

## **Brexit anticipated economic shock on Ireland's planning for hospitality and tourism:**

### **resilience, volatility and exposure**

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#### **Abstract**

**Purpose** - The study explores tourism scenario planning for an anticipated shock, as viewed through the lens of Irish hospitality managers preparing for Brexit. The research appropriates a climate science framework to structure the study, situating preparations, or lack thereof, against the themes of volatility, exposure and resilience.

**Design/methodology/approach** – The research utilises a qualitative, pragmatic approach to determine how senior Irish hospitality managers were preparing for Britain’s exit from the European Union. Semi structured interviews were used to gather data, conducted with hotel management, industry federations and policy makers.

**Findings** – Buoyancy of the industry and, from an industry perspective little foreseeable threat to the sector, has caused management within the field to develop complacent tendencies, a myopic viewpoint and a head-in-the-sand mind-set. Their ‘wait and see’ and ‘ad-hoc’ approach to planning for an anticipated shock suggests an industry that believes itself to be resistant to threats.

**Practical implications** – The findings suggest that although tourism has been resilient to economic shocks in the past, historical lessons learned have not been implemented for the next shock. More pro-active engagement and better strategic preparedness is necessary in order to mitigate the impacts of future shocks. Industry needs to acknowledge its role in developing resilience and reducing volatility and exposure. Government additionally needs to co-ordinate initiatives with industry in order to stimulate robustness.

**Originality/value** – The paper demonstrates areas of practice in the hospitality industry that could be improved to reduce volatility and exposure, enhance resilience and encourage rapid adaptability post-crisis.

**Keywords** – Tourism, Ireland, Anticipated Economic Shocks, Resilience, Scenario Planning

#### **Introduction & Background to the Study**

The 21<sup>st</sup> century has witnessed a plethora of shocks and crises that have forced the hospitality and tourism industry to adapt and respond to avoid uncertainty and potential ruin (Hall, 2010). The regularity of these occurrences can affect not only tourism revenue but also customer sentiment (Croce, 2016). Although global trends illustrate upward numbers of international arrivals and

expenditure, the political, environmental and economic landscape has seldom been so volatile. As the tourism industry becomes ever more competitive, scenario-planning strategies become ever more essential. Numerous recent instances of economic unrest have tested the resilience of global tourism. The banking crisis, worldwide terrorism, health scares and weather have all affected international tourism arrivals (O'Brien, 2012; Pine and McKercher, 2004; Baxter and Bowen, 2004; Ritchie, 2004). Some examples of these are shown in Table 1.

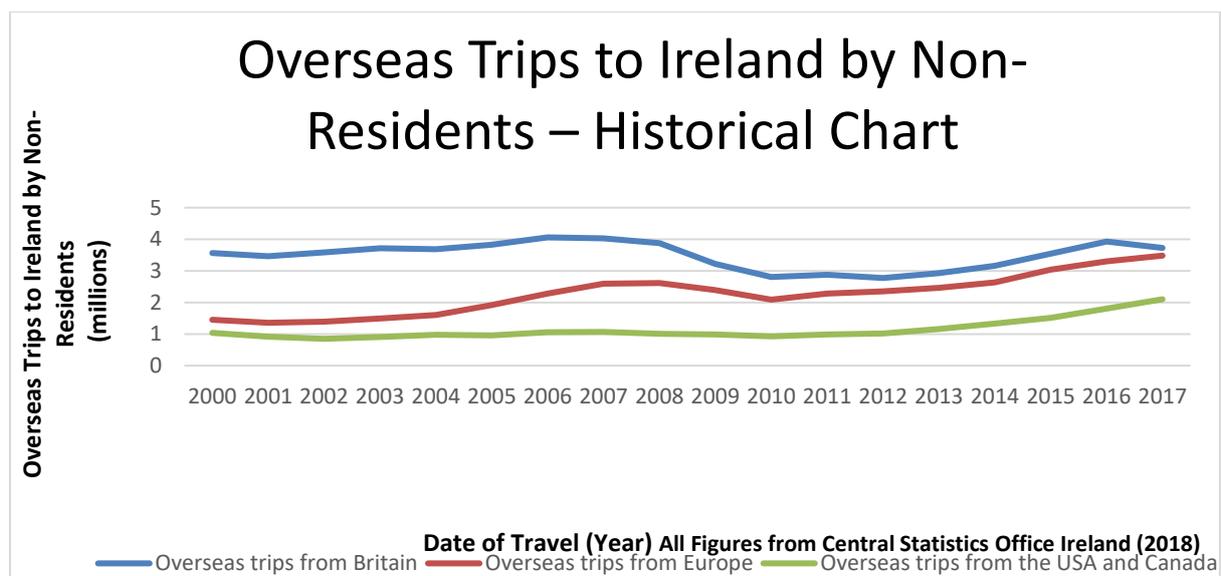
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2001	9/11 terrorist attacks
2002	SARS
2003	Second Gulf War, SARS
2004	Indian Tsunami
2005	Hurricane Katrina
2006	Israeli invasion of Lebanon
2007	European Heatwave
2008	Price of oil rose to an all-time high of \$147
2009	Swine Flu Pandemic
2010	Eyjafjallajökull, Iceland Volcanic Ash Cloud
2011	The Arab Spring, Japan Earthquake
2012	War in Syria, East Africa Drought
2014	Terrorist attacks in Europe
2016	Britain votes to leave the European Union (EU) (Drop in rate of Sterling by 15%)
2018	Price of oil rose to a high of \$80

Table 1: Sample crises which impacted international tourism arrivals (UNWTO, 2019)

Ireland has showed itself resilient enough to bounce back from tourism setbacks in recent years (O'Brien, 2012) but we do not know to what extent the main actors in the sector influence this robustness, or if it is primarily influenced by market forces. This paper explores the role played by industry leaders in preparing for a shock. We use concepts borrowed from climate science to frame this analysis. The rationale for borrowing climate science concepts is that they provide the best structural method for considering the potential impact of a shock on a tourism market. Ecological models generally use principles of volatility, exposure, resilience and adaptability to frame how global and local environmental threats can be conceptualised (Parker, 2018). This model can be appropriated to tourism studies, as tourism is an industry repeatedly forced to negotiate global forces and shocks beyond its control.

The aim of this paper is to explore how stakeholders from the hospitality and tourism sector are readying themselves for Brexit. This paper utilises semi-structured interviews with senior managers of four-star hotels, industry bodies and tourism policy makers within Ireland. At the time of writing and submission of the research for consideration - summer 2019 – the U.K. was in negotiation to extend their departure date from the European Union. There is therefore a snapshot element to the research, capturing some of the uncertainty felt in the sector in the lead up to anticipated departure.

The hospitality and tourism sector in Ireland is a major contributor to the Irish economy (Failte Ireland, 2018). Total contribution of travel and tourism to Gross Domestic Product (GDP) was EUR15.1bn or 5.8% of GDP in 2016. The overall impact of travel and tourism to jobs in the same period, including jobs indirectly supported by the sector was 5.9% of total employment or 119,000 jobs (World Travel and Tourism Council (WTTTC), 2019). 2018 was a record year for overseas visitors with an increase of 6% in total arrivals (11.2 million) compared to 2017 (Central Statistics Office (CSO), 2019). Despite the increase, a closer examination of the figures reveals the stability and maturity of the United Kingdom market for Ireland (CSO, 2019), representing 44% of total visitors but with present visitor numbers barely surpassing the level from 2000 (see Figure 1). By contrast, there has been an almost continuous rise in both Europe and North America visitors. Figure 1 illustrates Overseas Trips to Ireland by Non-Residents, demonstrating growth from the USA and Europe but stagnation from Britain.



## Literature Review

The tourism and hospitality industry is a volatile sector, affected by both natural and contrived factors. Despite there being a surfeit of tourism studies focusing on 'crises', 'disasters', 'shocks' and 'risk' (Ritchie, 2004; Ertuna and Ertuna, 2009; Paraskevas et al., 2013; Lim, 2017) these have been predominantly assessed in terms of management post-catastrophe. There have been some notable exceptions examining pre-preparedness models (Rose et al., 2004; Barnett and Pratt, 2000; Anderson, 2006; Kapucu, 2008) however, these are in the minority and usually centred on unforeseen disruptions rather than anticipated shocks. Much contemporary literature has been devoted to the strategy of preparing for crises or disasters because of the intrinsic nature of tourism to society (Pearson and Sommer, 2011; Bhati et al., 2016; Lim, 2018). Within this, there is a degree of accord regarding cohesion for planning before a catastrophe has happened in order to manage disruption more effectively. Nevertheless, Ritchie (2004) points to the fact that most organisations are managed 'by' the crisis and ultimately end up making rushed or ill-advised decisions.

Volatility within the tourism industry is ubiquitous and is an element that not only shapes but also hinders the subject (Taleb and Blyth, 2011). Technological, environmental and human interference can influence disorder within a resort or destination, but the unpredictable nature of a particular habitat is the component that can accelerate its remarkable increase in scale (Hall, 2010). Despite the tourism sector demonstrating high levels of economic development and being incredibly resilient to impediments it now, more than ever, is so unified within the world's economic, transport and communications framework that, when one sphere is affected it can resonate throughout the whole structure (Hall, 2010).

Pfarr and Hosie (2008) believe that, in order to combat volatility, long-term strategic planning is appropriate for something as complex and chaotic as the tourism and hospitality industry. Ritchie (2008) on the other hand contends that it would be more prudent to concentrate more on a 'reduction and readiness' strategy. The suggestion is that disasters are inevitable, but by mitigating and lessening the affect, it gives the actors involved a better understanding of the specific crisis and a greater knowledge of how to deal with one should it be replicated in the future. By emphasising a 'proactive' rather than 'reactive' response Ritchie (2008) envisages a more competent management and planning approach. The author also argues that familiarity with how vulnerability and risk co-exist within a tourist destination can assist in how disasters are lessened or avoided. He indicates that by using a risk assessment framework it can aid this task and help review physical, social and

economic vulnerability within the vicinity. Feedback from actors involved is fundamental in order to learn from past crises and discard previous culpabilities (Tostovrsnik, 2015).

Butler (2004, p.163) contends that rejuvenation 'does not and cannot occur by accident. It can only be the result of planning, consultation and the application of specific strategies'. Hassink (2010) develops the notion further to suggest that certain regional economies have advantages over others in developing resilience but notes that using a structured principle for resilience could be folly due to the unpredictability and instability of tourism. This tenet also assumes that because economies are constantly in flux, a destination being resilient after a shock or crisis can never achieve equilibrium but merely a 'new normal' (Hassink, 2010). Faulkner (2001) augments this line of reasoning with his notion of 'chaos theory' when he states that 'even apparently stable systems are frequently at the edge of chaos and a seemingly insignificant event may be enough to precipitate instability and change on such a scale that the integrity and coherence of the system appears to be threatened' (p 137). This theory, however, conflicts with the understanding of Béné et al. (2014) who maintain that stability is of greater credence than adaptability because it forms the actual foundation to enable communities to transform. Illustrating this point in practice, O'Brien (2012, p1144) asserts that Ireland, in the years following the financial crisis of 2008 followed a trajectory that adopted 'survival as a policy paradigm'. Rather than having 'crisis' measures in place, the public and private sectors were at odds with one another in how best to deal with the predicament within tourism at that time. The public sector was viewed as being proactive whilst the private sector appeared to be dawdling in its response to any resolution (O'Brien, 2012). The fact that Ireland was able to respond eventually is less the issue here, as opposed to the lack of preparation.

What is evident is that there is deviation and unorthodoxy in terms of how a development reacts to social and economic 'shocks'. This merely affirms the notion that the unpredictability of how resilience functions in unique systems is the very thing that can be said to be its most predictable quality. The suggestion is that by having an organic system, inclusive of formal groups and individual education, it may be more fruitful in terms of establishing greater dynamism (Lew, 2014). Shocks and crises can prompt new learning (Lim, 2016) and with this, the capacity to develop strategies that can not only innovate but also enhance communities.

## **Research Methodology**

The data used for this empirical analysis were collected from twenty-seven face-to-face semi-structured interviews conducted between April and May 2018. This significant volume of interviews

was conducted to ensure we had a plentiful supply of rich data. Many of the interviews were short, or respondents did not share information which directly answered the key research question. The research was restricted to senior managers of four-star hotels, industry bodies and policy makers within Ireland. Individuals selected were viewed as being the most dynamic and influential arbiters within the sector. The scope of the participants questioned are presented in table 4. Interviews were conducted until saturation point was reached, which in this case was a higher number than usual, due to varying geographic concerns, interviewees unable to disclose information and the length of time these senior and busy management staff could commit.

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Table 2 of 5

Numbers conducted	27, including one pilot interview
Regions covered	12 counties, with at least one participant from each region
Roles covered	Hotel general managers (GM), industry body/ policy makers (IB/ PM)
Average interview length	27 minutes
Average words per transcribed interview	3,406
Property types	Independent family hotels and group properties

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Table 2: Interview details

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Interviews focussed on the research objectives regarding tourism planning for anticipated economic shocks with specific questions and structures derived from both the literature and the pilot interview. Prior to the interviews respondents were informed about the purpose of the study and the confidentiality of the research. Each participant signed a consent form in duplicate and all interviews were electronically recorded. These were then transcribed for analysis. Data were subsequently extracted by manually examining the interviews through Microsoft Word and isolating pertinent words and phrases relating back to the climate science themes of resilience, volatility and exposure. A list of the main questions is shown in table 5.

Four-star hotels were selected from Trip Advisor (2018). Hotels of this ranking were chosen simply to impose a workable limit on the study, but equally a different category of hotel would have been no more or less valid. Hotel managers were interviewed on site with a broad geographic spread across the country, encompassing all regions. These interviews provided the industry perspective. Policy and industry bodies were also interviewed to obtain sectoral management on the issue. The interviews were not meant to be nationally representative; however the study would only have qualitative merit if cognisance were taken of the massive variation with respect to regional issues. Donegal, for example, located in the North West of Ireland and on the border with Northern Ireland, faced a very

different type of exposure to hotels located in Dublin, the capital city. Only when regional saturation was reached in a locale did the interviews terminate.

### Findings

The research uncovered three main findings, positioned here against the three central concepts of resilience, volatility and exposure. Firstly, the research uncovered that industry believes the responsibility for development of resilience in the tourism sector lies with the government and not with industry. As a result little innovation has emerged in relation to enhancing resilience. Second, industry management highlighted that it did not feel in control of the volatility of the sector and expects further periods of rapid change because of Brexit. As a result very little planning in relation to potential Brexit impacts had occurred. Third, the research illustrated that industry felt exposed to the British market. However, the strength of the market, representing 44% of international tourists, means that is easy to be reliant on British visitors.

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<b>Hotel or Policy Maker</b>	<b>Region</b>	<b>Role or Affiliation</b>
Hotel	Midlands	Hotel General Manager x 5
Hotel	Dublin	Hotel General Manager x 2
Industry Federation	National	Vintners Federation of Ireland
Industry Federation	National	Restaurants Association of Ireland
Policy Maker	National	Fáilte Ireland
Hotel	South	Hotel General Manager x 6
Industry Federation	National	ITIC (Irish Tourism Industry Confederation)
Hotel	Border	Hotel General Manager x 5
Hotel	West	Hotel General Manager x 6
Policy Maker	International	Tourism Ireland

Table 4: List of Interviewees, Regional Variation and Role in Organisation

The analysis from the qualitative study results reveal that although there is, overall, a consensus of feeling regarding Brexit, it is still fragmented concerning solutions and plans of action. The main aim of the study was to gauge whether or not managers in the industry are planning for a shock. As prominent actors in hospitality and tourism, general managers of hotels, due in part to their connectivity and also because of their 'ground-level' exposure to what is evolving can realistically have greater influence on industry changes than many others within the sector. This blend of sectoral knowledge and grass-roots acumen gives some weight to their perceptions.

### *Theme 1: Resilience*

A recurring feature of the interviewees was the importance of resilience in a destination and how best to realise its potential fully. The interviews suggested that hotel managers loaded the responsibility of developing industry resilience on the government. One respondent felt that Government focus on the potential impacts of Brexit in Ireland were primarily focussed on food and agriculture, with tourism comparatively neglected (IB/ PM 4). Another respondent ruminated on this position.

‘The Government doesn’t seem to think that tourism will be threatened to the same extent. And they certainly don’t have the ambition to ring-fence tourism for Brexit. But, in tourism they are saying, ‘Look. You are resilient in tourism. We have seen you go through Foot and Mouth, and your markets collapsed. But you survived. It’s because it’s resilient. And it’s not a problem. It’s the squeaky wheel that gets most oil’ (IB/ PM 21)

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1. Have UK tourist numbers varied since the Brexit treaty was passed?
2. What positives/negatives are you anticipating?
3. What is your knowledge of how Brexit may affect the hospitality industry?
4. Where do you feel the greatest impact will be?
5. Are there any questions about Brexit you still feel unsure about?
6. Have you attended any other Brexit related conferences in order to get a fuller picture of the issue from experts? If not why?
7. Are there still opportunities/barriers to consider?
8. How do you plan to make the most of these new opportunities?
9. What other concerns do you have?
10. What are you doing to prepare for Brexit?

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Table 5: List of Main Questions to Participants

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Resilience of the industry seemed to be somewhat taken for granted due to past recoveries and the fact that Ireland is at the time of writing (2019) in an economically strong position. Phrases such as being ‘financially fit’ (GM 18), ‘believe it or not we’re a big industry’ (GM1) ‘everybody is reinvesting’ (GM20) reinforced this mantra. Does this mean that stakeholders merely carry on in the same vein and hope for repeated results or plan more rigorously for the future? In an ever changing and ever more competitive environment, prominent actors within the sector should embrace whatever tools are at their disposal in order to develop greater resilience and robustness.

Relying on serendipity and government support as a buttress in times of hardship can only last for so long.

*Theme 2: Volatility*

The volatility of the sector in relation to Brexit and the lack of preparation were issues that arose among several interviewees. General managers routinely used phrases such as ‘Business as normal’ (GM1), ‘same kind of routine’ (GM22), ‘sitting at the sideline watching and trying to stay in tune’ (GM1) ‘we’re mindful of it and we’re watchful of it’ (GM5), ‘the reality is that it’s out of our hands’ (GM8), ‘we’ll probably deal with them [impacts] when they arrive’ (GM13), were symptomatic of the overall sentiment. The lack of endeavour and scenario planning demonstrated could be attributed to this ambivalent outlook.

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Month	2017				2018			
	Average Cost	April	June	Dec	Average Cost	April	June	Dec
Exchange Rate	€	0.85	0.88	0.88	€	0.87	0.88	0.90
Accommodation	337	286	295	297	366	319	321	328
2 Course Meal	23	19	20	20	23	20	20	21
Bottle of House Wine	24	20	21	21	24	21	21	22

Table 3: Impact of sterling exchange rate on prices, accommodation = weekend in 3\*Hotel for 2 adults (2nights including breakfast), 2 course meal (dinner) –set menu/early bird (€€/€€€ on TripAdvisor), Bottle of wine - house or cheapest. Fáilte Ireland, (2019)

Despite this, it appears that some participants comprehend the perils lying in wait but either could not, or would not, act on their fears.

‘The uncertainty. The ‘not knowing what’s coming’. If you have the rules or if you have the problems, you can start solving them. But when you don’t have the full extent of the problems or the details of them. It could be this. It could be this way or that way. If they come to a decision, you can start hedging your bets or at least start thinking about it but until you know what the extent of it is, you can’t adapt’ (GM 11).

This assumed fear of what may or may not happen in the near future exacerbates the feeling of uncertainty even further. However, despite the admission of indolence any sign of renewed vitality appears to be lacking. This tenet is continued in the following remarks.

'Tourism has a long record of being affected by external factors, whether it be volcanic ash clouds in Iceland or economic crashes in stock markets. All that we can do is look after the things that we're in control of and put in tourism policies that avoid the peaks and troughs of the past. Then have a sustainable growth going into the future' (PM 14).

Volatility suggests unpredictability and the fact that arbitrary factors affect tourism validate the concept that it plays a huge part in the sector. The suggestion here is that if there is a collective understanding that the industry will encounter instability on a consistent basis, actors within the field will be better prepared for the impacts.

There is an assumption from actors within the industry that tourism planning can range from being a difficult to almost impossible task. Future events seldom happen in a linear predictable fashion (especially in the tourism sector) so the overall consensus within the sector appears to be about adjusting to the situation when it happens rather than having a set of strategic goals that can be adapted when and if a scenario takes place. The paper focusses on anticipated economic shocks and while these events may not appear to be as prevalent as unanticipated shocks there is the suggestion they are occurring with more frequency beyond the 21<sup>st</sup> century (Barrett et al., 2015). Brexit is an example of how businesses can ready themselves sufficiently with adequate prior knowledge of an anticipated shock. Nevertheless, despite there being a degree of uncertainty regarding all possible scenarios and the unpredictability involved the evidence suggests the hospitality sector is more prone to sit on its hands and wait for possible repercussions rather than use pre-emptive strategies at its disposal.

### *Theme 3: Exposure*

Ireland's international tourism market is highly exposed to Britain. As a result, the expectation prior to the interviews was that the industry management would be seeking to reduce exposure, through innovation or developments of new markets. However, the data did not illustrate this point, with the opposite being evident; a general lack of preparation. The uncertainties of Brexit caused this lack of preparation— i.e. the actors did not know what it was they should be preparing for, if indeed they needed to prepare for anything.

It was evident from interviewees that the fear itself of Brexit has caused a paralysis in planning; i.e. management would not invest in innovation or in exposure reduction as they could not foresee or predict what the actual threats were. If, as one respondent advocated that it was, 'the fear of Brexit

itself rather than just Brexit that is causing the trouble' (GM 21) then the implication is that preventive measures are not being undertaken due to the simple fact that industry insiders will not risk long-term planning on future unknowns. The exposure to perceived unnecessary threats is lessened in their eyes.

'The concern is uncertainty. The uncertainty is the death of anything because that's when people knuckle down. They don't spend. They don't travel. And that can be more dangerous than a decision in a lot of ways if that kind of uncertainty continues' (PM 19).

If exposure is a real concern to the tourism industry then the issues of lessening its impact through greater planning is something that one participant addressed.

'I think there needs to be more of a Brexit focus by the tourism sector as a whole and definitely the managers of individual tourism firms need to be attuned to the risks and challenges that Brexit throws up but, to a certain extent, managers of hotels, they are very, very busy with the day job. Their operation can be very caught up in what goes on and sometimes it can be on a political or departmental or an agency level that you need to show the leadership in terms of Brexit policy and action plans' (GM 14).

This quote illustrates that industry management needs to be aware of the levels of exposure to Brexit. If stakeholders within the industry are cognisant of this fact then it implies that they should attempt to understand what they are and what measures need to be put in place to limit this.

As a concept borrowed from climate science, exposure is important in understanding how affected a region may be to external and internal factors. Knowing the extent of how exposed Ireland is, for example, should enable prominent stakeholders from the sector to judge what measures need to be generated for greater robustness within the industry. Many of the interviewees were aware of this potential exposure to prospective economic risk. However, either because of a lack of clarity from policy makers and government or due to the fear of an uncertain future little proactive measures were discussed. Planning for an anticipated economic shock was viewed by participants as something that could benefit the industry but only through improved collaboration with government officials, policy makers and the larger community.

## Discussion

The aim of the study was to understand how the hospitality industry is preparing for an unprecedented event such as Brexit through the course of semi-structured interviews with industry representatives. These consisted of predominantly four-star general managers as well as several high-level policy makers from within Ireland. Using the climate science concepts of resilience, volatility and exposure the study focussed on practical solutions to economic shocks that might affect the tourism sector in the future. Although substantial contemporary literature is centred on crisis management (Ritchie, 2004; Anderson, 2006; Paraskevas et al., 2013) much of the conclusions appear to revolve around unexpected calamities rather than events which were foreseeable and, potentially, although perhaps not in the case of Brexit, preventable.

Ireland's exposure to the British market is pronounced. Since the Brexit referendum, the rate of sterling has depreciated by 15% in value. This weakness in currency subsequently increases the cost of a trip to Ireland (see *Table 3*). The numbers demonstrate that based on the exchange rates alone the cost of accommodation for a British tourist has risen by 6% and with inflation factored in the increase from April 2017 to December 2018 is calculated at 15%. More broadly, some fifteen percent of Irish goods and services exports are bound for the United Kingdom. Forty percent of the agri-food sector is destined for the U.K. whilst two thirds of Irish exporters use the U.K. as a landbridge to access continental markets (Dept of Business, Innovation and Enterprise, 2018). This is on top of the challenges Irish aviation could face with respect to the open skies policy currently under review (Irish Tourism Industry Confederation (ITIC), 2018). As an island nation, any potential air restrictions could be devastating to both business and leisure visitors as well as to services within the country. The importance of how businesses prepare for this anticipated economic shock therefore cannot be underestimated.

The sentiment from prominent stakeholders within tourism appear to suggest that little tangible preparation can be done in the industry until unambiguous decisions are made regarding a myriad of economic topics after Britain leaves the EU. This anticipated shock may have several outcomes that could feasibly affect Irish tourism however, a paralysis by anxiety appears to exist in the context of Brexit. The 'fear of the fear of Brexit itself' was remarked upon as a valid reason why planning and preparation were not well under way. Concrete steps, such as attendance at planning seminars, development of new markets or participation in crisis management training was not evident from the interviews with hotel management. The participants within the study were knowledgeable about challenges that may affect the industry as well as the potential to safeguard it. However, the lack of

prior planning for this economic shock was stark. Responsibility for the sector was loaded from the industry to the government. This was point was emphasised by one GM (31) who stated 'Government will only intervene when there has been collapse in the marketplace. And you have to prove that. And in tourism the only way to prove the collapse in the marketplace is to lose the tourist. And it's too late by that time'.

The ramifications of what may or may not happen in the fallout from Brexit are, at the time of writing, still up in the air. Given that Ireland is an open economy, exposed greatly to one market, is an island state and is popular with tourists, there are few parallels, which are useful for exploring in the context of Brexit (Bergin *et al*, 2016). One example however is the volcanic ash cloud incident in Eyjafjallajökull, Iceland from 2010. The consequences of this event was huge disruption to air travel across Europe for six days (Mazzocchi *et al.*, 2010). Iceland is a destination heavily reliant on airlines to transport visitors onto the island making the temporary isolation and exposure felt at this time unique in modern times. As an island country not easily accessible with a reliance on tourism as well as having strong links to the rest of Europe there are similarities with Ireland. It begs the question of how Ireland would have coped in similar circumstances. Does Ireland have preparedness plans that would enable it to manage a shock such as this? The consensus from the participants in the study suggest not. Either because of ambivalence on the part of individuals or due to muddled strategies from policy makers little proactivity can be seen.

The paper sets out to investigate what role tourism stakeholders in Ireland have in planning for an anticipated shock. In much the same way that airlines are susceptible when economies of scale conspire against them businesses within the tourism sector must also guard against complacency. If they had the means to affect positive action by having pre-preparedness policies then they would surely be in a better position. Decision makers and the Government have a huge part to play in this. The role of the state is essential in order to coordinate strategies that develop greater robustness for a crisis or impending disaster (Beria *et al.*, 2011).

## **Outlook**

The findings suggest the lack of long-term preparedness for future unknowns has left the Irish industry exposed, potentially volatile and less resilient than it could be. Whether this can be attributed to the present vitality of the industry or because there is an ingrained institutionalisation that habitually overlooks warning signs, is difficult to ascertain at this point. The research uncovered two key discoveries that have wider implications for planning in the hospitality industry.

1. Finding one illustrated a lack of awareness among management concerning the volatility and exposure of the industry at a time of looming threat, in this case the uncertainty caused by the politics of Brexit. The climate science concept also proved useful in determining sentiment towards Brexit and industry preparations. Many aspects derived from the framework of resilience, volatility and exposure were apparent within the tourism industry.
2. Finding two is that senior management in the hospitality industry need to guard against complacency in order to develop resilience. The buoyancy of the industry and little foreseeable threat to the sector has caused the actors within the field to develop passive tendencies, a myopic viewpoint and a head-in-the-sand mind-set.

By looking at the vulnerability a resort can experience and placing it in the context of a future unknown, greater clarity of the actions that are necessary in a disaster become apparent. Whether it is Brexit, airline disruption or another economic incident such as a terrorist act is irrespective. If any action is taken retrospectively as a defensive mechanism this merely highlights the lack of preparedness and complacent tendencies evident within the tourism industry at present. The interconnected aspect of tourism means that its vulnerability may therefore increase. A tourist destination in this instance relies on both exogenous and endogenous factors such as accommodation, transport, hotels and airlines in addition to currency fluctuations, political vagaries as well as the weather that can all drastically affect both it and local communities (Tostovrsnik, 2015).

Anticipated economic shocks like Brexit happen very rarely and Ireland is considered more exposed than any other country (Bergin et al., 2016). The fact that stakeholders at the heart of the industry are aware of its potential vulnerability to exogenous shocks but are either unwilling or unable to react poses fresh concerns. The research is primarily focussing on fresh capabilities within the tourism sector that can ultimately strengthen the execution of bold, new approaches.

Whether the study has shown that there is uniformity or fragmentation within the hospitality industry is debatable. On the one hand, there appears to be a consistency of opinion regarding shortfalls in what policy makers can contribute towards the sector's vigour, whilst on the other a swathe of lethargy regarding dynamism and innovative capabilities appears to permeate the fabric of the industry. Tourism planning for anticipated shocks is vital, due in part to the ever more competitive and global nature of tourism. Many governments rely on this industry as an economic

driver (Ritchie, 2008) so any vulnerability in the tourism product is undesirable. The research is a snapshot in time with the core element being Brexit and, as such, many deviations in the economic landscape might have altered during the lengthy process. What is essential is that the main actors at the core of the industry can utilise their experience in hospitality, their knowledge of 'what does and does not work' and attempt to harness the strengths from within the sector so that it develops greater robustness.

### **Implications/Consequences**

Anticipated shocks are becoming more frequent in contemporary times so it is the responsibility of actors within a particular sector to act as agents of change. Strategic plans are commonplace in the business environment and there are now more tools than ever at their disposal to deal with new realities in the modern world. Tourism is a huge contributor to the Irish State so any measures that safeguard this industry and make it more robust to shocks or otherwise can only benefit the country as a whole. As a safety net for potential future economic threats, be they political, environmental or technological, a framework is essential in order for sustainability, growth and long-term resilience. The evidence from this study suggests, however, that due to the industry flourishing in terms of numbers and spend from visitors there is a pervading ambivalence. The sentiment from the main actors in the sector is of inertia and lethargy rather than dynamism and vigour. Recent history should make all too apparent that no industry is impervious to modern-day shocks and disasters.

### **Limitations of the Study**

The paper aims to contribute towards good practice in terms of preparedness for anticipated economic shocks. To the best of our knowledge there has been scant research done on anticipated shocks and none that we are aware of within the Irish context. The study was not an attempt to be representative nationally; however, it did seek to include a suitably comprehensive sample to illustrate the richness of the industry. Whilst every attempt was made to incorporate important actors in the data (in this instance management), there were omissions simply due to the scale and size of the research involved. Areas such as transportation, attractions, restaurants, conferences as well as other accommodation types such as bed and breakfasts (B&Bs), hostels, guesthouses and pubs are all relevant sectors within the industry and could be examined in future.

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