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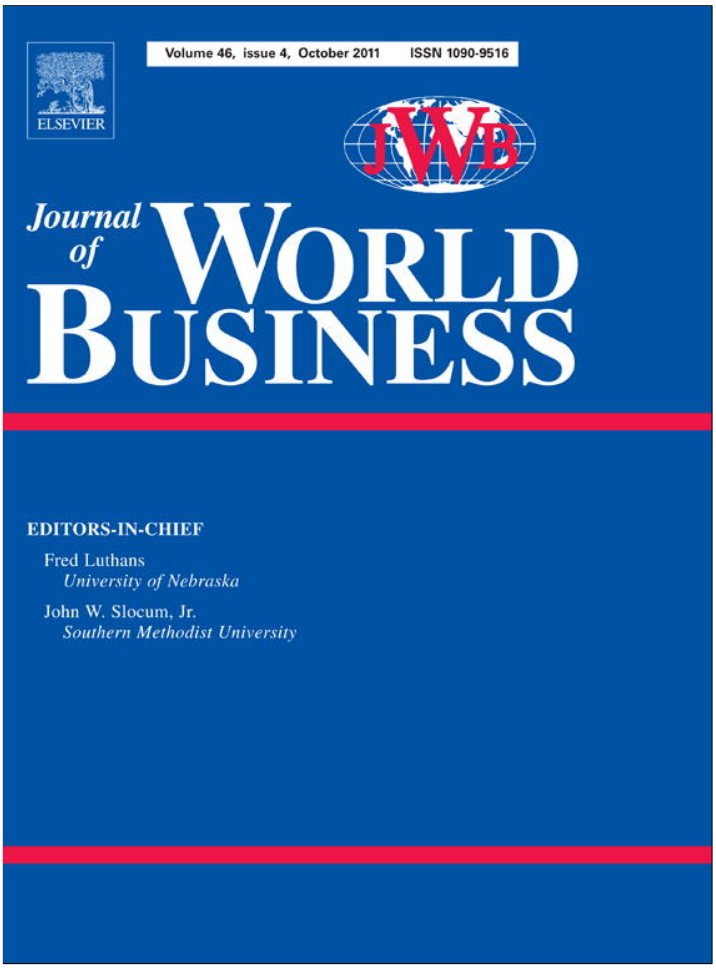

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Journal of World Business 46 (2011) 476–486

Contents lists available at ScienceDirect

Journal of World Business

journal homepage: www.elsevier.com/locate/jwb

Lebanon: From cataclysm to opportunity—Crisis management lessons for MNCs in the tourism sector of the Middle East

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ARTICLE INFO

Article history:
Available online 2 November 2010

Keywords:
Crisis management
Middle East
MNC
Tourism
Terrorism

ABSTRACT

Lebanon is a complex country of extraordinary promise; often thrust into crisis, including recent military assaults, terrorist attacks and bombings. The authors share findings from a longitudinal field-study of the evolving political and business climate of Lebanon, emphasizing a particular MNC that is thriving amidst social, ideological and political conflicts. A synthesis of primary and secondary data revealed the InterContinental Phoenicia hotel as a model institution in the face of extreme crisis. Key managerial insights that can be helpful to investors, MNCs and managers in the Middle East and other places subjected to similarly extreme conditions are shared.

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The word "Lebanon" conjures myriad images, pending one's experiences and knowledge of the country and the Middle East. Optimists envisage beautiful seaside resorts; the promise of multiculturalism, tolerance and cooperation; and a rich tradition of banking, tourism, and other successful enterprises that indicate a potential regional leader for peace and prosperity. Others see ethnic and religious strife, sometimes spiralling into war; they see a fractured country and society from which people and investors flee and in which businesses and people struggle to survive; they see a high-risk political and business environment rife with crises that would challenge even the most adroit manager.[1] The purpose of this paper is to share findings from an extant, longitudinal field-study of the political and business environment of Lebanon. In so doing we hope to provide some specific insights on crisis and business continuity management in the Middle East, emanating from field work by our research team, in-country.

The paper is organized as follows. After a literature review on crisis management, we introduce some methods used to collect data that enabled us to share the observations here; we briefly describe the dynamism of the tourism and hotel business in Lebanon before the assassination. We then analyse in some detail the events and dynamics of the 2005 crisis, and we provide specific insights gleaned from secondary data and primary data collected from the management team of a particular hotel, the InterContinental Phoenicia Beirut. This hotel in many respects was in the cross-hairs of the political tensions in the country, suffering massive damages and dramatic financial losses after Prime Minister Rafik Hariri was killed during a car-bombing on February 14, 2005. The paper includes a discussion of the case – an in depth study of a complex phenomenon aiming to find learning points – and concludes with some managerial lessons, thus providing a perspective into crisis management in the Middle East. We conclude with a brief discussion of limitations and plausible directions for further research.

1. Literature review: crisis management

1.1. On the nature of crisis

The word crisis comes from the ancient Greek word "krisis", meaning judgment, choice or decision (Paraskevas, 2006). Contemporary definitions vary; the use of the term depends on the context in which it is being used (Preble, 1997). Darling (1994) suggests that crisis is usually defined as a decisive moment, crucial time, or a situation that has reached a critical phase. Organisational theorists tend to define crisis as "a low-probability, high-impact event that threatens the viability of the organisation and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly" (Pearson & Clair, 1998, p. 60). Consistent with this logic, Elliott, Harris, & Baron (2005) associate critical situations with a number of features, such as involvement of a wide range of

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[1] Lebanon, at the time of this writing, remains a potentially risky investment destination, replete with challenges for managers. As just one example, ONDD, the Belgian Export Credit Agency, continues to rate Lebanon as having high political risk (ONDD, 2009).

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doi:10.1016/j.jwb.2010.10.008

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stakeholders (Stephens, Callish Malone, & Bailey, 2005), difficulty foreseeing and improvising (Roux-Dufort & Vidaillet, 2003), threat to organisation's strategic goals (Hiles & Barnes, 2001; Coombs, 2007), and time pressures requiring an urgent response (Andersen, 2008).

1.2. Changing conceptions of crises and their management

As a field of study, crisis management was developed on the foundations of earlier research on natural disasters such as earthquakes, fires, floods and hurricanes (e.g., Elliott & Smith, 2004; see also Faulkner, 2001; Fink, 1986; Pauchant & Mitroff, 1992; Ritchie, 2004; Roberts, 1994). Characteristic in that approach was a preconception that disaster-prevention was impossible since the aforementioned events were often considered to be literally acts of God (Elliott et al., 2005).

However, many "accidents," corporate scandals, and acts of terrorism that occurred more recently in North America, Europe, Africa or Asia, were driven from industrial or socio-political processes, and the decisions made by leaders and managers controlling them. These new sources of crises necessitate better cooperation between multiple actors if organisations are to manage them more effectively (Stephens et al., 2005). Boin and Smith (2006) claim that management of this new threat is a complex task involving prevention of attacks, effective communication of information across organisational boundaries, which therefore implies 'ownership' of crisis decision-making.

In the last decade, a number of events – SARS (Tew, Lu, Tolomiczenko & Gellatly, 2008), a tsunami (Henderson, 2005; Cheung & Law, 2006); food pathogens (Miller & Ritchie, 2003); and of course "9/11" (Blake & Sinclair, 2003; Knable, 2002; O'Neill & Lloyd-Jones, 2002) and global terrorism more broadly (Henderson, 2008) – have made clear that crises are becoming more complex; they increasingly transcend boundaries, and affect many institutions. There is a need for a new approach towards more efficient, imaginative, holistic, organic, and flexible solutions (e.g., Ritchie, 2004; Yeoman & McMahon-Beattie, 2005). Barton (2001), for example, emphasises that corporate crisis management remains an evolving area in many MNCs, incorporating a hybrid of disciplines: risk management and insurance, information technology recovery, violence and threat assessment, environmental controls, and disaster preparedness. Robert and Lajtha (2002) stress the importance of structured and continuous learning, which are key to dealing with the sudden and the unexpected. Lagadec (2004, p. 160) concludes that a "biological" approach – which requires management to read, seize, and handle emerging crises – could be more appropriate than a mechanical or an architectural manner." Whereas Ritchie (2004, p. 669), synthesising much of the literature, similarly argues for a "strategic and holistic approach."

Crisis, in sum, can be highly destabilising, with a strong possibility for profoundly undesirable outcome(s). But if ideological and political conflicts are usually very complex to manage, they are posing even more difficulties and specific challenges to executives and MNCs involved in tourism and the hotel business, as we discuss below.

1.3. On the fragility of tourism industries facing geopolitical crises

Recent events in Beirut, Mumbai and Bangkok remind us that tourism and related hospitality services are increasingly subject to geopolitical risk. Many factors contribute to complexity and peculiarities for business continuity and crisis management in these sectors, for a number of reasons:

- The immediate, contextual, routine-specific and personal nature of service (Lovelock & Wirtz, 2007) and the stakeholder considerations required for crisis management by service providers (Stephens et al., 2005).
- Intangible assets substantially constitute their distinctive competencies embedded in image, prestige and recognition (Kay, 1993; Roux-Dufort & Metais, 1999). Country and/or MNC reputation may be damaged by a dramatic event such as assassination, natural catastrophe, or pandemic (Coombs, 2007). Ashcroft (1997) or Fearn-Banks (2002) suggest that effective management of information at the times of crisis is crucial, especially when damage to established goodwill can result in severe harm to operations.
- Legitimacy is often enhanced by recommendation or testimony. Negative word-of-mouth communications about an unfortunate experience may permanently sully the MNC. It is one of the reasons why the notions of 'moment of truth' or 'service recovery' (management of critical incidents) are parts of the common language in the hotel industry, food services or air transportation (Kotler, Makens, & Bowen, 2005).
- Hospitality services are activities with strong capital intensity, with disproportionately large fixed costs; barriers to entry are very high and profitability is highly correlated to occupancy rate (Lovelock & Wirtz, 2007). Crises can quickly plunge a MNC into debts and disarray, putting a permanent burden on its operations and preventing shareholders from supporting heavy and unprofitable investments.

1.4. Limitations of prior investigations on crisis management in the Middle East

While one can see a more holistic trend in management responses to crisis, most of the crisis management literature has first addressed corporate scandal, product-sabotage and the like (e.g., Harvard Business School, 1999). Some articles have covered and analysed studies on assaults or terrorist acts (e.g., Ash & Smallman, 2008; Boin & Smith, 2006; Henderson, 2008) and recovery from them (Seeger, Ulmer, Novak, & Sellnow, 2005; Taylor, 2006); some studies moreover pertain directly to the tourism industry (e.g., Glaesser, 2006; Ritchie, 2004; Scott, Laws, & Prideaux, 2007), in some instances the effects of prolonged military engagement on tourism (Mansfeld & Pizam, 2005; Shultz & Rahtz, 2006). Some studies also focus on broader market risk-assessment, which can hint at the existence of crisis laden environments and challenges in them, which in turn can help managers to anticipate and to prepare for plausible crises (e.g., Manfredo & Shultz, 2007; Oetzel, Bettis, & Zenner, 2000).

No studies in our literature search however revealed an explicit focus on the Middle East and crises fomented by war or terrorist acts in countries, such as Lebanon, Iraq and Iran; none furthermore appears to provide MNCs crisis management insights based on extensive, longitudinal study using site observations and depth interviews of key players caught in the middle of Lebanon's recent war(s) and political tensions. Our study is intended to fill this gap in the literature. In so doing we hope to share unique insights on crisis and business continuity management and introduce readers to the way MNCs – e.g., the InterContinental Hotels Group – can constructively engage the Middle East, despite social, ideological and political conflicts.

2. Methods

2.1. Research methods relevant to crisis management

The research is a case study of the Phoenicia hotel in Beirut, a member of the MNC, InterContinental Hotels Group. Case studies using interpretive methods in the field are uniquely conducive to keen and meaningful insights on complex, systemic, volatile conditions; they require methods that involve continuous and

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prolonged engagement by members of a multi-skilled, multicultural research team (e.g., Chase, 2005; Lincoln & Guba, 1985), with particular focus on intensive microcycle site-immersion (Shultz, Pecotich & Le, 1994; see also Holtzman, 1986). These approaches enable identification of behaviours, best/worst practices, trends, and managerial insights – which may not be discernible using other methods – and which tend to be consistent over time, in the context of the crisis observed: hotel management in a country with extraordinary tourism assets, but sometimes fractured by war and socio-political tensions. The specific, multiple techniques for site-engagement and primary data collection indicated by the literature include direct observation (Miles & Huberman, 1994), in-depth interviews (Fontana & Frey, 2005; McCracken, 1988) and triangulation across sources and methods (Wallendorf & Belk, 1989).[2]

2.2. Research design

A primary objective was to study the development and the effects of the incidents at the InterContinental Phoenicia hotel and thus to identify some optimal crisis and business continuity management practices available for a MNC facing consequences of events on the military or terrorist background. This condition was a basis of our design; to facilitate phenomenological research, including collection and analysis of secondary as well as primary data through interpretive techniques.

In reference to the phenomenological character of the study, the answers to questions raised were found through the process of a 'multi-strategy research' (Bryman, 2004). These methods enabled us to conduct a meaningful case study in Lebanon, with emphasis on one of the country's integral industries: tourism. Consequently, our data were drawn from internal documents on the Phoenicia hotel/InterContinental Hotels Group, corporate website analysis, articles in the popular press and academic journals, in-depth interviews and site observations directly made in Lebanon - the locale of the hotel. The benefit of such interpretive methods has been well documented and justified in similar contexts (e.g., Crockett & Wallendorf, 1998; Hui & Triandis, 1989; Lee, 1995; Sekaran, 1983; Shultz, Burkink, Grbac, & Renko, 2005). Fig. 1 illustrates the approach toward research design.

This research design enabled us to provide a comprehensive assessment of the investigated problem. The case method coupled with interpretive research is appropriate for studying current phenomena in real contexts, where the borders between the object and the environment are not clearly defined and where multiple sources of evidence are available (Jallat & Wood, 2005; see also Bonoma, 1985; Stake, 2005; Yin, 2003).

Aside secondary data, our primary data collection examined the identified key issues in detail. The interviews required the inclusion of specific people with unique attributes, e.g., local residents, tourism experts and hotel managers whose ethnic composition both matched and contrasted that of the informants. This empathic and comparative approach is claimed to be particularly important when ethnic and/or political tensions are pronounced. Interviews were conducted with businesses people (especially throughout the tourism value chain), scholars, policy makers, as well as tourists (see also Shultz et al., 2005). Simultaneously, both of the stages were accompanied by the observation of the site, which next served for further analysis and developing conclusions on the examined topic.

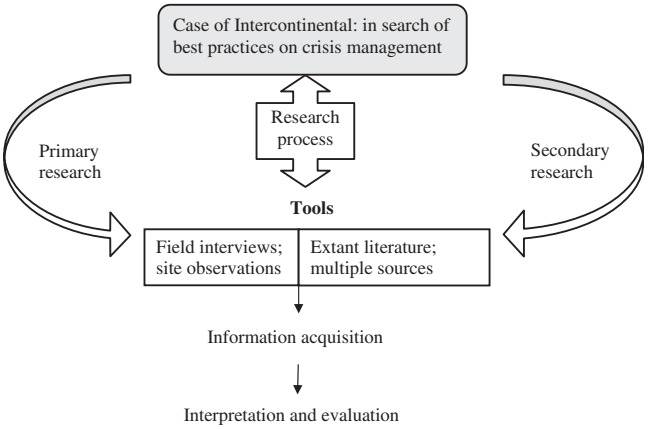

Fig. 1. The research design.

3. The Dynamism of the Lebanese Tourism Industry before the Bombing

The Republic of Lebanon is a "small" country in the Middle East, with a surface area of 10,452 km^2, and approximately 4.1 million people.[3] It shares a land border with Syria to the North and the East and a shorter border with Israel to the South. The tourism industry in Lebanon historically has been very important to the national economy and remains to this day a major source of revenue for the country. Until the Lebanese Civil War (1975–1990), Lebanon had a dynamic tourism industry and attracted a large number of visitors. Beirut, its capital, was often referred to as the "Paris of the Middle East". It was already a financial and business hub where tourists could enjoy the beauty of the Mediterranean Sea. Lebanon's diverse landscapes and ancient history make it an important destination that offers many attractions, from ancient Roman ruins to well-preserved castles, beautiful beaches, skiing in the mountains among the cedars, churches and mosques, limestone caves, a thriving nightlife, and Lebanese cuisine. Beirut is well-known for its nightlife and discotheques, world-class restaurants and the famous Raouche Rock; while Tripoli, the second largest city, attracts many visitors with its 5000 years-old castle, one of the world's oldest seaports and its infamous souk. Other places of interest, including the Cedars of God in the Kadisha Valley, are UNESCO World Heritage Sites.

Immediately following the end of the civil war, the subsequent period of relative calm enabled the government to rebuild national infrastructure and the country saw large numbers of tourists into its resorts. With tourists numbers climbing by some 30% annually, Lebanon broke the one million visitors mark in 2003 for the first time in decades; the boom being fuelled largely by wealthy oil-rich Gulf nationals who began choosing Beirut over their favourite European or American vacation spots. According to Pascal Gauvin, General Director of the InterContinental Phoenicia hotel:

> The year 2005 started with an incredible turnover, an occupancy rate never reached before and our average revenue per available room increased by $60 before February 14. January 2005 was a period of euphoria in the whole country—even in comparison with the previous year that was the best of all since the 70s. The country was attracting an ever-increasing

[2] Data have been collected by members of the research team in Lebanon since 2003, during periods of peace and stability, and during various wars, uprisings and other forms of hostile activity varying on scale and scope. As this is an active research stream, the authors continue to collect data during the current period of restoration and recovery, though the focus of this study is based on data collection during the 2005 crisis. In sum, the research team has been immersed in the tourism system before, during and after military and political conflicts in Lebanon.

[3] Statistics (2004-2006) reveal a population between 4.1-4.4 million people, with population growth of 1.8% and life-expectancy of 71 years; GNI per capita for 2006 was US$5,580 and GDP US$22.7 billion. Economic indicators are generally improving, if on a suboptimal trajectory, from 2004 (e.g., World Bank, 2007).

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number of very rich tourists from the Middle East and the Lebanese Diaspora; our whole team of 1200 people was fully occupied before the assassination happened.

4. Hariri's death and damages to the hotel business

4.1. Assassination and crisis

The aforementioned euphoria quickly dissipated after Prime Minister Rafik Hariri was assassinated on February 14, 2005, when a car bomb exploded as his vehicle drove past the Saint George hotel, in Beirut. The blast also severely damaged the main offices of the HSBC bank, InterContinental Phoenicia hotel, The Monroe and Saint George hotel—over a 500-m radius. The Hariri assassination marked the beginning of a series of assassination attempts that led to the loss of many prominent Lebanese figures, and thrust the country into crisis.

4.2. Damages to tourism and the hotel business

The tourism sector in Lebanon was severely shaken by the incident—as were other sectors of the economy. The incident had important short and long term consequences for the Lebanese tourism industry and for the InterContinental Phoenicia in particular. Seemingly all tourism institutions were affected. Perhaps the restaurant sector was most hurt, with losses estimated to be tens of millions of U.S. dollars, according to the President of the Restaurant Owners Syndicate, Paul Ariss; as Gauvin summarizes:

> The economic growth of Lebanon almost stopped from one day to another. Not only because there was a sense of political instability and lack of security for potential tourists but also because Rafik Hariri was, in a way, the 'engine' of the country and its 'flagship'. He was both a visionary statesman and a man of confidence for many wealthy regional investors. He also was the personification of Lebanese entrepreneurship and was able to attract a lot of money inside the country—thanks to his numerous and privileged connections in the Middle East. No one was then able, at a national level, to keep his heritage alive.

In February, after the crisis, the number of tourists dropped to 50,000, decreasing 18.5% from that of February 2004. The hotel occupancy rate ranged between 27 and 32% declining 50% from the previous year. The size of the losses in the hotel sector was also increased by the partial damages of the hotels situated near the blast. The physical damage in the area was substantial and according to Pierre Achkar, head of the Hotel Owners Association and Monroe operator, the total estimated cost to cover the reconstruction of the devastated area would be 60 million U.S. dollars. Eleven luxury hotels were affected (some 1200 hotel rooms), which was equivalent to one third of Lebanon's total capacity. Most of them had to be closed for repairs.

The consequences of the blast had reverberations wider than the perimeter of the wrecked seafront area. The Palm Beach Hotel lost 1.5 million U.S. dollars in damage, the Vendôme around 2 million. The prospect of losing weeks of normal activity was less clear, but was estimated to be approximately 9–10 millions of U.S. dollars for the Phoenicia, 300,000 U.S. dollars a month for the Palm Beach hotel, and a total of 4 million U.S. dollars for the Vendôme hotel. Clients left and others cancelled their hotel reservations. Opportunistic crime increased and a large number of robberies occurred as the hotels were no longer secure. Sectarian tensions and the lack of national unity further alienated a large number of tourists. Many hotels did not have adequate insurance policies, which were prohibitively expensive for most of them. Some of the staff members of many hotels of the destroyed area were sent on temporary leave and often put on an annual leave; others chose to reduce their employees' wages temporarily in order to cope with the crisis. Indecision and situational discord all greatly hampered recovery of the Lebanese tourism industry, particularly the hotel business. Local tourism agents and tour operators were still agonizing weeks after the situation was back to normal.

5. A closer look at InterContinental Phoenicia Hotel

The InterContinental Phoenicia Beirut suffered no fatalities or robberies, though 18 clients were wounded. It apparently was the only hotel in the region that benefited from a premium insurance policy protecting its business against acts of political violence or terrorism. The Phoenicia thus did not have to bear all the costs.

The Phoenicia laid-off no staff. It chose instead to reassign some members of its staff – 150 employees – to other hotels in Dubai, New Delhi, Akaba, or Charm-el-Sheikh during a period of two to three months, after which they were reappointed to the Phoenicia. Other employees were used to secure the building, supervise contractors for the repair works or were trained to risk and crisis management as well as TQM (Total Quality Management). However, it released approximately 260 seasonal, extra or casual task force staff. This was only a temporary move as these employees were a priority and were again gainfully employed as soon as business returned to normal.

Phoenicia hotel management ordered a monthly Ground-based Surveillance and Tracking System (GSTS) survey led by TNS in December 2005, to measure its performance in comparison to that of the other InterContinental hotels in the Middle-East, Africa and around the world. The overall satisfaction was measured, as well as more precise aspects such as the speed and efficiency of the check-in upon arrival, the maintenance, the cleanliness and the privacy of guest rooms, the ability of staff to anticipate customers' needs; employees' attentiveness, their promptness, attitude and knowledge; the hotel safety and security, the food quality and service, or the average number of problems encountered by guests.

The performance indicators for the Phoenicia Hotel were above average during the previous months. The overall satisfaction though dropped below the Middle-east and Africa averages, as well as under the collective average of InterContinental hotels, during a few months following the February 2005 attack. All the performance indicators dropped, but those most affected after the crisis were the speed and efficiency of check-in, quietness of rooms, cleanliness of common areas and the percentage of clients experiencing problems, even though the percentage of problems resolved to satisfaction remained slightly above average. However, the number of clients saying they would stay at another InterContinental hotel in the future based on their stay at the Phoenicia did not fall. To the contrary, they stayed rather high for the circumstances, even higher than the regional and total averages. These indicators suggest that the InterContinental brand was not really affected by the crisis. Reports also underlined a marked shift in trip purpose: while more than half the clients went to the Phoenicia for leisure before the bombing, leisure amounted to only one quarter of the guests from March to May 2005; business emerged as the primary purpose following the attack. The pattern of clients by frequency of stay remained similar to what it was before, even though we could note a slight increase in the percentage of regular visitors, while the number of those staying at the hotel for the first time decreased. Occupancy rates remained stable through 2005.

A number of responses were invoked by Beirut's hoteliers during the crisis. Examination of them – particularly their

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expediency and efficacy – suggests the planning and practices of the InterContinental Phoenicia Beirut could serve as a template for crisis management. A closer examination is found below.

5.1. Evacuation procedures and immediate management of the crisis

The InterContinental Hotels Group has set up a Crisis Response Plan, which has to be implemented by all of its hotel or offices. It addresses the strategic EMEA response to an incident or a crisis that arises in a variety of situations which threatens life safety or the profitability or reputation of the InterContinental Hotels Group, and cannot be handled by the normal management systems. Three types of crisis have been designated: threats to life or safety, such as fire, terrorist action, or hostage taking; asset threats, such as property seizure, government intervention, or damage resulting from a natural disaster for instance; threats to the brand's integrity and reputation, including events such as strikes or boycotts, incidents of employee wrong-doing (fraud or misconduct) or the contamination of services provided to guests.

The management response to a crisis varies as a function of designation. All crises, however, evoke responses with common features. People involved must keep as priorities the needs to protect the customers and the public, the employees, and the employers, the business and finally the cooperation with the authorities involved. The goals are to protect and safeguard human life, and then to minimize the impact on the InterContinental Hotels Group's brand reputation and profitability. Senior Management must be able to deal with the Crisis Response Team and respond rapidly and effectively to the crisis. This strategy seeks to provide an organisational framework that allows a co-ordinated response to be established, clear and logical objectives to be defined, decision making in an orderly way, sustainable decisions to be reached and implemented, as well as effective communication to those concerned. It does not provide solutions for any given crisis and hotels also have to consider their local Crisis Management Planning document. The Crisis Response Plan (CRP) seeks to minimise the time involved in responding to an incident or a crisis.

There are four different levels of incidents, which determine the actors involved in the management of the response to the crisis. Level 1, or "Bronze" level, corresponds to an emergency situation at the hotel level which could result in publicity, lawsuit, and injury to guest, employees or the public, or damage to reputation of hotel brand. In that case, the incident will be managed by the General Manager. The Hotel Crisis response Team must be assembled and must address the incident. The COO and Managing Director are informed, and Risk Management, Legal and Communication personnel are alerted. If the COO and the General Manager both consider that the crisis has developed past Level 1 and is now categorised as Level 2, 3 or 4, the Managing Director must appoint a Crisis Owner for the relevant Crisis Response Team (CRT) – who is likely to be the COO and the Silver CRT – to whom s/he will delegate day-to-day management of the crisis. Crisis Level 2, or "Silver" level, corresponds to a serious incident at the hotel likely to result in negative publicity, lawsuit, injuries and/or damage to reputation of hotel brand. For instance, an accident with a major injury caused to one person would be a Silver crisis. A Crisis Level 3, or "Gold", is an incident at the hotel level or elsewhere that is highly likely to result in negative publicity, lawsuit, injury or death, and/or damage to reputation of hotel brand. It includes major injury to more than one person, armed robbery with serious assault and hostage taken, or fire causing major injury, death or property damage. Hariri's murder therefore corresponded to a Gold incident. Finally, the highest and last level of crisis, Level 4, or "Gold Plus" level, would characterise an extremely serious incident at a hotel or elsewhere that is likely to cause significant damage to the reputation of IHG brand; it will be directed by the Managing Director as in Level Gold, but the Chief Executive Officer and a small support team will also be responsible for stakeholder communication. In the event that the crisis involves a member of the board, the CEO will have to take direct ownership of the situation.

The Crisis Response plan indicates a short, immediate action checklist: first find out the basic facts, then establish who owns the crisis according to its level, establish the right reporting lines to all those who need to know, ensure the appropriate involvement of public relations or communications colleagues, as well as insurance or claim colleagues; finally, update and review all five points on a regular basis.

The IHG indicates that any response to a crisis must take into account the company's core values, which are trust, integrity, respect, team spirit and service. It also lists the positive and negative behaviours in case of emergency. For instance, members of the Crisis Response team should act with a sense of urgency but should not panic. They should avoid the natural instinct to blame someone or something, rush to make decisions, lose control or temper. They should listen to all those who contribute within the team and try to understand their points of view, assess and discuss with an open mind any decisions that need to be taken, communicate clearly and with confidence and/or authority. They should finally try to avoid duplicating efforts by being aware of the roles and responsibilities of the management teams at all levels. A key factor for achievement of these goals is the composition of the Crisis Response Team; it has to consider personal and professional skills of every member of the team in order to make multi-disciplinary decisions, and to that end, training and rehearsal are critical.

An emergency team of approximately 20 employees from the hotel, formed by firemen, is in charge of the crisis response. However, all the staff are trained to deal with such situations. One hundred to 150 employees form a team dedicated to the crisis management. It is very important for this team to speak several local languages, as in such situations, they have to inform and reassure the clients as to avoid panicking, and most of them are from the Middle East and speak different local dialects.

Fundamental to effective crisis management is the documentation to help the hotel prepare for potential incidents or threats. In order to assess its terrorism threat level for instance, the hotel uses the "Terrorist Threat Risk Assessment", which is carried out regularly, approximately once a month. It also uses a document called "Major Incident Hotel Profile" which gives useful information about the hotel, in particular its geography and location of utilities and is intended principally as a guide for the Emergency Service. Other documents include checklists (of phone numbers, for instance), incident reports and crisis debrief form after the crisis has occurred.

In practice, how did the crisis management take place? The first step taken by the Crisis Response Team was to create an operational and communication centre located at the switchboard on the mezzanine; they relocated all of the operations from this place. The priority was to evacuate all the clients and employees from the hotel. Three minutes after the initial fire alert, fire alarms automatically sounded on the floor above and on the floor below the area where it had detected the fire, while the other floors were on stand-by. Within the three minutes prior to the alert, the hotel was being evacuated. Dark and thick smoke permeated the hotel, but the fire was located outside the building. The procedure in case of a fire or a bomb alert is to evacuate everyone in several different places. On February 14, the main evacuation point was the car park. Another possibility given by the evacuation plan was the basement, but the fumes were a problem so they had to evacuate outside the hotel. Fortunately, the weather was fare and the temperature fine. Gauvin was in charge of communications; of

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giving orders to secure fuel, electricity and water systems; as well as to directing the evacuation plan. The front office then printed out the clients-list of the hotel and the employees were assigned floors, to commence evacuation.

Guests in the rooms were asked to vacate; doors were closed and a cross chalk-mark was drawn on every empty room. At the time, approximately 70% of the rooms were occupied (300 rooms), with nearly 320 clients. The evacuation was completed in 14 min. Few people panicked. Clients instead showed a certain passivity and employees had to push them towards the exit. This might be attributed to the particular context of the crisis: perhaps people in Lebanon have grown accustomed to bomb alerts. Moreover, people searched for relatives, friends, and loved ones; even clients *outside* the hotel who heard the blast tried to enter the building in order to look for them. Guests were given oxygen masks, life blankets and water in the area where they were sequestered. The main problem at that point was the fact that, at this time of day, most clients were napping; they therefore were not fully dressed and were not wearing shoes, as they sometimes did not have time to collect them before evacuating. Some suffered cuts walking on broken glass. The next and last step of the crisis response management was to secure the car park where the guests had gathered: nobody was allowed to enter or to leave the secured area without a special permission.

5.2. Procedures set up after the immediate crisis

5.2.1. Insurance

The Phoenicia hotel seems to have been adequately covered by insurance, as sabotage and terrorism insurance is compulsory for all the hotels of the chain. In fact, it was the only hotel in the region that benefited from a premium insurance policy that protects against acts of political violence or terrorism. Not only were insurers required paying for repairs caused by the damage, the Phoenicia was also indemnified for the interruption of activity and the consequent loss of its business in the weeks following the attack. However, the hotel did pay a contractually agreed-upon deductible fee, i.e., the portion of a claim not covered by the insurance provider.

5.2.2. Engineering and reconstruction

The Phoenicia hotel reopened its doors with upgraded facilities; in some respects superior to conditions prior to the crisis. During the short-term closure of the hotel, substantial renovation work was undertaken to improve facilities: all rooms, restaurants and public areas were modernised, IP telephones were installed, an additional 16 junior suites were added based on the high demand for highest-class accommodation, a Nail Lounge was opened at the Spa and all "Club Four" rooms were equipped with LCD TV screens. Security enhancements were also made: walk-through metal detectors, handbag scanners, luggage scanners, bomb detection devices, speed bumps, concrete barriers, vehicle scanner, full control of all parameter roads of the hotel, CCTV system with 160 digitalized cameras, access control points with new parameter control system, road blockers. Throughout the renovation process, related security issues were taken into account, such as additional pictograms, disabled room compliance, child lock in all rooms, disinfection of all air handling units, and panic alarms in saunas, steam rooms, and public-disabled restrooms.

5.2.3. Human resources and staff action plan

Firstly, a letter was addressed to the Lebanese Ministry of Labour to advise the situation; a meeting then was organised with Gauvin to discuss all actions taken. Casual task force staff, which amounted to 260 employees, was released and files were closed. The hotel operated with few departments: engineering, security, housekeeping, finance, operator, Human Resources, IT and a café. Floor supervision needed staff for the re-construction period: 3 employees per floor for each tower, with 2 shifts, which amounted to 147 employees per shift, i.e., 294 employees per day. All efforts were made not to lay off employees and imaginative steps were taken. The Phoenicia hotel for example decided that the vacations of the year 2005 were to be taken in advance. Finally, it launched a special training plan to cover employees and maintain links with the hotel during this period. Each employee was scheduled 3 days per month. The Human Resource Department also established short term assignments to relocate temporarily some employees: it published a chart with all positions offered in other InterContinental hotels around the world, with suggested names and contact person for each position. A security team was set up for designated floor-areas, with different shifts.

5.2.4. Marketing and public relations: communication plan and media management

The InterContinental Phoenicia hotel launched a "Back to Business" marketing campaign to resuscitate the hotel revenue generation index (RGI) and market penetration index (MPI) to levels prior to the events of February 14, 2005. The first goal was to sell the destination and to re-build confidence in Lebanon. The advertisements targeting the local and regional communities showed scenes of Lebanon's beaches, ski slopes and shopping centres framed with the campaign's slogan: "Why go to Europe when you have all this close to home?"

The marketing and advertising campaign focused on its core business vis-à-vis market segments and nationalities, which are divided as follows: 58% from the individual corporate segment (from which 33% are local), 17% from the frequent independent travellers booking direct, 13% from the individual wholesaler market, 9% from corporate meetings and business groups, 2% from packages and 1% from leisure groups. The top nationalities breakdown: 37% from the Kingdom of Saudi Arabia, 14% from the MENA region (Middle-east and North Africa), 12% from Kuwait, 12% from other GCC countries (the Gulf Cooperation Council, a trade bloc involving the six Arab states of the Persian Gulf: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) and 9% Lebanese. It should be noted that the campaign was designed understanding the historical resiliency of the Gulf market.

Based on the Phoenicia's business segments, the media and advertising campaigns were spread among business magazines, travel trade magazines, in-flight magazines, flyers, billboards and other forms of outdoor advertising (e.g., wall projection on one of its towers), a GDS campaign (Google Desktop Search, a software application for searching files stored on a local area network or hard disk) with banner on GDS screens, radio campaign, TV campaign, and social magazines. First, the corporate advertising, including business magazines, travel industry magazines and in-flight magazines represent nearly one quarter of the total cost of the advertising and media campaign. It targets corporate segments (individual and groups), wholesalers and travel trade segments as well as frequent individual travellers. They published articles in, for example, *Executive*, *Daily Star*, *La Revue du Liban*, *Commerce du Levant*, *Middle East Traveller Magazine*. Travel trade magazines include the likes of *Middle East Travel*. And the in-flight magazines campaign was aimed at editions such as *Cedar Wings* or *Impression* (British Mediterranean Airways). Every issue and TV spot four months following the immediate crisis (until June) was planned. 10,000 flyers were distributed during sales calls; projections were made on one of the hotel's tower in order to promote the reopening of the hotel's facilities and the opening dates, targeting the local community. This local community was also a target of the radio and campaigns as well as the billboards and the social magazines.

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They all aimed at promoting the opening dates of the hotel and its outlets and facilities. The TV campaign alone represented more than half the total cost of the advertising and media campaign. The other main capital expenditures corresponded to the unique wall projections on the tower, the newspapers and magazines.

The hotel marketing management decided to establish the readership of the business and economy monthly magazines as well as social and foreign magazines, to target clearly the hotel's main nationality market segments. They did so by using an IPSOS survey, which analysed the readership by region, by gender and by age. Another IPSOS survey examined the image perception of the different sources of information, answering questions such as: is this magazine a good source of information or does it have a high status and reputation?

As regards the wall projection on tower B of the hotel, there were fixed giant advertising banners and projections of slides during two months. There was a slogan saying "Until we're back and better than ever" with a countdown to the reopening date.

Finally, within the framework of its marketing campaign, to lure clients and to create life and awareness for the reopening, the hotel scheduled a number of events in its restaurants, cafes, shops and ballrooms to celebrate its grand reopening. Special events were organized with particular themes: a karaoke night and a sushi night were planned at the Wok Wok restaurant, a fashion show at Les Cascades, a sports day, a family day, concerts, exhibitions, festivals, or other fun events such as the longest spaghetti, TV talk shows held on hotel premises, entertainment programs for children, and an opera performance.

The hotel also used Public Relations to counter the drop in bookings: it launched a main press conference on April 5, 2005, to provide briefs on reconstruction and renovation, and improvements and innovations. It also included a speech on the advertising campaign and reopening events.

5.2.5. Crisis sales action plan

The sales department was responsible for making sure the hotel reopened with the best possible occupancy and sales efficiency, so that the hotel would quickly return to forecasted activity. Tasks included professional contact with the hotel's guests; informing and reassuring them for their future stays. It also had to create and to send positive messages to the customers, focusing on the future, and not mentioning the negative, immediate past or downplaying the crisis when customers raised the issue.

5.3. Reopening the hotel and crisis cost-estimation

The Phoenicia reopened incrementally It reopened some of its food and beverage outlets as well as its spa and ballroom as early as March and the remainder of all services in April. The Caffe Mondo, Les Cascades Lobby lounge, the Grand Ballroom, the Phoenicia Gourmet as well as 250 rooms (the Roman Tower) reopened on April 5. The restaurants Wok Wok, Eau de Vie, the Mosaïc, the Skin Nightclub, the Phoenician tower and the residential suites were operational on April 15.

The cost of repairs and upgrades due to the damage was estimated to be 15 million U.S. dollars. The Phoenicia's reopening clearly was costly. The recovery process took 2 months before hotel activity returned to what it was before the crisis. The hotel thus lost an additional 9–10 million U.S. dollars in opportunity costs. Recall that the Phoenicia hotel was mostly covered by insurance; it was the only hotel in the region that benefited from a premium insurance policy that protects business against acts of political violence or terrorism. The Phoenicia thus did not have to bear all the costs itself, and not only did the insurance have to pay for the repair damages; it also was indemnified for the interruption of activity and the consequent loss of its business in the weeks following the attack. However, the Phoenecia had to pay for the deductible, or excess, which is the portion of a claim that is not covered by the insurance provider and usually corresponds to a fixed amount. The total cost of advertising and media campaign amounts to 52,000 U.S. dollars.

6. Epilogue: From cataclysm to recovery

The InterContinental Phoenicia hotel reported cancellations only during the period when it was unable to receive clients. Some urgent meetings were cancelled, but most congresses were only postponed and summer reservations were not cancelled, as clients were waiting to see what next was going to happen. All in all, the recovery process did not last long: in a maximum of two months, the hotel area was operational and all of the hotels affected by the bombing had reopened for business. The tourism industry itself made numerous efforts to encourage visitors to return to Lebanon. The national carrier, Middle East Airlines (MEA), for instance, offered tempting discounts on tickets and on package tours for all travellers to Beirut throughout the months of April and May, while Cedar Miles doubled the miles registered during flights on board of MEA, and passengers received an additional free ticket for "Companion of Travel" when exchanging their accumulated miles. As for the restaurant syndicate, it offered a 50% discount on all prices to encourage citizens to return to Beirut's central district. Along with these discounts came a chain of athletic, cultural, and artistic activities that helped in bringing back life to the city centre, which was witnessing the gradual return of its visitors.

Many observers had a positive outlook toward the devastated area and the future of the tourism industry as a whole. The hotels located in mountainous resorts were unaffected and continued to enjoy high occupancies. Business for them picked up only a few weeks after the attack; hotels and restaurants in the area soon were nearly functioning at capacity. By the end of 2005, the situation had not fully returned to normal, or at least to pre-crisis conditions, but it did enable sufficient cash flow to cover most expenses and overhead costs. Daytime business in particular was high again, but occupancy in the evening remained quite low, although it was traditionally a peak time in the area as the nightlife had developed substantially.

A major objective was to improve sustainable tourism and to promote the different regions of Lebanon. Europe and the Arab countries were primary targets of marketing campaigns. The ministry encouraged and supported the private sector in order to enhance investments and develop services in the tourism and hospitality sector, in addition to supporting the cooperation between the ministry and investors. The Ministry furthermore tried to encourage FDI in Lebanon, especially hotels, restaurants and malls.

In sum, in the wake of the 2005 crisis, the Hezbollah–Israeli War in 2006, and subsequent military and political crises of 2007 and 2008, the tourism industry has recovered relatively quickly. Moreover, familiarity with similar challenges and crises – especially those endured during the Lebanese civil war – made the tourism industry more resilient than in many other regions of the world.

Today, progress in Lebanon is readily apparent in the forms of growth and investment. Much of it can be explained by a new policy led by the Ministry of Tourism, which has globally promoted Lebanon as an exotic and safe tourist destination, including opportunities for eco-tourism, historical tourism, family tourism, sport tourism and green tourism. With a recent (though perhaps tenuous) détente keeping violence in check, Beirut is poised to reclaim its title as the "Paris of the Middle East". Two hotels scheduled to open later in 2009 are raising the luxury quotient—The Four Seasons Hotel Beirut and Le Gray. The New York Times

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(2009) has ranked Beirut as the number one destination among the 44 places to visit in 2009.

6.1. Managerial relevance

The case of the InterContinental Hotels Group/Phoenicia hotel in Beirut can serve as a model for many other MNCs when they constructively engage Middle Eastern markets subject to social, ideological and political conflicts. Four key learning points may be put forward as follows.

6.1.1. Be systematically prepared; rehearse for crisis

If crisis management is indeed a systematic attempt to avoid organisational catastrophe or to manage those catastrophic events that do occur (cf. Pearson & Clair, 1998), a MNC such as the InterContinental Hotels Group treats crisis management planning with at least the same systematic attention and urgency given to business plans: crisis should be addressed as an operational management issue, albeit undertaken in extreme circumstances (Barton, 2001).

Successfully diffusing a crisis requires an understanding of how to handle a crisis *before* it occurs. The first important phase of effective management is forecasting potential crises and planning how to deal with them. For example, to assess its terrorism threat level, the InterContinental Hotels Group uses the "Terrorist Threat Risk Assessment", which is carried out regularly, approximately once per month. Organisations should devote time and resources to complete a crisis management plan before they experience a catastrophe. Preparing contingency plans in advance is thus a vital step to ensure an organisation is appropriately prepared. Prudent preparation and practices for crisis management are imperative, given the large and growing number of threats to MNCs (e.g., Elliott et al., 2005).

Given the paramount importance of contact personnel in service activities (Lovelock & Wirtz, 2007), the InterContinental Phoenicia hotel case suggests that crisis management training, and in particular staff-specific training, is essential to ensure employees are efficient and fulfil their responsibilities during an emergency. Improved staff awareness and role-expectations within the organisation are key. Although by their nature crises are hard to simulate in a rehearsal, MNCs should assess the plan against a number of possible scenarios and test the efficacy of the plan in the event of an emergency. These plans need to be rehearsed regularly, to permit updating and familiarisation. According to Pascal Gauvin:

> The evacuation of the 320 hotel clients took place in less than 15 min because the employees of the Phoenicia knew exactly what their job was thanks to numerous rehearsals organized each month as part of a safety program and thanks to strict and systematized procedures established by the InterContinental Hotels Group. In a matter of minutes, we were able to set up a 'crisis centre' to run operations and communication. We secured all the hotel premises and the entire hotel perimeter in less than 3 h and met with the insurance company 4 h only after the bombing.

6.1.2. Standardise procedures

The InterContinental Hotels Group has established a standardised Crisis Response Plan. The plan's implementation is required at all its hotels or offices. Three types and four different levels of crisis have been defined. The crisis management strategy seeks to provide an organisational framework that allows coordinated action based on clear and logical objectives, decision making in an orderly way, sustainable decisions to be reached and implemented, and effective communication. Procedures set by the group are thus well defined and standardised. Some flexibility however is permitted: the Plan does not provide solutions for any given crisis and hotels must consider their local Crisis Management Planning document(s).

The Crisis Response plan indicates a short, immediate action checklist, which ensures that key steps are followed: (a) discern basic facts, (b) establish who is involved in the management of the response to the crisis according to the level of the crisis, (c) establish the reporting lines based on need-to-know, (d) ensure involvement of correct public relations or communication colleagues, (e) engage insurance or claim colleagues, and lastly update and review all five points on a regular basis.

6.1.3. Leverage parent company competencies and knowledge

At InterContinental, every hotel within the group benefits from the organizational knowledge accumulated in headquarters. The danger here would be evaluating persons involved in the event and their competencies to manage situation, which is always original and peculiar, better than the ones external to it. Deeply "immersed" in the context of the crisis and following events, the direct actors are not always those who are the best equipped for taking sound strategic decisions in the long run. It may not be obviously simple, but the InterContinental case demonstrates how to develop procedures and a specific approach from outside the country and still be able to best manage the catastrophe that has occurred. As Gauvin summarizes:

> The next decision I took after managing the evacuation of the hotel was to inform the owner (in London) about the situation. Our head office for the Middle East (in Dubai) relieved me of these aspects by directly taking charge of the calls between London and Lebanon. During the first two days, I still had to systematically assess the evolution of local events every hour with Dubai. Conference calls were also organised between Dubai and London (where the InterContinental world headquarters are located). These meetings took place daily for the first five days, and then once every three days for two weeks, then once a week before stopping for good after the reconstruction was finished.

For those directly confronted with the crisis, the potential danger could be diminished not only by avoidance of revival of the dramatic moments but also after having known how to manage them correctly. Avoidance, denial or resilience, while parts of the psychoanalysis lexicon, they also could be equally applied to crisis management (Harvard Business School, 2002). It is important to stress that efficient assistance for the persons affected by the crisis can build a company's advantage on the occurred event–it enables the company to improve its know-how and its capacity to react (or even to predict) certain catastrophes (Barton, 2001). According to Pascal Gauvin:

> Because of the geopolitical situation and personal difficulties, the employees' morale sometimes suffered and some started to break away from the hotel. In such a difficult context, it is crucial to know how to keep spirits high and maintain the dynamism of the workers by giving them this customary Lebanese warmth. The atmosphere and the sense of hospitality are part of the services offered by the Phoenicia and it was essential to know how to restore it as reconstruction came to an end. A special training plan was implemented to help employees regain a positive state of mind and get back in touch with what united them to the InterContinental Group and to the hotel. In order to do so, a monthly four day program was devoted to each person. Thanks to these programs, the hotel was able to restore the level of service that gave its reputation.

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6.1.4. Deftly manage MNC culture vis-à-vis national resilience

Though this case is a single example, MNC managers should understand that the enterprise's identity, vision, culture, processes and procedures can be global assets, perhaps irrespective of many ubiquities in any particular market/cultural context. That is, corporate culture can supersede crisis conditions in some environments, when appropriate policies, systems and protocols exist, are understood, are rehearsed, and are implemented. This is one of the main reasons the management process invoked at Phoenicia hotel largely mimicked InterContinental crisis processes found in other parts of the world. The InterContinental world headquarters directed and managed operations from early phases of the crisis. Yet the InterContinental case also reveals the cultural/national "resilience" of the Lebanese people. Management coupled its sound template to the cultural/personal attributes of its environment, with marked success. Stéphane Attali, Director of the Graduate School of Business (ESA) in Beirut reinforces this point:

> In a difficult context, people have an incomparable sense of solidarity. Families are systematically organized to offer a safety net to the members of their community whenever it is required. People are both creative and very flexible when times are hard because they (unfortunately) are confronted to the problem of socio-political tensions much more often than in any other parts of the world. Uncertainty and risks are part of the daily lives of Lebanese people. They are born with it and are very capable to manage and "digest" obstacles, tensions and crises and to bounce back from disaster. Part of the business spirit and the resilience of the people here are largely due to the peculiarities of the Lebanese daily environment and recent history.

Indeed, the Lebanese tourism industry has been generally buoyed by such resilience, optimism, and learned sense of crisis management. The Lebanese national air carrier, Middle East Airlines (MEA), confronted with wars and other crises during the last ten years, is undergoing its own renaissance. Tony Salameh, owner of the Aïshti group stated:

> MEA should be an inspiration to all Lebanese. The company has survived exceptionally hard times and it remains one the world's few profitable airlines. Many other airline companies are facing major financial problems today, yet they function in relatively stable environments. MEA has been able to achieve great financial success in an extremely unstable political and economic environment. I think that MEA should serve as an international business model to be studied and applied throughout the world.

Lastly, the stakeholder network in Lebanon (and in the Middle East more generally) is complex – sometimes cooperative, sometimes adversarial – and plays a major though often subliminal role in the ebb and flow of tension, crisis, and recovery. Religious leaders, politicians, influential economic players and the Diaspora can be instrumental to that ebb and flow. Ignoring the influence that such leaders can have on their respective clans/communities would be counter the best interests of the MNC. Word-of-mouth communications traditionally is a preferred conduit in these societies. Thus, lobbying and public relations often are integral to the post crisis recovery process and communication strategy of the MNC in Lebanon and the greater Middle East.

6.2. Turn cataclysm to opportunity

While a crisis potentially results in severe harm, it also potentially can be a renewing force (Roux-Dufort & Metais, 1999; Seeger et al., 2005). The renewal framework emphasizes provisional responses, prospective statements, and the role of top management serving as a symbol of stability. In a crisis context, MNCs are faced with the opportunity to change perceptions and behaviour vis-à-vis crisis, focusing on the opportunities and organisational adaptations that arise from turmoil (e.g., Scott et al., 2007; see also Ritchie, 2004).

As suggested above, crisis management often includes strong focus on public relations to recover any damage to corporate image and to assure stakeholders that recovery is under way (Coombs & Holladay, 2001; Stephens et al., 2005). Public scrutiny can result in a negative financial, political, legal and government impact and, of course, after an incident, clients need to be reassured. Providing incorrect or manipulated information has a tendency to backfire and can greatly exacerbate the crisis. As in the case of the InterContinental Hotels Group, the contingency plan should clearly stipulate that the only people to speak publicly about the crisis are the designated persons. As emphasized by Pascal Gauvin:

> The 'acute' phase of the crisis being solved, I was authorized by InterContinental Dubai (the regional headquarters of the MNC) after only three days to explain to journalists and more generally to the Lebanese people that the Phoenicia hotel – a genuine symbol and historical place of modern Lebanon – will be reborn from its ashes. The marketing department implemented an original and suitable communication plan where, despite the obstacles and the important damage it withstood because of the attack, the hotel will soon be able to open its doors again. The main objective of the campaign was to help clients understand that the hotel will make the most of the attack by offering even more modern services—plasma screens and IP Phone available in every room for instance.

If correctly managed, dealing with crisis may even represent a double opportunity: first in strengthening relationships with the customers, and then in proving the brand's core values of the firm. Though it may appear fairly paradoxical, when a company has to deal with crises, such adversity can turn out to be an exceptional opportunity to strengthen ties with a client and to perpetuate a professional relationship (Coombs & Holladay, 2001). This is made that much easier as the company intercedes at a specific time when the relationship takes on a highly emotional aspect, which noticeably changes a client's behavior and priorities.

The impact of the resolution of a crisis can particularly be put to an advantage (Hans, 2007). As demonstrated by the InterContinental Phoenicia case, the settling of a crisis is a defining moment for a company; it is a time to demonstrate the reality of the brand's values, and a pure "moment of truth" (Normann, 1991). By bringing the "fantasy" it carries to life (professionalism, reliability, memorable experience, etc.), the settling of incidents strengthens the brand's values and shows the reality of the commitments made by the company before the crisis. At the same time, the settling of a crisis vouches for the company's ability to face up to its obligations in such a situation, but also in the future. Because of this, appropriate crisis management may be a unique and original vehicle of loyalty to the brand (Coombs & Holladay, 2001).

7. Limitations and opportunities for further research

We have endeavoured to show crisis management in the context of a specific, frequently unstable, and complex political and cultural environment in the Middle East: Lebanon (see also Anfara, Brown, & Mangione, 2002; Robertson, Al-Habib, Al-Khatib, & Lanoue, 2001). Throughout the duration of our study, we were confronted with different topographies, cultures and languages; challenges of translation; cross-cultural equivalence, and data

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confidentiality. We formed interpretations based on induction, stressing the complexity of the situation (Remenyi, Williams, Money, & Swartz, 1998). As with any inductive study in a specific cultural environment, limitations are inevitable. In particular, our case development via interpretive methods may vary depending on the type of business, and the socio-cultural context under study.

Given that Lebanon is a unique country in many respects, it would be interesting to extend our study to other countries of the Middle East, which may confirm or negate some of our conclusions. Comparative developments of cultural peculiarities as well as exploration of relationships among cultural dimensions would be helpful for MNCs willing to engage with social, ideological and political crises in the region. In particular, dimensions like confessionalism or the importance of group membership and social conformity should be carefully monitored as should be stressed the role of religious and political stakeholders in the resolution of a conflict (Freeman, 1994). A deeper exploration of personal and organisational resilience in Lebanon and some other countries in the Middle East would certainly add to the burgeoning body of knowledge in this field.

Acknowledgements

The authors thank the KPMG Chair at ESCP Europe for its financial support and interest in the research. They thank the numerous informants, translators and logisticians whose perspectives and support were vital to this research; they especially thank Pascal Gauvin for his time, support and insights without which the research could not have been achieved; they thank editors Demirbag, Mellahi, and Riddle, and the anonymous reviewers for their helpful comments and support in the formative stages of this article.

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