullan (1997:9) and Kanh (1972: 21) identified the following key factors (quoted by Laws et al.):

● A triggering event, which is so significant that it challenges the existing structure, routine operations or survival of the organization.

● The situation becomes characterized by 'fluid, unstable, dynamic' situations (Fink, 1986: 20).

● The managerial environment is high threat, short decision time and an element of surprise and urgency.

● There is a perception of an inability to cope among those directly affected.

● A turning point, when decisive change, which may have both positive and negative connotations, is imminent.

A number of authors have sought to develop typologies of crises, which can be useful in developing an understanding of crises and developing an understanding of crises and developing appropriate managerial responses. According to Lerbinger's (1997) typology of crisis, and following Stafford et al.'s (2002) approach of categorizing the September 11 terrorist attacks, the types of business crisis are show in Table 2.10.

Table 2.10 Types of business crisis

Major factors	Specific environment	Type of crisis	Example of crisis
External factors	Physical Environment	Natural disaster	Earthquake damages a hotel property; volcano eruption scares away tourists.
		Technology failure	Oil spill contaminates a resort beach and prevents tourists from visiting resort.
	Human or social Environment	Confrontation	Labor strike disrupts normal operations; special-interest group boycotts restaurant.
		Malevolence	Terrorists attack; food is poisoned through product tampering; hackers introduce a virus into computer reservation system.
Internal factors	Management Environment	Skewed values	Cruise ship dump waste oil into the ocean (ranking short-term costs over concern for the environment).
		Deception	Restaurant knowingly serves spoiled or contaminated food item.
		Misconduct	Corporate CFO embezzles funds or receives kickbacks.

Source: Lerbinger, (1997:10-14) as quoted in Stafford, Yu, & Armoo (2002: 29)

Based on the information in Table 2.10, crisis can be separated into seven categories consist of natural disaster, technology failure, confrontation, malevolence, skewed values, deception and misconduct. All these types can be grouped together of crisis with respect to environment in which each arises. In broad terms, crisis can be classified into two sources that are: internal factor and external factor. The meaning of internal factor is the action or inaction within organization, such as change management teams, staff strikes, disruptive conflicts between executives or departments and financial difficulties. Simultaneously, the meaning of external

factor is the human action and natural phenomena, such as terrorism attack, political instability, economic, the outbreak of disease, tsunamis, earthquakes and extreme weather.

Crises can range, the typology of crisis based on Parsons (1996) determined types of crisis by an accompanying time constrain, they are:

- *Immediate crises*: we have little or no warming thus we are unable to research the problem and prepare a plan before the crisis hits.

- *Emerging crises*: these are slow in coming to a head, but they are no more predictable.

- *Sustained crises*: these are often last for week, months or even years. They are often kept going by the unholy trinity of pure speculation.

These reveals vulnerability given so far it is apparent that managers in business operations may encounter various crisis situations in which a decision must be made under pressure with a limited time; hence understanding and classifying crises will help to them to find the appropriate strategy or crisis management to dealing with each crisis.

The term 'management' usually describes the leadership of an organizational unit. It is possible to differentiate between an institutional and function way of thinking. In common, management is a description of those groups of people who carry out management tasks, their activities and functions (Glaesser, 2003).

Management concerns all tasks and processes connected with the running of a working organization. In particular, these are planning, organization, implementation and control. Management's functional perspective includes a person or material-related issue.

Management in all business and organizational activities is the act of getting people together by using available resources efficiently and effectively to accomplish desired goals and objectives. Management comprises planning, organizing, human resource management, leading or directing, and controlling and organising (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation or human resources, financial resource, technological resources, and natural resources (Glaesser, 2003).

The term 'crisis management' is a means of proactively preparing a company for a worst-case scenario. It involves the careful planning of approaches that will minimize the effects on its operation in both short and longer terms (Mogendorft, 2008).

Darling, Seristo & Gabrielsson (2005) viewed crisis management is planning for a crisis; a turning point is the art of removing much of the risk in uncertainly, thereby allowing those concerned to achieve more control over the destiny of an organization, and thus creatively exercising the role of management leadership.

The importance of managing crises in organizations, which is defined as what manager do or don't do correctly. The process mean organization deals with any major unpredictable event that threatens to harm the organization, its stakeholder, or the general public. It commonly include identifying, studying, forecasting issues in internal and external environment, taking measures in advance to prevent or overcome crises and responding to any crisis that occurs with correct and planned actions (Davies & Walters, 1998 cited by Okumus et al., 2005). Management practitioners developed crisis management as a vital tool of business management to provide an orderly and efficient transition from crisis condition to normal (Mogendorff, 2008).

2.5 Crisis management in business

Crisis management has become an important component of managing the business. In currently no business is immune to crisis. Crisis may hit an organization in the shape of product recall, industrial accident and terrorist attack. Consequently, crisis management is closely linked to public relations which company's image and income.

Crisis management is not new in business environment, it as a term has been used since the 1960s when it as a used to describe the process of conflict resolution and diplomacy (Frei, 1978; Sausmarez, 2005; Malhotra & Venkatesh, 2009). By studying the crisis management in business, Santana (2003) developed an operational model of crisis management (figure 2.3) for understood and rehearsed.

Figure 2.3 Model of crisis management
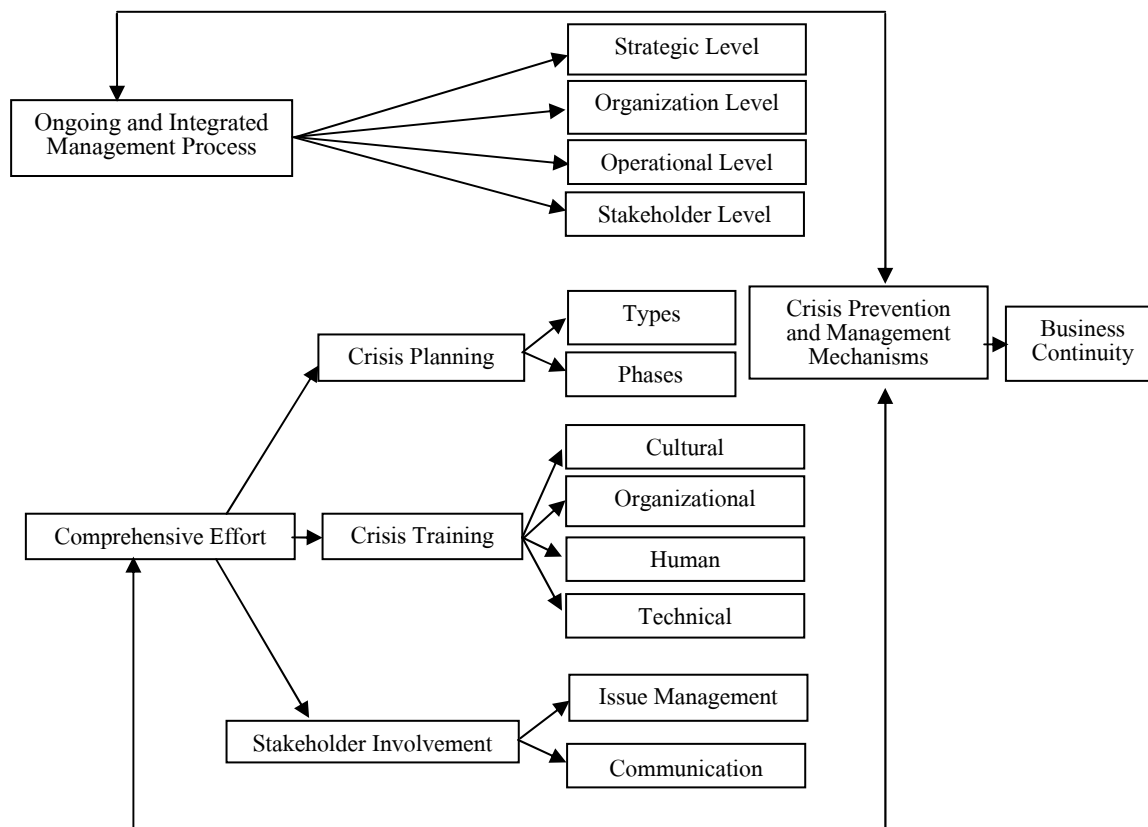
Source: Santana (2003) quoted by Mogendorff (2008: 388)

The model represented that a comprehensive effort is required at all management levels to provide an integrated approach to crisis management in term of crisis planning, training and stakeholder involvement in designing and implementing preventive mechanisms aimed at business continuity.

Crisis planning

The process of crisis planning is referred as identifying the typology of crisis; therefore, it is important to identify type of crisis in that different crises necessitate the use of different crisis management strategies. Meanwhile, this step relates the phases to be taken to minimize damage and recover from crisis. A core crisis management team plays an important in this process; therefore, the team role is to identify all possible crises that the company or any of its units may face and develop, plans, roles and responsibility for preparing and mitigating each of

the crises (Alages Articles, 2009). According to Campbell (2005), the team needs to comprise a core group of senior people who have critical disciplines, assigned specific responsibilities and given the requisite authority (Mogendorff, 2008).

The process would share by brainstorm all possible crises that could hit the organization and prepare a master plan for each crisis. The plans should be used as a guide to help the operation recover. Such contingency plan can also act as a guide to sanity during difficult times. The last step of crisis planning is to ensure effective and elaborate communication and infrastructure even in the case of crisis, emergency, disaster, so that timely and consistent communication with internal and external stakeholders and partner is maintained at all time (Alages, 2009).

Crisis Training

The plans that have been developed need to be rehearsed on a regular basis (Mogendorff, 2008) which everyone understands, a plan with clear delegation of responsibility across the organization. People must talk in a language of response that is quick, clear and efficient and all of that must be organized beforehand. Plan need to be tested with good and exciting simulations that challenge the team's ability to act and interact. It is also important that everyone rehearses together to ensure that each individual understands their role as well as the roles of the rest the team, building a culture of awareness (Mogendorff, 2008).

Stakeholder Involvement

Business continuity relates establishing partnerships with external agencies is one of the critical leadership roles so that relevant knowledge and physical resources are available to the organization in times of crisis (Alages, 2009).

Crisis management is an important concern of management in business. Best management practice, added to specific planning, training, communication skills and the stakeholder involvement can prevent the worst effects of such incidents which aimed at business continuity.

2.6 Crisis management in tourism industry

Tourism is one of the driving forces of economic development in many countries as there are many countries and destinations which are dependent upon tourism. The industry contributes substantially to strong economic growth, the creation of skilled and semi-skilled jobs, greater export returns, foreign investments and currencies, and economic well-being and social (Wilks & Moore, 2004). However, the industry is highly susceptible to external factors and challenged by negative events more than any other industries. In past few years, the industry was influenced by away arrays of crises, such as the global economic crisis, oil prices increase, terrorism attacks, political instability, natural disasters, the outbreak of swine flu or H1N1, etc. All of these situations increase pressure to manager to consider the impact of crises and develop strategies to protect tourism business; crises are also difficult to resolve due to time pressure constraints, limited control and high uncertainly (Burnett, 1998; Ritchie, 2004). Hence, crisis management should be a core competency for managers to be prepared for.

The word "crisis" in tourism means cause sudden disruption in tourist arrival and spending. Agreement with The World Tourism Organization, crisis is defined as "any unexpected event that affects traveler confidence in a destination and interference with the ability to continue operating normally" (Luhrman, 2003; Tse, 2003). Consequently, it is the time compression and need to respond quickly which make crisis management different from other forms of management and is difficult to handle.

The argument for using a crisis management in the hospitality and tourism industry as first put forward by Barton (1994). Barton (1994) stressed the importance of anticipating crises and argued that a well-thought-out plan can help hotel management respond and control the damage to the organization's reputation, financial condition, market share and brand value (Tse, 2003). The most effective crisis management occurs where a potential crisis is detected and dealt with quickly before it becomes a crisis, organizations will undergo significant change even when they are successful in managing a crisis situation (Keown-McMullan, 1997; Laws et al., 2007). Kash and Darling (1998) believe that although crisis management is a requirement for organizations, and although business leaders recognize this, may do not undertake productive steps to address crisis situation (Ritchie, 2004). Manager has important duties to carry out, such as collecting the necessary data, noticing and analyzing the signals that a crisis might occur,

identifying its reasons, making crisis plans, forming a team as well as establishing good communication channels (Cooms, 2001; Parson, 1996; Okumus et al., 2005).

The frequency and variety of crisis in recent years underscore the importance of crisis management because both direct and indirect events impacted on visitor numbers and increased challenge for tourism stakeholders to protect their business. Numbers of authors made effort to explain the process of crisis management. According to the Pacific Asia Travel Association (PATA) (2003) proposes crisis management framework or the 'Four Rs' as a guide through the steps to prepare and protect an organization or business from crises. These four distinct phases can be described in details as follows:

1. *Reduction* detecting early warning signals

2. *Readiness* preparing plans and running exercises

3. *Response* executing operational and communication plans in a crisis situation

4. *Recovery* returning the organization to normal after a crisis

Phase 1: Reduction

Crisis management is important to anticipate events so as to prevent and reduce the impact of crisis. Because of prevention is certainly a better cause of action than "cure" (Caponigro, 2000, cited by Jennings, 2006; Malhotra & Venkatesh, 2009). Therefore, this phase refers to awareness through need to perform a survey of organization's internal strengths and weaknesses and external opportunities and threats (SWOT). The type of SWOT analysis should focus on the existing crisis management and control programs; hazards within the organizational, its buildings, policies and processes; potential social-political, economic, technological or environmental crises; and existing relationships with the media, the public and emergency services (Wilks & Moore, 2004). The information on this analysis will help managers to evaluate the likely impact on organization of a particular type of crisis, devise continuity and contingency plans and work out how to reduce the possibility damage of a crisis (Wilks & Moore, 2004).

Phase 2: Readiness

Second step of the Four Rs framework is readiness – the preparation of an action plan for unforeseen situation. This phase refers to ready for crises and to take precautions to overcome potential negative impact for organization. Wilks and Moore (2004) emphasized the practice of this phase because an effective crisis management readiness program has the

opportunity to be the glorious last stage as it nips potential crises in the bud. The process is to recognize a core crisis management team for identifying all possible crises that the company may face includes develop strategies, tactical, communication plans. Meanwhile clear action plans and instructions regarding who is responsible for what in the event of crisis or a disaster need to be communicated and implemented in order to minimize non-effective responses (Malhotra & Venkatesh, 2009).

Phase 3: Responses

In the third phase, responses refer to the immediate aftermath of an event when everything is at its most chaotic. This phase highlights the importance is communication with stakeholder to provide immediate relief to those affected. The crisis communication strategy should already be in play, pre-empting and reassuring stakeholder and the public (Wilks & Moore, 2004).

Phase 4: Recovery

The recovery phase is concerning restoring business or organization to normalcy. As a result of business continuity is an essential consideration, so judgment will have to made as to when normality could be resumed, taking into consideration the negative impact created and possibility of another crisis occurrence (Tse, 2004). This phase is handling with impact positively or negatively on image and reputation. A point is that lesson learned must be included in revised crisis management plans for the future problem (Wilks & Moore, 2004).

Beside the examination of the Four Rs crisis management framework represented by PATA, the Tourism Queensland (2003) provided a framework for the development of the National Tourism Incident Response Plan. The process of tourism crisis management plan (Figure 1.4) describes potential shocks, impacts, generis responses, and specific responses themes to the tourism industry, it is essential to construct a practical crisis management.

Figure 2.4 Tourism crisis management plan

POTENTIAL TOURISM SHOCKS	
● **Direct eg**:	● **Indirect eg**:
- tourism related industrial dispute/ business collapse (e.g. Ansett Airlines)	- terrorist/military activities (e.g. September 11, Gulf War)
- natural disasters in tourism areas (e.g. cyclones, flooding, bushfires)	- Public Liability Insurance (PLI)
- tourist deaths/injuries (e.g. murders, Irukandji, drowning, Childers Hostel fire)	- economic downturn (e.g. Asian financial crisis)
	- currency fluctuations
	- exotic animal diseases (e.g. Foot & Mouth Disease)

POTENTIAL TOURISM IMPACTS	
Short-term	**Medium/Long-term**
- disruption to holidays	- aversion to travel a destination or in general
- disruption to future plans	- long-term reduction in visitor numbers
- financial inconvenience to operators and visitors	- decreased revenue and increased costs (e.g. PLI)
- negative publicity	- financial uncertainty for operators/suppliers/investors
- reduction in visitor numbers	- long-term unemployment
- decreased revenue for operators/suppliers	- loss of skilled workers/need to up skill
- staff redundancies	- business failure

GENERIC RESPONSES	
Pre-shock (Prevention/Preparedness)	**Post-shock (Response/Recovery)**
Govt preparations	- utilize TQ Communication Crisis Management Plan
- diversify portfolio of markets	- establish TQ response group (key managers)
- establish information conduits	- assess impacts
- promote benefits of preparedness to operators	- determine response/s
- research potential impacts of shocks-e.g. Queensland General Equilibrium Model of Tourism (QGEM-T)	- resource requirements
	- across-Govt collaboration
	- reconvene across-Govt

Figure 2.4 Continue

SPECIFIC RESPONSE THEMES			
● **Communication (short/medium-term)**	● **Research (short/medium-term)**	● **Marketing (short/medium-term)**	● **Business/Industry Development/ Assistance: (medium/long-term)**
- utilise TQ Crisis Communication Crisis Management Plan - network of websites accessible to industry & consumers - establish hotline if necessary - transport access restrictions - utilize TRIIRG network	- QGEM-T dynamic modeling - utilize TQ o/s office network & Regional Tourism Activity Monitor (R-TAM) to monitor effects & gather market intelligence - domestic intentions research	- collect info/market intel - interpret info/market intel - communicate proposed response to industry - implement response strategies	- monitoring (hotline & industry consultation) - vocational education & training - concessional loans

Source: Tourism Queensland (2003) quoted by Wilks & Moore (2004:15)

Based on the information from Figure 2.4, the potential shocks in the tourism industry can be divided into direct and indirect events which can have short, medium or long-term consequence for individuals, communities, regions and countries. In term of response, the stages consist of pre-shock and post-shock that can be broken down into four stages include prevention, preparedness, response and recovery. Meanwhile, the plan includes an action plan detailing proposed specific responses in four key themes areas: communications, research, marketing and business/industry development and assistance.

Following the Four Rs framework and Queensland's tourism crisis management plan represented that contingency plan or crisis management program developed and implemented in advance has its significance for organization in tourism industry because the plan can help a manager or their organization think and prepare before a risk becomes a crisis. However, the function of management is to take decision based on a combination of knowledge and experience

(Parson, 1996) thus good crisis management is partly about the ability of organizations to learn from experience and partly about the ability and willingness of a lead organization to undertake the roles of researching and then disseminating the information which is required for effective pre-planning (Laws et al., 2007). Manager need to understand such as incidents, nature of crisis and examine strategies that they can do and put mechanisms in place to ensure avoidance of crises where possible, the minimization of effects to any crisis, and then to recover from those effects as quickly (Ritchie, 2004).

Crises have negative aspect including rising costs, failings in decision making and communication activities, staff layoffs, and failures in production and sales activities. Nevertheless, crises do not always mean a threat or danger, but they may be also providing opportunities for organization. Opportunities aspects may include having an opportunity to introduce new programs to reduce costs and gain experience in managing crises. Some of the negative and positive impacts can be felt in the short term, while others may emerge in the long-term. It is therefore recommended that managers be educated on how to manage crisis and establish crisis management procedures (Bland, 1995; Coombs, 1998; Roux-Duford & Metais, 1999; Okumus et al., 2005).

2.7 Crisis management in meeting and incentive industry

Meeting and incentive industry has been influenced be a wide arrays of global crises both the human action and natural phenomena in the past few years. Several unexpected regional and global negative incidents, it is expected that there will be decreasing number of meeting and incentive events. The industry therefore is a part of tourism industry which highly sensitive to crises. Thus, crisis management is essential for meeting and incentive stakeholders to be ready for crises and to take precautions for negative impact.

Crisis management is now an important concern of management, not least in the meeting and incentive industry as it is vulnerable to many crises. According to Roger (2003), an incentive market is more susceptible to the ups and down of the economies and political turbulence that most other components of MICE (Campiranon, 2006). Since the incentive travel is large motivational reward that company offered to employees and customers. Meeting and incentive planners seek deluxe package that include first-class accommodations, service and locations that

offer good weather, sight-seeing, entertainment, choice of restaurants and safety of destination. Based on The "2000 Meetings Market Study" conducted by Meetings & Conventions magazine (2002), there are several the important and concerns that meeting and incentive planners consider during the site selection process. Table 2.11 reports there important factors.

Table 2.11 Factors important to incentive travel planners.

Factors Considered "Very Important"	Incentive Trip
Safety and security of destination	75%
Availability of recreational facilities such as golf, swimming, tennis, etc	65%
Climate	65%
Sight-seeing, cultural and other extracurricular attractions	58%
Glamorous or popular image of location	58%
Availability of hotels or other facilities suitable for meetings	68%
Transportation costs	65%
Ease of transporting attendees to/from location	66%
Distance traveled by attendees	56%
Total is greater than 100% due to multiple mentions	

Source: Astroff, and Abbey, (2002:183).

As shown in Table 2.11, interestingly meeting and incentive planners emphasized safety and security of destination, followed by the availability of hotels or other facilities suitable for meetings and ease of transporting attendees to/from location. In term of safety and security of destination, these also relate to potential internal and external crises that may affect destinations. Crises influence many organizations to carefully determine whether they should send their delegated to attend the meeting and incentive in a crisis-prone area (Centaur Communications, 2003; Campiranon, 2006). The importance of safety and security of destination itself includes country, province, states, district, sub-district and venue. By all concerns, meeting and incentive planner will always looks for every issue, situation of the destination which might or potentially affect safety and security of destination. It is the fact that members of meeting and incentive are

the qualified resources resulting profit and loss of the company. The site selection process is then to consider and avoid any travelling to those destinations with potential of further crises.

Hospitality business distinguishes its character from other businesses due to the fact that it is a full-time operating business. It is sensitive to all kind of crisis and its future possibility. Due to the nature of crises which it is unpredictable and inevitable, however it is essential for meeting and incentive operators to prepare to be able to deal with the crises once it occurs. However, there was no proper plan reveal for the operators to handle crises for meeting and incentive business properly. Nevertheless each business must have a well prepared plan for any the situation. Involved factors that could influence the crises management plan are as follows:

● *Type of business*, the major different is its establishment. International companies or chain hotel will have more experience, investment to prepare standard procedure to handle the situation than local business body. This may say that the global companies have a better action to deal with crises than local business.

● *Size of business,* bigger company has more manpower in each managerial and operational level. This advantage will allow the company to appoint more key players to get involve and handle the situation better than the smaller size company which rather depend on limited key players. Rousaki and Alcott (2006) stated that being an organization, which has crisis experience, will show higher perceived crisis readiness scores than an organization that has not experienced a crisis. Whilst, crisis management planning is also linked to the size of the organization and the relative levels of experience of its managers. In general terms, the larger the organization, the more important it is to prepare proactive responses and in large organization, the pool of management experience more readily facilitates this process (Malhotra & Venkatesh, 2009).

● *Experience of the manager*, the well trained and experienced manager usually have better vision and ability to handle the situation than the young manager especially a manager who gained experienced and well trained from global companies. Responsiveness varies from person to person and on a manager's an ability to "think out-of-the-box" when crises occur. Bibeault (1982, cited by Rousaki & Alcott, 2006) thinks that there is evidence to suggest that senior hospitality managers often overlook exogenous changes in their environment, especially when success and relative stability reinforces a personal sense of security. Managers may fail to

perceive warning signs in so doing contribute indirectly to organizational vulnerability (Malhotra & Venkatesh, 2009).

However, larger companies do not always have an advantage. The larger companies are related to more man power, more clients, and somehow more risk and damages. A preventive plan is then required for all companies since, there was no fixed or standard plan for meeting and incentive business then the most effective development for preventive plan is to adapt from the crises management plan for tourism which were carried out by Tourism Queensland (2003) and PATA's (2003). The various crises that a business organization may encounter warrant difference solutions and crisis management methods (Tse et al., 2006). Best crisis management practice, added to specific planning, training and communication skills and the involvement of expert third parties can prevent the worst effects of such incidents. Plans, therefore, need to be tested with good and exciting simulations that challenge the term's ability to act and interact (Mogendorff, 2008).

Apart from crises management plan which developed by tourism bodies, the general business sector had made a good contribution to business in general such as The UK's confederation for British Industry (CBI) which has also published advice for businesses: Contingency and Security Planning (CBI, 2006), where the issue of business continuity planning is specifically set out as follows:

- It is critical that continuity plans are regularly reviewed and tested. This should be done once or twice a year, across the whole company.

- All staff should be trained to execute the crisis management plans. The importantly staff must have easy access to the plan and key.

- Consider the operation's position in the immediate aftermath of an event. Companies should consider designated shelters were evacuated staff and guest can assemble. Shelters need to have necessities for living and big enough to accommodate both staff and guests.

- Is there a separate location to go to, to continue operations? Its' much depend on the nature and location of the business and the potential threat.

Based on the research by CBI (2006), Tourism Queensland (2003) and PATA (2003), there are the common theme which could be used as key actions to crises management

- Identification of type of crises

- Evaluation of potential impacts (short-term, medium-term and long-term)

- Crisis management plan; pre-crisis, reaction and post-crisis

- Set-up crisis management team

- Crisis training

- Communication and marketing

- Business recovery

- Research and review crisis management plan

Past events confirmed the sensitivity of MICE to crisis. The terrorist attacks of September 11, 2001, constitute an extreme example of the many crises that a business operation might face (Stafford et al., 2002). The September 11 tragedy adversely affected meeting and incentive sponsor and hotel (Foster, 2001; Campiranon, 2006)

This supports vulnerability in the meeting and incentive; hence it is necessary that industry stakeholders must have ability to respond to crisis effectively. Crises generate impact to every kind of business in a negative way and it is unpredictable. Thus crisis management plan is essential for every business to minimize the damages. However, meeting and incentive business require a different and unique plan to handle any harm and situation related to human rather than goods or products. Therefore, the current study attempts to provide better insights into these issues.

CHAPTER 3

METHODOLOGY

The research of Crisis Management in Meeting and Incentive Industry: A Case Study in Phuket, was undertaken by qualitative research technique. The overall purpose of this research is to identify nature of crisis, timing of response and effectiveness of situation handling procedure for meeting and incentive in Phuket. Consequently, the methodology was designed to investigate the current situation of crisis. This chapter explains the methodology used to achieve the objective of this research as follows:

3.1 Population, sampling group, and sampling method

3.2 Research Instruments

3.3 Data Collection

3.4 Data Analysis

3.1 Population, Sampling Group and Sampling Method

3.1.1 Population

To achieve the purpose of this research, the target populations are stakeholders in meeting and incentive industry in Phuket. The research population can be divided into 4 groups:

Group 1: Hotels

Group 2: Organizers

Group 3: Destination Management Companies (DMCs)

Group 4: Convention Bureau in Thailand

Population group 1: Hotels

The nature of Phuket is appropriate for meeting and incentive. As Phuket does not have a convention center to support the meeting business, hotels play an important criterion for meeting and incentive industry in Phuket when compared with other type of venues. It is not only held and hosted meetings but also provides accommodation, food, service, meeting facilities and might also provide entertainment and other guest facilities. Group or event sales managers in hotels have duty to organize and arrange the facilities to serve the requirement of meeting and incentive planner.

Population group 2: Organizers

Organizer is an individual or organization who organizes and provides meeting services to client for a fee (McCabe et al., 2000). Their roles are organize the total event that include provide assistance, recommendation, suitable venue, facilities and plan for successful meeting and event.

Population group 3: Destination Management Companies (DMCs)

DMCs are referred as specialty ground operators sometimes called "ground handlers or local expert" who plays a key role as consultancy, creative events and exemplary management of logistics based on an in-depth knowledge of destination and the needs of the incentive and motivation markets (Rogers, 2008). They will manage any and facilitate meeting and incentive from the time attendees leave their transportation on arrival until they are transported back on their departure.

Population group 4: Convention Bureau in Thailand

Convention Bureau in Thailand gathers details of the meeting and incentive in Thailand and many times Convention Bureau acted as a Thailand's DMC by combine many services together and promote to its targeted overseas clients. Because of, Convention Bureau was established by Thai government to be country's key organization to support MICE in Thailand. The responsibility is marketing, promote, communicate, projecting and protect the image of destinations in Thailand which Phuket is included.

3.1.2 Sampling Group and Sampling Method

The purposive sampling method was implemented to find the sample for this research. The informants were chosen based on the following criteria:

1. The reputated organizers, DMCs and hotels, members of Thailand Incentive and Convention Association (TICA) are informants of the study.

2. The size of the hotel: The targeted hotels of this research were 4-5 star hotels which are well known for upscale MICE market. The hotel's meeting room must have a minimum capacity of 500 participants and provide full meeting facilities to serve the requirement for meeting planner. Meanwhile, incentive is a reward which company use to motivate outstanding

employees. Thus, incentives should be a place where there are facilities for employees having to be a catalyst for action to achieve the goals set by the company.

3. To get interview and precise information in term of hotel, the group or event sales manager or director would be interviewed because they have the most update information from meeting planner or client and know the difference between normal and crisis situation. Sales person can see the different responses of crisis from different countries as well as from competitors and organizers.

Also, informants participated in the interviews were those who have a minimum of 3 years' experience in the industry and currently work in the managerial position of such qualified/well known organizers in order to ensure the accuracy of the findings. It is essential that the informants are in position such as managing director, director and managers who have extensive experience and are well trained from companies.

3.2 Research Instruments

In terms of data collection, qualitative research method, called the critical incident technique (CIT) method was adopted. Primary data was collected through interview with hotels, organizers, DMCs and Convention Bureau in Thailand who are major meeting and incentive stakeholders in Phuket. The informants were selected based on purposive sampling method.

3.2.1 Qualitative Method

Qualitative research; the Critical Incident Technique (CIT) method was adopted. The interviews were carried out with meeting and incentive stakeholder in Phuket and convention bureau in Bangkok. The reason of using qualitative method in this research is that the qualitative method was designed to uncover reasons, impressions, perceptions, and ideas that relevant individuals have about a subject of interest. Qualitative research distinct phases can be described by talking in-depth and detail with a few individuals. The goal is to develop extensive information from a few people, small samples, extensive information from each informant, and a search for meaning, ideas, and relevant issue to quantify in later steps of the research program. Unlike quantitative methods which the goal is to develop important but limited information from each individual and to take with a sizeable number of individuals in order to draw inferences about the population at large (Peterson, 1994).

3.2.2 Critical Incident Technique (CIT)

Since meeting and incentive is service industry, and that services are processes Yang (2005), it is necessary to employ a method of describing the process aspect of service production and to provide detailed information regarding critical incident (Tsai & Su, 2009). The CIT is one of the appropriate choices for estimating critical incidents during service encounter (Bitner et al., 1990, 1994; Hoffman et al., 1995; Mueller et al., 2003; Yang, 2005), as well as being a form of qualitative research that aims to identify research sample characteristics, in term of behaviors, value, perceptions, attitudes and so on (Gremler, 2004; Johns & Lee-Ross, 1998; Tsai & Su, 2009).

A critical incident is described as one that makes a significant contribution, either positively or negatively, to an activity or phenomenon (Bitner, Booms & Tetreault, 1990; Grove & Fisk, 1997; Gremier, 2004). Davis (2006) stated that a critical incident is an observable form of action or form of expression, which is complete enough in itself to allow inferences to be draw. When using CIT, the informant is required to relate in narrative form a positive or negative experience (McClelland et al., 2009. Chell (1998) defined the CIT method as a qualitative interview procedure which facilitates the investigation of significant occurrences (events, incidents, processes, or issues) identified by the informant, the way they are managed, and the outcomes in terms of perceived effects. The objective is to gain understanding of the incident from the individual taking into account cognitive, affective, and behavioral elements Gremier (2004).

Lockshin and McDougall (1998) found that using CIT helped organizations to anticipate potential difficulties and respond to customer needs; meanwhile, Burns et al., (2000) found that CIT is easy to administer in a group setting and allows the researcher to look in more depth into a phenomenon (McClelland et al., 2009). Since CIT being focused on specific incidents rather than concepts or conclusions to make a detailed description in a way of inquiry and response, it can offer information of cognitive processes that is valuable and trustworthy (Bitner et al., 1990; Gremler, 2004). Informants provide details of their experiences as they perceive them, rather than them being asked specifically only on selected areas that are identified by other. Moreover, informants can freely describe their experiences and unreservedly express their feelings, providing a narrative concerning a service encounter (Kemppainen, 2000; McClelland et al.,

2009). CIT is a useful method when exploring an unknown phenomenon where it would not be possible to design a relevant questionnaire; it can be used to generate an accurate and in-depth record of events; it useful in assessing perceptions of customers from different cultures; the data obtained quickly and is useful when handling complex factors (Gramler, 2004).

Hence, the CIT method was adopted in this research because it is easy for informants to narrate the story and help to identify significant event that contribute to either the success or failure of meeting and incentive during crisis.

In term of secondary data approach was carried out for past information, a review related websites, statistics, researches, other document from TAT, Department of Tourism and TCEB, journals, articles, magazines and other reports.

3.3 Data Collection

The data of this research was acquired from the qualitative research. Interviews were administered during January-March 2010 with major of meeting and incentive stakeholders in Phuket which comprise of four sample group; hotels, organizers, DMCs, and Convention Bureau in Thailand. Purposive sampling was adopted in selecting suitable informants; they must have at least 3 years' experience in meeting and incentive industry and currently work in the managerial position of such organization in order to ensure the accuracy of the findings.

The process started with making telephone call for an appointment with the target informant in Phuket, except Convention Bureau in Thailand which its office in Bangkok. The appointments were confirmed via email; interview questions and university's reference letter were enclosed with email sent to all prospected interviewees. Time duration and place of the interview were flexibly prearranged to match interviewees' convenience.

Estimated time required for an interview session was forty to sixty minutes approximately. The CIT method was used for the purpose to achieve the objective of this research. Informants were simply asked to recall and retell a story about the three crisis situation which generated the most impact to meeting and incentive industry in Phuket during 2008-2009 that they have encountered. Each crisis was explained one by one or crisis by crisis that is: start the second crisis when the first crisis ends. During time of interview, no theoretical concept was used to oblige or to continue the informants. Three difference types of interview questions were

prepare to probe the appropriate groups. The interview focused on the data relating to assess the actual performance of informants and companies, impact of each crisis, continuity and length of impact, responses, timing of reaction, short and long-term strategies in dealing with future crisis, and their viewpoints on the industry in Phuket which finally will lead to business's advance planning.

In this research, CIT interviews were conducted with 12th major meeting and incentive stakeholders in Phuket. These include 6 hotels, 3 organizers, 2 DMCs, and Convention Bureau in Thailand. No future interview was conducted after the 12th informants since common responses were found and data was saturated. The received data gave better understanding and interpretation. All interviews were recorded later transcribed. Data can be analyzed by using content analysis. The interview questions were comprised of three parts as follows: (Appendix)

Part 1: Interviewee and company information

The first part composed of questions related to the personal data and business information of informant which might be managing director, director or manager depending on the informants' convenient. In addition, this part was designed differently in details for each group key informants as follows:

First version was designed to interview with organizers and DMCs. The interview comprised of 6 questions included gender, age, working experience, the current situation of meeting and incentive concerning with the company business such as market segmentation (domestic and inbound), average decision making period and the most sensitive country to crisis.

Second version was designed to interview with a group of hotels. The interview were comprised of 10 questions included gender, age, working experience, type of hotel, number of guest rooms and meeting rooms, maximum capacity of meeting rooms, meeting facilities and the current situation of meeting and incentive concerning with the company business such as market segmentation (oversea and domestic) average decision making period and the most sensitive country to crisis.

Third version was designed for interview with Convention Bureau in Thailand. The interview comprised of 4 questions included gender, age, experience of informant and the most sensitive country to crisis.

Part 2: Impact and responses to crisis for meeting and incentive in Phuket

The purpose of second part was to reveal the crisis situation in the past two years (2008-2009). The topics of discussions were to find the definition of crisis, influence of crisis to client decision-making stage, the crises that affected the industry in Phuket the most, severity of each crisis, impact of each crisis, continuity and length of impact and response to each crisis, short and long-term strategies dealing with future crisis.

Part 3: Comment, suggestion and recommendation about meeting and incentive industry in Phuket.

In this part, the questions were aimed to hear opinion about meeting and incentive in Phuket, its trend and recommendation for further improvement in general.

3.4 Data Analysis

The data was analyzed by reading and re-reading method to find common themes through discussed area with two scholars who specialize in tourism industry in an effort to find out the information in context that related to the research issues. The followings chapter details the key findings comprise of identifying nature of crisis, timing of response and effectiveness of situation handling procedure for meeting and incentive in Phuket. The researcher can evaluate and examine messages of the formation that gathered from different sources objectively and be able to critique in ways to develop the research study to come up with a concise summary and precise recommendation.

CHAPTER 4

RESULTS

This chapter presents the findings of qualitative data which were analyzed to achieve the objective of the study. The results were analyzed by the content analysis to identify the common themes. The interview questions can be separated into four areas; informants' profiles, impacts and responses of crisis to meeting and incentive in Phuket and evaluation of effectiveness of crisis management, future trends and recommendation for meeting and incentive in Phuket.

4.1 Informant profiles

The data of this research was acquired from the qualitative research. In-depth interviews were administered during January-March 2010 with major meeting and incentive stakeholders in Phuket. Purposive sampling was adopted in selecting suitable representatives. The informants in the study were those who have a minimum of 3 years' experience in the industry and currently work in the managerial position of such qualified/ well known organization in order to ensure the accuracy of the findings. It is essential that the informants are in position such as managing director, director and managers who gained experienced and well trained from companies.

The actual numbers of informants were 12 including 6 hotels, 3 organizers, 2 DMCs, and Convention Bureau in Thailand. No future interview was conducted after the 12th informants as common responses were found indicating the data saturation.

4.2 Identification of definitions, natures and types of crisis

As revealed by the findings, the informants viewed crisis as a major occurrence with a potentially negative outcome affecting organization's income and number of tourists. The meaning of the crisis may be described as irritant to worsen business flow which could either be guests or business volume. As one informant said

"The definition of crisis mean no high season at all"

Results from interview found that most the informants defined the crisis as any unplanned event or situation occurs internally or externally which influence client's decision

making in negative way and often results in either cancellation or postponement of the trip. As some informants said

> "Crisis is problem or events which occur within or outside country deliver negative effects to tourism. Hence tourism is a sensitive business furthermore crisis influence to the decision making of tourist since now a day tourists are more concerns in safety issue during the time when negative factors are happening in every continents of the world."

> "Crisis is a problem or event which incurred nationally and globally resulting guests' travelling plan."

> "Crisis is the event that results riot at the macro level which crisis doesn't include family affairs. Crisis has a much large scale which could deliver effect to vast/majority of people."

4.3 Evaluation of impacts and response to crisis

From the findings, all of informants gave the similar comment that in 2008-2009, the most severe crisis affecting meeting and incentive industry in Phuket was political instability. Other major crisis that also impacted the industry are global economic crisis, social crisis (epidemic of H1N1), and internal crisis (union staff strike). Table 3.1 present the crises which generated the most impact to meeting and incentive in Phuket.

Table 4.1 Crises generating most impacts to meeting and incentive in Phuket

Informants	Crisis 1	Crisis 2	Crisis 3
Hotel 1	Economic Crisis	Political Crisis	H1N1
Hotel 2	Political Crisis	Economic Crisis	H1N1
Hotel 3	Political Crisis	Economic Crisis	Internal Crisis
Hotel 4	Political Crisis	Economic Crisis	H1N1
Hotel 5	Political Crisis	Economic Crisis	H1N1
Hotel 6	Political Crisis	Economic Crisis	H1N1
Organizer 1	Economic Crisis	Political Crisis	H1N1
Organizer 2	Political Crisis	Economic Crisis	H1N1
Organizer 3	Political Crisis	Economic Crisis	H1N1

Table 4.1 Continue

Informants	Crisis 1	Crisis 2	Crisis 3
DMC 1	Economic Crisis	Political Crisis	H1N1
DMC 2	Political Crisis	Economic Crisis	H1N1
Convention Bureau in Thailand	Political Crisis	Economic Crisis	H1N1

Most of the informants concluded that Phuket has been largely affected by the country's political instability which led to closure of Phuket International Airport during August 29-31, 2008. Secondly, it was the global economic down turn which has begun since August 2008. Thirdly, H1N1 affected the business negatively but the damage was not huge as large as the impacts of the aforementioned crisis and the length of happening was also shorter. Lastly, the internal strike of the staff was another crisis.

Table 4.2 shows the impacts and response of each crisis. As shown in Table 4.2, each crisis brought different consequential impacts, and subsequently requires different ways of dealing with each of them. The following sections address in details the impacts of internal political instability, global economic crisis, H1N1 outbreak and internal organizational crisis, and the procedures in dealing with each of them.

Table 4.2 Impacts and responses to crisis

Types of crisis	Impacts	Responses	Timing of responses
Political Crisis	1. Cancellation 2. Postpone 3. Destination Image 4. Short term loss of income	1. Giving information 2. Giving assistance 3. Providing accommodation 4. Refunding all the charges 5. Keeping the deposit for guests' next visit when situation returns to state of normal	1. Immediately 2. Short-term planning
Economic Crisis	1. Size of group 2. Shorter length of meeting 3. Shorter decision marking period 4. Shorter time for preparation	1. Promotion 2. Reducing the margin 3. Saving cost 4. More aggressive marketing	1. In advance forecast 2. Medium-term planning 3. Long-term planning
Social Crisis (epidemic of H1N1)	1. Less number of clients	1. Giving information 2. Providing more masks and hygienic hand washing gel to public	1. In advance forecast
Internal Crisis (union staff strike)	1. Loss in profit 2. Business turn down	1. Relocating guests to other hotels 2. Paying compensation 3. Giving information 4. Recording guest information 5. Conducting meetings to find solution	3. Immediately 4. Short-term planning

4.3.1 Political instability and closure of Phuket International Airport

  4.3.1.1 Impacts

    Most of informants agreed that the political instability created the immediate impact to in-coming and out-going tourists. Arrival and departure flights were all cancelled; tourists were not able to follow their plan by using Phuket International Airport and needed to be transited to the closet airport to fly back to their origins. Business operators and tourism operators received enormous cancellation and postponement, some company's business were all cancelled. This led to stakeholders' lost expected income, lack of cash flow and finally local people earned less income. As some informants commented that:

    "During the time when Phuket international airport was closed, the result was we receive approx 50 % cancellation or postponement or change destination. We consider that this impact were purely from political crisis there is no any other crisis could generate such a worst impact as political.

    "As a result of the closure of Phuket Airport, the business was ground zero; there was no client at all. In comparison, the damages generated by political and economic crisis were 60% and 40% respectively. During the time of global economic down-turn in 2008, the hotel had quite a number of meeting groups but all groups were cancelled during the time of political crisis when the airport was closed."

    "*Most of client decided to cancel all arrangement to avoid the risk, however big event decided to postpone to further dates."*

    "Comparing to political which could be happened all time, its impact could be expanded much faster to majority of people, The closure of airport eliminate all business, it close the opportunity for guest to return home or business, that generate impact to macro level."

    Some informants revealed that once the airport was closed, an already confirmed incentive group decided to cancel their trip to Phuket and the client also issued a policy of not to travel to Phuket in the future. Besides many countries issued travel warnings to their citizens by recommending not traveling to Thailand during the time of crisis. Meanwhile, Phuket was perceived as an unsafe destination, many clients were forced to either cancel or postpone the trip and to head for another destination instead. As some informants revealed that:

"Guests complained and hate Thailand; they don't understand why the situation happened to them. Furthermore, some company issue policy for not to hold a meeting and incentive group in Phuket. Consider that country's political situation was not stable which the guests were very concerned"

"Guest can't travel from/to Phuket, this image resulting guests didn't feel of any confident and safety to visit the destination."

"The impact can be clearly seen from the big event which requires long preparation. This is the main reason that the organizer didn't choose Thailand due to the situation was not stable, They then chose another country which the preparation could be done much easier with-out any concern."

"During time of political problem, hotel cannot solve any problem since the image. The present situation was not stable resulting guest usually ask the hotel to guarantee that no more turbulence will ever happen again. Since the hotel cannot guarantee the situation, guest then lack of confident and assume that the situation might be worsen again. The hotel can only pass on information from the management and government sector to guest update the situation."

4.3.1.2 Responses

Immediate responses

In dealing with this crisis, the findings revealed that a number of responses were used during the time. All of informant agreed that the most important action was to communicate with their client as much as possible. As some informants said that:

"Very first procedure was to update guest about the situation on daily basis."

"Closure of airport resulting travelers couldn't return to their countries, hotel resolved this problem by contacting airline special contact number to check flight schedule for guests."

The messages must be prepared by the management and attached with message from reliable information source such as Tourism Authority of Thailand and TCEB to give the correct information to guests. As some informants said that:

"Head office gave instruction not to give any news to anybody, brand representative is the only person to release news to public.

Receptionists or staff member who will meet the guests were given information about the situation from GM or MD so as to give the correct information to guests."

The negotiation between the travelers and hotel operators were whether the groups were to be either postponed or cancelled at this stage. The deposit was the most important thing to be considered by both parties. In the event that the airport was closed before the date of arrival, hotel operator agreed to waive any cancellation charge to the group and at the same time offer other options that hotel will keep the deposit for future visit either by the same group size or to split group in to smaller parties at the different time of travelling. In term of international chain hotel, they suggested sister hotel within the chain to the guest to host the group. They easily pass all information and deposit to sister hotel to facilitate guest.

Another scenario when the airport was closed before the date of departure, the hotel operators can offer options either a discount for extend stay or to find/ offer transportation for the group to take the flight at the different airport. At the same time, the Thai government offered the compensation to the tourists by offering THB 2,000 per room per night to extend stay in Thailand.

Post crisis responses

In addition, most of informants viewed that once situation returning to state of normal, they cooperated with government section to recall images of Phuket such as to increase some activities, for example, Road show and sales visit. At first, the attempts were to focus on restoring country's image, and then to narrow down to the images of Phuket and hotels respectively. The purpose of the trip was to build up confidence and clarify the truth. As one informant said that:

"During the time of political situation, hotels cooperate with government sector includes department of tourism. TAT, Ministry of Foreign Affairs to recover the image of Phuket. Numbers of activities were carried out such as Road show, sales visit to overseas key

partners to build up confidence in country and destination. The very first action was aimed on country's images following by Phuket and hotel sectors respectively."

4.3.2 Global economic crisis

4.3.2.1 Impacts

It delivered less damage to stakeholders as compared to the closure of airport. This can be explained that during the time of normal economic situation, the size of the meeting was huge and needed a long time for preparation. However, during the time of economic crisis the clients decide to continue offering the incentive trip to their clients but to be more selective with the size of group and length of the trip. Group size was smaller and the length of the trip was shortened. Since the budget was reduced, the size and the length of the trip were then has to be adjusted to meet with the budget and many decided to travel within the country. Thus, many countries support the domestic travelling policy and convince people to travel within the country. As some informants revealed that:

"Most of the clients said, it was the policy of the company either to cancel or put everything on hold. On event companies, DMCs and production house side, they all confirmed that there was no outbound enquiry as the policy of their client was to organize every trip within the country."

"Some company tried to maintain their event activity, however the scope of guests were reduced. Normally company usually conducts two kinds of event which is internal event and external event (Internal event is the event that is conducted for company's sales persons, training course, out-going trip whilst external event involves exhibitors or relate to client such as client meeting or once client's budget was achieved) Thus, global economic crisis affected the company by cancel internal trip but remain external event with less number of participants."

"These companies will cancel and postpone all meeting. Any un-necessary activities were cancelled, in case the meeting is necessary, company will either choose closer destination to safe travelling budget or conduct domestic meeting in the office or rent hotel's meeting room to be venue."

4.3.2.2 Responses

In term of the responses, from the interviewed found that other stakeholders adopted different ways of dealing with global economic crisis as followed:

Hotel operators decided to offer much more attractive promotions such as free meeting.

DMCs and organizers offered cheaper product and accepted less profit margin to match with clients' budget.

Convention Bureau in Thailand supported private sectors by offering a meeting package at $1 to the guest and paid the compensation to the hotel by the support of Ministry of Finance.

However, this crisis continued more than a year. The consequence continues until late of 2010 and was widely affect to stakeholders all over the world. It had influenced the way hotel operator run their business. In the past when global economic was running smoothly tourist were always plan their vacation advanced ahead and the hotels were as well operating at high level of occupancy. After business was hit by this crisis, hotel business has been remodeled in to "last minute" trend instead of "early bird" trend. This consequence was led by the facts that meeting planners had less income, required a smaller number of hotel rooms, and were not able to achieve their budgets; the hotels were then offer cheap last minute rate with hope to fill-up the occupancy and maximize revenue within shorter period of time. As one informant said that:

"The policies were adapted to meet with clients requirement such as some group cannot conduct meeting will convert to incentive group."

"Problem of the international chain hotel was each hotel in same chain in every continent will launch same promotion which guest prefers to travel to nearby destination where transportation is convenient. In terms of economic situation problem, hotel issued promotion and reduce price to compete with other destinations."

4.3.3 H1N1

4.3.3.1 Impacts

Most of informants viewed that H1N1 had much fewer impacts to industry since the outbreak was not considered as such country's threat but as a regional situation. It delivered effect

only in short term hence stakeholders received only few cancellation. As some informants said that:

"Company was affected by H1N1 during the very first period of the outbreak. At the beginning there were some cancellation and fewer travelers due to the panic to the situation however after WHO discovered the resolutions then the tourists decided to travel again, H1N1 finally deliver effect only for a short period of time"

"It didn't deliver massive impact, tourism was shut down by itself it was people that hesitate to travel, the cause wasn't the destination. Tourists avoided to be in the place where there was potentiality of infection such as airport thus didn't consider that it was our problem or our crisis, it was global crisis. This self-carefulness effected less business volume, however everyone were affected."

Nevertheless, H1N1 delivered effect to less number of tourists since the happening was in the same time when many countries issued travel warning as well as arrival and departure travelers were scanned to limit the outbreak. As one informant reported that:

"Our hotel has some guests were capture at the airport then was sent to hospital in Bangkok, the hotel then check and confirm with guest to ensure that no-show guests were captured by the government"

4.3.3.2 Responses

All of informants agreed that the most important action was to communicate with their clients/ guests by referring to the announcement from reliable information source such as the Ministry of Public Health and TCEB to build confidence to the destination as well as to provide hygienic hand washing gel in the hotel and offering mask to all guests. The key solution to solve the problem is communication to build up confidence. As some informants said that:

"We communicate with government section asking for their support to solve the situation in Phuket and potential area. Hotels will use TCEB certificate or from involved government sector and the pass the document to our clients to update the situation as well as to ensure the safety of the situation."

"Sales Department sends email which attached a certificate to our guest. The certificate's information refers procedure of the country and the airport, and information of

situation in Phuket. In addition, the hotel provided hygienic hand washing gel in the hotel and offered masks to all guests."

4.3.4 Strike of the union staffs

4.3.4.1 Impacts

One of the informants commented that internal problem; the strike of union staff was their crisis which had a direct effect to the hotel. The strike of the union staff was the consequence of the above crisis; closure of Phuket airport and global economic crisis which caused a sharp decline of revenue making the hotel unable to pay its employees bonus and then later leading to strike. The company's management decided to close all hotel services for a week which resulted in loss of a large amount of revenue during that time.

4.3.4.2 Responses

The hotel resolved the situation by informing all the guests about the situation in which the information were given either by General Manager or Managing Director. After that, the hotel offered the guests to be relocated to other hotels in the same category as well as providing transportation to those hotels. All guests detail was recorded so as to offer the compensation for their next visit. Even the hotel was temporally out of service but the receptionists were assigned to stand by to give information to the guests who decided to stay at the hotel as well as informing all the partners no matter they are travel agents, DMCs or event organizers which regard to the situation. At the same time, the hotel opened a discussion to find the resolution; the discussion was made between hotel management and the union staffs. As one informant said:

"The hotel was closed for 1 week in February 2009. Upon reopening, its' clients and partners were all informed regarding the happening and up to date situation. Guests-wise, the hotel made the special record to recognize all the guest so as to provide its best service for their returning."

4.4 Crisis management planning for future crisis

Table 4.3 Crisis planning and management

Group	Pre-crisis		During	Post-crisis			
	Crisis mgt. team	Training	PR and Marketing	Communication	Research	Marketing	Business/ Industry/ Development/ Assistance
Hotels	✓	✓	✓	✓	-	✓	✓
Organizers	-	✓	✓	✓	-	✓	✓
DMCs	-	-	✓	✓	-	✓	✓
TCEB	✓	✓	✓	✓	✓	✓	✓

Table 4.3 summarizes actions and responses hotels, organizers, DMC and TCEB took at pre-event, during and post crisis period.

4.4.1 Pre-crisis

The results from the interviews indicated that during the past 2 years (2008-2009) most of companies in four stakeholders have never set-up crisis management plan and it seems that it may be no longer needed in the organization. Informants supported that the nature of crisis in today's environment is always changing and the flexibility is very much needed in order for the MICE organizations to deal with those unexpected than the traditional long term plans. This is shown in the following quotes:

"Hotel doesn't prepare long-term preventative plan for crisis since crisis happens each year. You are in a different scenario and it would be difficult for forecasting and planning. However, hotel will be able to prevent natural disaster by providing warning

procedure. In terms of political issue, hotel responds by installing a metal detector as well as to increase level of security."

"Nowadays, hotel doesn't prepare long-term strategy to handle possible of crisis since there are different crisis thus it is very difficult for planning."

Most of informants agreed that their companies focus only business survival and its continuity. As one informant reported that:

"We could look to the past which the fact told there was no master plan, since master plan doesn't exist thus company need to set up our plan and solve the problem offhand rather than group collaboration. Company only focus on product training which are always update, the discussion was usually made internally. The problem was discussed once crisis occurred."

"We will focus only business thus once there is short lead business, we will react at once. We will prepare plan mainly base on business forecast and will adapted business to achieve the budget"

As shown in Table 4.3, at pre-crisis period these stakeholders were adopting two main approaches, crisis management team and training. In terms of setting up crisis management teams, hotels and TCEB assign several staff members as a crisis management team to handle the situation, plan evacuation trainings, monitor warning systems, and assign assembly points and evacuation procedures. However, organizers and DMCs did not have designated staff as the crisis management team.

Regarding trainings, hotels, organizers and TCEB would provide basic crisis management trainings for their employees such as safety and security in work place or product training. The result from interviewed also showed that only senior level or managerial level has previous trainings about crisis management, and the frequency of training depends on the situations during that period of time. Based on the findings, DMCs did not have any crisis-related training for their employees.

4.4.2 During crisis response

Furthermore, although solutions to each crisis may seem different, regardless of types of crisis the necessary responses to crisis used by all four stakeholders are public relation and

marketing activities which need brainstorming from the management. As some informants commented that:

"In terms of economic situation problem, hotels issued promotion and reduce price to compare with other destinations."

"Hotel install scanner during the political turbulence to check for possibility of explosive items. Hotel considers that, hotel will increase level of security activities in the event of the situation"

4.4.3 Post crisis response

Most of owner business indicated the post crisis response should be planned and pointed at the target group that directly impacts on tourist business at Phuket. The owner business/MD takes action by setting team of the crisis response to solve the situations by itself. Most of informants will focus on business survival and its continuity. In additional, once situation returning to state of normal, all informants agreed that the most important action were to communication and marketing. They cooperate with government section to recall images and can share information among business network included create much more attractive promotion. This is shown in the following quotes:

" We (hotels and business networks) prepare to recall image after crises by building the confidence on clients. Our strategy plan is analysis the crisis to plan in short term and long term. We have corporate among the owner businesses and TCEB, and this is important to work together to recall the Phuket's image."

The result from interviewed found that only TCEB conducted research after crisis situation, whereas hotels, organizers and DMCs did not have any research for their business.

CHAPTER 5

CONCLUSION AND DISCUSSION

The research focuses on the analysis of crisis management in meeting and incentive industry in Phuket during 2008-2009. Four groups of the industry's stakeholders were involved in the study including hotels, professional convention organizers (PCOs), destination management companies, and Thailand Convention and Exhibition Bureau (TCEB). In-depth interviews were carried out following the critical incident techniques (CIT) method.

5.1 Conclusion and discussion

Identification of crises in each situation depends on the perception of the business owners. The different perception is brought into the various crisis responses management. It was found that hotels rapidly communicate to their clients, but the organizers are less active. In long term crisis management, TCEB sets the crisis management team and provides the crisis response training courses for hotels and owner businesses.

Following to the study objectives, the current chapter is structured on three following aspects:

    5.1.1 Classification of the nature of crisis

    5.1.2 Identification of responses to crisis

    5.1.3 Evaluation of the effectiveness of the crisis management

5.1.1 Classifications of the nature of crisis

The study confirms that the meeting and incentive industry is very sensitive to the crisis as the occurrence of crisis generate very large, sudden impacts to the industry (Rogers 2003; Campiranon, 2006). This highlights that an incentive market is more susceptible to the ups and downs of the economic and political turbulence than most other components of MICE sector (Campiranon, 2006). This may be due to the fact that the incentive travel is largely a motivational reward that company offers to employees and customers.

The study pointed out that crisis is viewed to be associated with the sudden, unanticipated and potentially generate impacts to their business. This is consistent with Burnett,

(1998), Darling (1994), Okumus et al. (2005). In the same line with the previous studies, the current study noted that different crisis would bring in a varying level of impacts ranging from disrupting operations, threatening customer confidence and impacting employees physically and mentally, and endanger an organization's financial status and its continuity (Kash & Darling, 1988; Okumus et al., 2005).

From the study, there are different types of crisis either internally or externally induced which support the study of Santana (2003) and Tourism Queensland (2003). The study found that most crises affected MICE sector in Phuket were largely externally induced which included political, economic, and social and epidemic impacts. Union staff strike at one five-star hotel was the only internally induced crisis found in the study.

Among different types of the crisis, the study pointed out the severity of the political crisis to the meeting and incentive industry. As revealed by the study, political crisis generated the most serious impacts to the industry both short and medium terms which supported by the studies by Mogendorff (2008), Richie (2004), and Wilks & Moore (2004). This may be due to the fact that news and images about the political incidents in Thailand were shown all over the world through international media (PATA, 2003). Also, the incidents led to the shaking of organizers' confidence over the overall safety of Thailand, and safety is one of the most important factors when choosing a destination for their event (Wilks & Moore, 2004).

Although it may seem that external crisis may generate large and wider impact, the internal crisis could also be as serious. From the study, the union strikes had negative impact on Phuket's image as it may shake tourists' confidence about travelling and staying in Phuket. The tourists wanted the corrected and timely information. Thus, it is important that post-crisis TCEB needs to take full action in correcting tourism's image through communication, research, marketing and road show promotion.

5.1.2 Identification of Response to Crisis

The Identification of response to crisis

For the immediate responses, many actions were opted, in particular under the situation of riots and labor strikes, correct information were timely update; tourists were offered alternative accommodation, encouraged to travel inner country with discounted rates, etc. Similarly, during the outbreak of H1N1, immediate responses were provision of hand washing gel

for guests and public area; use of messages by reliable authorities (Ministry of Public Health and TCEB) to deliver message to make sure the safety of H1N1; update of timely information to the tourists and agencies directly by phone and mails; offering the protecting masks for clients; offering guests to relocate to another hotel with transportation provided; offering the discount for each meeting per day and per head; and offer a meeting package at $1 per guest.

These immediate responses were similar to the approaches adopted by business owners in Patong after tsunami crisis (Ichinosawa, 2006). This is also in line with Wilks and Moore (2004) who highlights the importance of communication with stakeholders to ensure that immediate relief was properly provided.

In addition much of the actions were still considered as quick remedies to resolve the issues which are similar to the work of Ichinosawa (2006). For example, as a result of the riots and labor strikes, refunding of all the charges and keeping outstanding charges and deposit for the next visit when the situations return to be stable are some examples of the responses. These actions could also be argued to have short-term effect. Assistance was also offered to arrange their trip preferred to travel to other cities. Special incentives were given to extend their current and discount for the next visit. Compensations were requested from the government to cover loss.

With respect to the long-term planning, several responses were adopted. These include road show and sales; stimulation of inbound and outbound tourists; setting the strategy plan among the tourist networks and promotion and sales. The importance of proper marketing plan and strategy identified by the current study clearly support the work of Tourism Queensland (2003). It indicates that marketing is an important practice at post-crisis to ensure that favorable image is reinforced and business continuity is ensured.

5.1.3 The Evaluation of the Effectiveness of the Crisis Management

In terms of evaluating the effectiveness of the crisis management, the results were compared with the conception framework of the study (Figure 1.1). In summary, crisis management of four stakeholders including hotels, organizers, destination management companies, and TCEB were as follows.

5.1.3.1 Pre-crisis

Figure 1.1 showed that pre-crisis consists of crisis management team and training. As revealed by finding, hotel and TCEB had set up crisis management team they assign several

staff members to handle the crisis by the reasons are large organization and more experienced in crisis management. This support Malhotra and Venkatesh (2009) as in general terms, the larger the organization, the more important it is to prepare proactive responses and in large organization, the pool of management experience more readily facilitates this process. Crisis management team is also another practice adopted and could be considered as long-term planning. Some stakeholders had set up team and also installed warning system at their properties. This further support the work of Alages (2009) as the team could play an important this process. The process is to recognize crisis management team that company may face including develop strategies, tactical, communication plans (Malhotra & Venkatesh, 2009)

Crisis training was also conducted in safety and security in work place or product training. Similarly, Mogendroff (2008) support an organization to regularly provide training to their staff in order to ensure that the team role is to identify all possible crises that the company or any of its units may face and develop, plan, roles and responsibility for preparing and mitigating each of the crises. Hotel, TCEB and organizers agreed that training has important thus will provide crisis trainings for their staff to deal with crises. This supports the work of Mogendorff (2008) as people must talk in a language of response that is quick, clear and efficient and all of that must be organized beforehand. Plan needs to be tested with good and exciting simulations that challenge team's ability to act and interact. Moreover, Mogendorff (2008) said that needs to be provided training continuously, not just once. In terms of Hotel and TCEB that have more experience to handle the crisis situation. They will have been training continuously and with the relevant department such as TCEB have crisis management team and hotel has human resource department support with Malhotra and Venkatesh (2009) as international companies or chain hotel will have more experience, investment to prepare standard procedure to handle the situations than locally-based organisations.

Meanwhile, DMCs did not have any crisis related training for their staff. As one DMC said, we could look to the past which fact told there was no master plan, since master plan doesn't exist thus company need to up our plan and solve the problem offhand rather than group collaboration. Company only focus product training which are always update, the discussion was usually made internally. The problem was discussed once crisis occurred.

5.1.3.2 During

All of informants agreed that communication should be rapidly informed to their clients during the crisis supports with in accordance with Wilks and Moore (2004) as the immediate responses aftermath of an event when everything is at its most chaotic. The important thing is communication with stakeholder to provide immediate relief to those affected. The crisis communication strategy should already be in play, pre-empting and reassuring stakeholder and the public. The best communicate method for clients and target groups are to make them feel secure, safe, and good perception about Thailand immediately. It was the best react to solve these crises during serious time. When the crises occurred, the informants were immediately communicate to their clients, because the crisis is the negative image of Thailand, and the direct impacts on the clients' perception and tourism industry in a long term as well. The business owner and the government must cooperate to solve the crisis together. The business owners carefully and directly communicated to their clients so as to keep the whole country's image and their clients well.

5.1.3.3 Post Crisis

The results clearly emphasized the importance of marketing and communication as the major post-crisis management approach. This may be due to an awareness of the impact of crisis on tourists' perception. At post-crisis, it is important for all stakeholders to resolve any negative images tourists may have before it becomes static and too hard to change. This further provides empirical supported the work of Alages (2009) who affirms that integral part of crisis planning is to ensure effective and elaborate communication and infrastructure even in the case of crisis, emergency, disaster.

Mainly, the purpose of carrying out marketing campaigns at post crisis is financial driven (Okumus 2009). Managers will create new campaigns with incentive programs offering cost-saving with guarantee of improvement in service. This approach was also adopted by stakeholders in MICE sector and this provides another empirical support to Okumus's (2009). This is understandable as marketing helps the organization to bring in customers and potentially leads to much needed immediate cash flow which is critical to the survival of the business.

Collaborations between key stakeholders are also imperative to the successful post-crisis management. This was also evident in the present research as the findings showed that business owners and the government worked together cooperatively to solve the crisis together, especially hotels and organizers who worked closely to provide prompt response to take care their clients. They also sought assistance from the government section to help restoring the country's image such as sharing information among business network, increasing such activities as road shows and sales visits, and creating much more attractive promotions. In addition, after social crisis like the H1N1 situation, government needs to assist the private sector to deliver messages that all other stakeholders could later use to communicate with their clients as the announcement from the Ministry of Public Health and TCEB as often treated as the most reliable information sources.

However, although research forms an essential part of post-crisis management, only one stakeholder, TCEB carried out research at post-crisis to monitor clients' response. This may be due to many possible reasons, one of which is the failure to be aware of the importance of the research by other stakeholders. Research could indeed provide important information for all to plan the next step in doing businesses. To identify where problems still exist so that appropriate actions could be carried out. Lack of resources to carry out research could be another probable reason for little post-crisis research. Other stakeholders may also take it for granted as they may rely entirely on TCEB to conduct research; however this may provide only general industry trends and lack of insights into specific stakeholders.

5.2 Recommendations

From the conceptual framework of this study emphasizes on the crisis management planning include pre-crisis, during crisis and post-crisis. Moreover in order to develop effective of the crisis management planning, the process should commonly include identifying, studying, forecasting issues in internal and external environment, taking measures in advance to prevent or overcome crises and responding to any crisis that occurs with correct and planned actions (Davies & Walters, 1998 cited by Okumus et al., 2005).

5.2.1 Pre-crisis

Currently no business can be escaped from crisis thus crisis management has become an important component of the business specially hospitality business that is a full-time operating business. The research showed that large company such as hotels and TCEB have a well prepared pre-crisis both crisis management team and training. In fact crisis management should be carried in all kinds of organizations regardless of the size of the organization. Due to the nature of crises as any unplanned event or situation emerging from internal or external environment of an organization, they can disrupt operations, threaten customers and employees physically and mentally an organization's financial status and future viability (Kash & Darling, 1998; Okumus et al., 2005). Thus all stakeholders must have a well prepared plan for any situation.

However, small size companies such as organizers and DMCs can coordinate with TCEB and government which often act as a coordinator and facilitator for Thai business operators (both domestic and international) especially in term of training. Thus, government agencies should have more proactive roles in educating and helping smaller organizations as to how to prepare crisis management plans.

All stakeholders need to be aware of both short and long term crisis management planning. Furthermore, staff at all levels should be involved in planning because planning needs to be tested with good and exciting simulations that challenge the team's ability to act and interact (Mogendorff, 2008).

In term of crisis training, the finding showed that trainings are often available for only managers because they have important duties to carry out, such as collecting the necessary data, noticing and analyzing the signals that a crisis might occur, identifying its reasons, making crisis plans, forming a team as well as establishing good communication channels (Cooms, 2001; Parson, 1996; Okumus et al., 2005). Whereas The UK's Confederation and Security Planning (2006) suggested all staff should be trained to execute the crisis management plans.

All stakeholders should be aware of the dynamic of crisis because new types of crisis occur all the time. Thus, it is recommended that continuity plans are regularly reviewed and tested. This should be done once or twice a year, across the whole company.

5.2.2 During

The current study supported that communication is widely used in during time of crisis and is consistent with other studies (Hayes, 1998; Campiranon, 2006: Wilks and Moore, 2004: Alages, 2009: CBI (2006): Tourism Queensland, 2003: PATA, 2003). Hence, it is recommended that communication should be done on regular basis not just during crisis. However, timely and consistent communication with internal and external stakeholders and partner should be maintained particularly during the crisis.

5.2.3 Post-crisis

Even though the study showed that only one stakeholder, TCEB carried out research at post-crisis to customers' response. Hence, it is recommended that research should be encouraged as part of the post-crisis management in all kinds of organizations. This support Laws et al (2007) study that all stakeholders should operate by learning from experience and researching about information required for effective pre-planning. In addition, they should work collaboratively with other stakeholders to obtain much needed information to help them at post-crisis.

5.3 Limitations and suggestions for future research

While this research adds to the current literature on meeting and incentive, there are some limitations. The limitation of this research is very much qualitative and involved only the stakeholders in Phuket. As a result, the information may be unable to provide overall aspects of management in MICE.

Despite the limitation in term of small sample size and focus only meeting and incentive in Phuket, therefore, researcher would like to recommend of further study as below;

- Future studies may adopt different approaches by use quantitative method with larger sample size.

- Future studies should focus on other aspects of MICE industry which is the convention and exhibition industry.

- It is also recommended that the research could cover stakeholders in other parts of Thailand to provide much more comprehensive of crisis management in Thailand.

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APPENDICES

APPENDIX A

LIST OF THE HOTELS INTERVIEWED

HOTEL	MANAGEMENT	INTERVIEWEE	POSITION
Movenpick Resort and Spa Karon Beach Phuket	Chain	Khun Aeuyporn Meksansri	Director of Sales – MICE and Travel Agent
Holton Phuket Arcadia Resort and Spa	Chain	Khun Aom Ocaroll	Assistant Director of Sales-Group
Novotel Phuket Resort	Chain	Khun Kobkaew Nark	Director of Sales- Group
Sheraton Grande Laguna Phuket	Chain	Khun Naruemon Susangrat	Assistant Director of Sales – Group
Le Meridien Phuket Beach Resort	Chain	Ms. Irene Leong (incomplete response)	Director of Sales – Group
Mecure Patong Phuket	Chain	Khun Sorawish Bunrathirun	Director of Sales - Group
Katathani Phuket Beach Resort	Independent	Khun Nantida Atiset	Vice President of Sales and Marketing

APPENDIX B

HOTEL INTERVIEW QUESTION

➢ **Part 1: Interviewee and company information**

- Gender

- Age

- How many years have you worked in the tourism industry?

- Type of hotel?

- Total number of guest rooms

- Total number of meeting rooms

- Maximum capacity of meeting rooms

- Meeting facilities

- Market segmentation

- Average decision making period for meeting and incentive

➢ **Part 2: Impacts and responses of crisis to meeting and incentive in Phuket**

- Please give the definition of crisis (related to client decision making)

- In your experience, what were the three crises which generated the most impact to meeting and incentive in Phuket?

- What were the impacts of each of the crises?

- Right after the crisis, how did you deal with it?

- 6 months after the crisis, has your business done anything to prepare for a similar crises.

- What else do you plan to do in the future to prepare your business if a similar event happens again?

➢ **Part 3: Comment, suggestion and recommendation about meeting and incentive industry in Phuket**

APPENDIX C

LIST OF THE ORGANIZERS INTERVIEWED

ORGANIZER	INTERVIEWEE	POSITION
Bhuket Incentive and Convention Planners	Khun Thanate Kienpotiramard	Director of Sales and Operations
Phuket Heritage Event	Khun Nattapat Tantipuripat	General Manager
Do Design and Organizer	Khun R	General Manager

APPENDIX D

LIST OF THE DESTINATION MANAGEMENT COMPANY INTERVIEWED

DMC	INTERVIEWEE	POSITION
Oriental Leisure	Khun Phanlop (Addy) Ritthirong	General Manager
Pacific World (Phuket Office)	Khun Kanit Muangnil	Manager

APPENDIX E

LIST OF THE TCEB INTERVIEWED

TCEB	INTERVIEWEE	POSITION
Thailand Convention and Exhibition Bureau	Khun Puripan Boonnak	Meeting and Incentive Acting Director

APPENDIX F:

ORGANIZERS, DESTINATION MANAGEMENT COMPANY AND TCEB

INTERVIEW QUESTION

➢ **Part 1: Interviewee and company information**

- Gender

- Age

- How many years have you worked in the tourism industry?

- Market segmentation

- Average decision making period for meeting and incentive

- What are the three most sensitive countries to crisis?

➢ **Part 2: Impacts and responses of crisis to meeting and incentive in Phuket**

- Please give the definition of crisis (related to client decision making)

- In your experience, what were the three crises which generated the most impact to meeting and incentive in Phuket?

- What were the impacts of each of the crises?

- Right after the crisis, how did you deal with it?

- 6 months after the crisis, has your business done anything to prepare for a similar crises.

- What else do you plan to do in the future to prepare your business if a similar event happens again?

➢ **Part 3: Comment, suggestion and recommendation about meeting and incentive industry in Phuket**

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