



RESPONDING TO CRISIS: THE CASE OF THE THOMAS COOK BANKRUPTCY IN MAJORCA

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Abstract

Tourism is a growing industry and one of the world's largest economic sectors. However, the tourism industry is very vulnerable to different types of crises that whip destinations constantly. Earthquakes, tsunamis, or terrorism are some of the crises that can impact on a destination severely. Although those are the most common disruptions in the tourism industry, the bankruptcy of a big company, as it was the bankruptcy of which was the oldest tour operator in the world, Thomas Cook, can also hit seriously a destination.

Thomas Cook collapsed on the 23rd of September of 2019. The bankruptcy of this tour operator left an uncertainty scenario in the tourism industry since it not only impacted in different destinations but also left thousands of tourists caught up around the world. This project research will be focussed on the island of Majorca, which was one of the most affected destinations in Spain.

This project will explore how the bankruptcy of this tour operator was handled in Majorca (Spain). The bankruptcy will be analysed through the literature of crisis management which consists on the effort that different organizations put into managing a crisis that has occurred (Santana 2004: 308). Four different phases on crisis management are identified in crisis management which are reduction, readiness, response, and recovery (Wilks and Moore 2004). However, due to the immediate impact of the crisis of Thomas Cook, the analysis will be done through the response and recovery phase trying to determine which are the main actors involved in crisis management, which are the measures taken in those cases, which tools are used on the recovery phase to effectively manage the recuperation of the destination, and lastly, which are the learnings of the crisis in the destination.

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Structure of the project

Hereafter, the structure of the project will be presented. The research project is divided into six different chapters, and they will be arranged in the following way:

The first chapter will consist of a small introduction to the topic, where the area and case study are presented. Moreover, the formulation of the problem and the research questions are followed by the delimitation of the project and the academic and practical relevance.

The second chapter will gather the philosophy of science chosen and its epistemology and ontology will be explained. The third chapter will set the methodology which will explain which "tools" we used to prepare the project; therefore, methods of data collection and data analysis will be explained. Moreover, a reflection will be done about how the coronavirus crisis influence on the research.

The following chapter (Chapter 4) will present the literature review. It is mainly focused on the theory of crisis management. It will include differences between the term crisis and disaster, characteristics, and the different phases that a model of crisis management should follow.

The fifth chapter contains the analysis of the data gathered. It will be done concerning the theoretical framework and it aims to solve the research question presented in the first chapter.

A final chapter will be introduced where some conclusions of the preceding analysis will be presented.

CHAPTER I: Introduction

The tourism industry has been hit by crises and disasters multiple times along the history in different destinations around the world. Crises and disasters in destinations may occur in different forms and come from different natures. This situation denoted that “tourism is an industry which is highly susceptible to negative events (...) the sector appears to be under an almost permanent threat of yet another crisis looming” (Pforr and Hosie 2008: 249). Crises and disasters have made that destinations when not in crisis are in a constant pre-crisis status or prodromal model (Fink 1986: 7 in Ritchie 2004: 673).

Natural disasters such as earthquakes, tsunamis, or volcano explosions or, disasters attributable to people such as terrorist attacks, are some of the examples of crises that have been arisen in the tourism industry and, afterwards analysed in the literature. But, what happens with the bankruptcy of one of the biggest tour operators in history as it was Thomas Cook?

Thomas Cook declared its bankruptcy on the 23rd of September of 2019. Many stakeholders in destinations and tourists were shocked by the news. Thomas Cook, the oldest, and second tour operator in the world by business model, had collapsed (El País 24/09/2019). Many questions emerged from the bankruptcy of the tour operator; but, the ones that came to our minds were: How would a destination recover after this bankruptcy? How would the tourism industry change due to the bankruptcy of one of the most important companies in the tourism sector?

As commented above, many crises have arisen generating multiple impacts in different destinations throughout its history, and so did the bankruptcy of Thomas Cook in Majorca. Majorca is one of the Spanish destinations more affected by the bankruptcy of the tour operator (Ministerio de Industria, Comercio y Turismo 2019). The bankruptcy of Thomas Cook created big concern in this destination as Marta Ferrer, director of the newspaper Diario de Mallorca, pointed out: “the 23rd of September, in Majorca, Monday, we woke up alarmed, with the feeling that all our foundations were shaking due to the bankruptcy of one of the big ones, of Thomas Cook and its consequences”¹ (Diario de Mallorca 2019, 14 November).

¹ “El 23 de septiembre, en Mallorca, lunes, nos levantamos sobresaltados, con la sensación de que nuestros cimientos temblaban por la quiebra de uno de los grandes, de Thomas Cook y sus consecuencias”

This reference shows the big concern that the stakeholders of Majorca had due to the bankruptcy of Thomas Cook, and make clear that it was a very serious issue in the destination. Hundreds of tourists that were caught up in the destination, unemployment, loss of air connectivity, and early closure of hotels were some of the consequences of the bankruptcy, not to mention the losses of income in the following months due to the cancellation of many flights and hotel reservations.

With all that said, the main goal of this paper is to examine the crisis of the bankruptcy of Thomas Cook in Majorca. It was found interesting to analyse how a destination reacts to this type of crisis and how the recovery of destinations looks like in these types of crises.

Hereafter, the presentation of the case will be presented.

1.1. Presentation of the case

Hereunder, it will be shown a presentation of the case which “will provide the reader with the necessary background” (Jorgensen and Ren 2015: 4).

1.1.1. Thomas Cook

Thomas Cook is one of the names that come to our minds when we talked about tourism. Thomas Cook was the man “that believed in the importance and the right of everybody to travel. He is considered as the father of the travel agencies, and he revolutionized the tourism sector in such a way that travelling stopped being a privilege only for people that belonged to the elite”² (La Vanguardia 26/09/2019). His first organized travel was from Leicester to Loughborough (United Kingdom) in 1841 (ibid.), and “stepwise, the size and distance of the trips were growing”³ (ibid.). However, it was not until 1855 when the first international travel was organized, and ten years later, in 1865, when the first office was opened in London (ibid.). Moreover, Thomas Cook invented the “vouchers” in 1868. Those were coupons that tourists presented in hotels that vouched for the payment of the accommodation and the food (Entorno Turístico). Those vouchers are considered the predecessor of today's known as “all-inclusive packages”.

Over time, the company named after its founder, Thomas Cook, grew in the tourism industry becoming the second tour operator in the world by business volume (El País

² “creía en la importancia y el derecho de todo el mundo a viajar. Está considerado el progenitor de las agencias de viajes, y revolucionó el sector turístico de tal manera que viajar dejó de ser un privilegio únicamente al alcance de la élite”

³ “Poco a poco, el tamaño y la distancia de los viajes fueron creciendo”

24/09/2019) until the 23rd of September of 2019 when the tour operator collapsed. The bankruptcy of the tour operator involved the cancelation of all the bookings, not only holidays but also flights, handled by this company (ibid.) immediately, as its announcement confirmed: “We are sorry to announce that Thomas Cook has ceased trading with immediate effect” (ibid.). In this situation, 600,000 tourists were caught up in different destinations around the world (CAA⁴ in ibid.). 150,000 tourists were British; therefore, the British government initiated the biggest repatriation operation since World War II. This operation was called “Matterhorn operation”.

As it will be shown in following sections, the bankruptcy of Thomas Cook is not an unprecedented situation as many tourism enterprises have collapsed throughout the history, but it created a huge impact due to the importance of this tour operator around the world, not only for its business value but also for its history.

The bankruptcy of Thomas Cook was unleashed by a whole complex of problems. Bartolomé Deyá Tortella (ABC blogs 23/09/2019) asserted that the tour operator accumulated a pile of problems which unleashed the “perfect storm” which guide the tour operator to the bankruptcy. Bartolomé Deyá (ibid.) analysed some of the factors that may compose the bankruptcy of Thomas Cook, and those are, among others, the following explained ones. Firstly, the change on the habits of tourists over the years because each tourist “wants to have their own experience, different to the one from other travellers”⁵ (ibid.); secondly, the climate change has also influenced on the bankruptcy since “many tourists in the last months did not need to travel outside the United Kingdom in their holidays”⁶(ibid.); thirdly, the Brexit created an uncertainty scenario where tourists did not know if they were able to travel in the following months, so fewer holidays were booked; fourthly, the falling value of the pound. “Thomas Cook collected in pounds to their clients, but the tour operator was paying in euros to its providers”⁷ (ibid.).

As commented above, the bankruptcy of Thomas Cook was shocking news for the tourists that were caught up in the destinations, but it was also for the destinations. Many destinations were seriously affected as all the reservations booked with Thomas Cook were lost. Moreover, it has to be added that Thomas Cook was paying every three months

⁴ Britain’s Civil Aviation Authority

⁵ “quiere tener su propia experiencia, diferente de la de otros viajeros”

⁶ “muchas personas en los últimos meses a no tener la necesidad de salir de Gran Bretaña en sus vacaciones”

⁷ “Thomas Cook cobraba en libras a sus clientes, pero pagaba en euros a sus proveedores en Europa”

so a part of the summer holidays was not paid either (Diario de Mallorca 29/09/2019). The collapse of the tour operator involved economic losses first and foremost in the short-term in destinations, as it was the case of Majorca.

1.1.2. Majorca

Majorca is one of the islands that constitute the Balearic archipelago in Spain. It is the biggest one, and its capital city is Palma de Mallorca. Once said this, the analysis will be based on how different stakeholders dealt with the bankruptcy of Thomas Cook, not only in the capital city but on the whole island, which is composed of different cities. Palma de Mallorca is one of the most attractive cities to visit by international tourists in the world according to the ‘Global Destination Cities index 2019’ (La Vanguardia 05/09/2019). This fact denotes the importance of Majorca as a destination not only in Spain but also in the world.

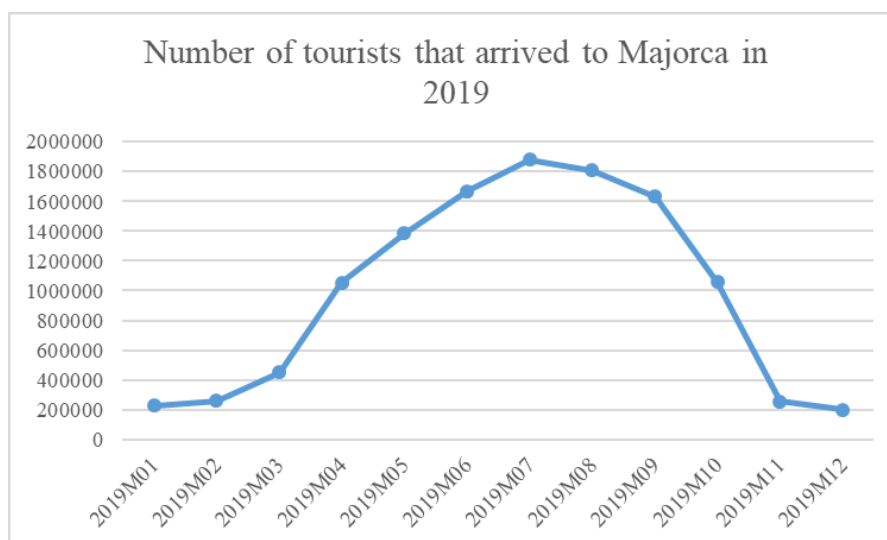
The AETIB (Agencia de Estrategia Turística de las Islas Baleares; Tourism Strategy Agency of the Balearic Islands) asserted that 16,453,697 tourists arrived in the Balearic Islands during 2019, meaning a slight decrease of -0,7% over the previous year (CAIB 2020). These figures do not square with the ones given by the same organisation for 2018 (CAIB 2019). However, this situation is given because, in the Annual Report, the AETIB is not counting non-European tourists. The Annual Report 2018⁸ points out Germany (4,917,068 tourists in 2018) and United Kingdom (2,713,091 tourists in the same year) as the main countries emitters of tourists to the island.

Majorca is characterized by having “a Mediterranean climate, that can be described as from moderate to subtropical due to the differences between regions”⁹ (Diosdelsol), which makes it a perfect destination for enjoying not only the summer but also the other seasons of the year. Majorca has around 300 days of sun during the year (Diosdelsol); however, the tourism is mainly focused in the summer period, where the high-season is placed, as it can be seen in graphic 1. In this case, “the climate (natural resource) becomes a tourist attraction” (Coll Ramis and Seguí Llinás 2014: 360), and according to those same authors “the tourism model implemented on the island of Majorca has a high degree of dependence on the weather, whose, viability over time will be conditioned by the possible changes in climate conditions and its social value” (ibid.). As commented, this

⁸ It was not possible to find the Annual Report of 2019

⁹ “por un clima mediterráneo, que puede describirse como de moderado a subtropical debido a las diferencias regionales”

tourism model produces a high seasonality along the year; however, thanks to the "great climate-tourism potential, the island of Majorca (...) presents favourable climate conditions for the practice of certain tourism activities (...) such as golf tourism and cultural tourism" (ibid.: 360) all year long.



Graphic 1: Number of tourists that arrived in Majorca in 2019. Source: own elaboration through IBESTAT statistics

Majorca is also a destination characterized by the all-inclusive packages. The Balearic government asserted that the figures for tourism from 2017 reflected that 45% of the tourists that travelled to Majorca, hired an all-inclusive package or combined travel (Hosteltur 07/08/2018). This data shows the big dependency of the tour operators by the island; therefore, the impact of the bankruptcy of Thomas Cook on the island was high.

1.1.3. Impact of Thomas Cook in Majorca (and Spanish tourism).

As commented in the previous sections, the bankruptcy of Thomas Cook generated a big impact in different destinations. In what refers to Spain, the Spanish government asserted that the bankruptcy of Thomas Cook “has generated important turbulences in the Spanish tourism sector”¹⁰ (Ministerio de Industria, Comercio y Turismo 2019: 1), overall on the Balearic and Canary Islands since those islands were very dependent on the tour operator and 90% of the tour operator's offer in Spain was located in those two destinations (ibid.). According to José Luis Zoreda, executive vice-president of Exceltur, “the gap that Thomas Cook is leaving in the Spanish tourism sector is numbered in, at least, 200 million euros” (El Mundo 24/09/2019).

As commented above, the Balearic Islands was one of the destinations more damaged by the bankruptcy of the tour operator, and with so, the island of Majorca. According to

¹⁰ “ha generado importantes turbulencias en el sector turístico español”

Hosteltur (24/09/2019), the airport of Palma de Mallorca, which is the airport of Majorca, was forecasted to lose 64,919 aerial seats due to the bankruptcy of the tour operator from September to December of 2019, which represents the 27,44% of the aerial seats lost in Spain due to the bankruptcy. In the period from January to August of 2020, Mallorca was going to lose 146,660 aerial seats due to the bankruptcy, representing a 29,64% of the aerial seats lost in Spain. All those figures were a forecast made due to the cancelation of all the flights. Since the beginning, it was forecasted that other tour operators or airline companies would fill the gap that Thomas Cook left, so the losses in the number of aerial seats were not going to be that big. The same goes for the beds lost in hotels. However, the main problem was in the short-term. The bankruptcy of Thomas Cook was given at the end of September. This situation left Majorca in a very complicated situation in the short-term since the high-season was supposed to be finished in October. Wherewith, the situation left Majorca with little room for manoeuvre. Consequently, approximately 25,000 tourists were lost in October due to the bankruptcy of the tour operator (El País 26/09/2019).

1.1.4. Spanish tourism background

Many crises have hit the tourism industry along the history. Those crises have been of different natures not only natural disasters but also disasters attributable to people have happened. With regard to the bankruptcy of Thomas Cook, which is a disaster or crisis attributable to people, we found out that several bankruptcies have occurred throughout history in the tourism industry. The airline companies Monarch and Spanair or the bankruptcy of which was the tourist group number one in the Spanish sector Grupo Marsans were some of the examples that have happened (Hosteltur 20/01/2014). All those bankruptcies were of big importance in the Spanish tourism sector, but the bankruptcy of the Grupo Marsans was the one that created a bigger shock effect not only among the Spanish tourism sector but to the tourists.

1.1.4.1. What was Grupo Marsans and how its bankruptcy affected to destinations and the tourism behaviour?

Before the bankruptcy of Thomas Cook, the bankruptcy of Grupo Marsans was the most meaningful bankruptcy in the Spanish tourism sector (Hosteltur 20/01/2014). Grupo Marsans was a tourism cluster of different tourism companies. It was a group mainly dedicated to the tour operation and one of its main enterprises was Viajes Marsans (Travels Marsans). Viajes Marsans was approaching 100 years in the tourism industry in 2010 when the bankruptcy of the group was declared (Hosteltur 22/07/2010). The main

cause of the bankruptcy of Grupo Marsans, and with so, Viajes Marsans, was the lack of liquidity because the money that Viajes Marsans was earning, was used to save other enterprises of the group (ibid.).

As of the bankruptcy, the tourism sector was restructured. The gap that Viajes Marsans left was filled by other travel agencies or tour operators as confirmed by Hosteltur (17/05/2011). This article claimed that the biggest Spanish travel agencies grew 9% due to the bankruptcy of the group. In spite of this, the “direct selling was gaining ground”¹¹ (Hosteltur 14/10/2012). So, destinations had to start changing their distribution method to others where the intermediaries were reduced.

In what refers to the tourists’ behaviour, after the crisis of Viajes Marsans “thousands of travellers were forced to become operators of their own bookings”¹² (Gomez Encinas 2015: 101), and from this moment, tourists were asking for more specialized trips; therefore, the offer had to adapt themselves to the travellers’ behaviour (ibid.: 103).

Ultimately, it is shown that every crisis of this nature left learning in the destinations and a change in the behaviour of tourists. It is the destinations' decision; to what extent they want or can be prepared for the following crisis of the same nature. In this case, thanks to the bankruptcy of Grupo Marsans, many other destinations in Spain were not that affected by the bankruptcy of Thomas Cook as the islands were.

The bankruptcy of Grupo Marsans generated an evolution on the Spanish tourism sector and in the tourism behaviour, to which enterprises had to adapt their businesses to satisfy the demand; and therefore, a bigger impact with the bankruptcy of Thomas Cook was avoided. This assessment is done in the whole Spanish territory; however, as shown in the figures of the all-inclusive packages, the islands still were very dependent on the tour operator due to different factors, and that is why those are the most affected destinations by Thomas Cook in Spain.

Therefore, after the presentation of the case, several issues need to be analysed in this project research. Hereafter, the research questions will be shown.

¹¹ “La venta directa está ganando terreno”

¹² “miles de viajeros se ven forzados a convertirse en gestores de su propia reserva”

1.2. Problem formulation

After the definition of the case, we could develop the following research question understood as “the question designed to indicated what the purpose of an investigation is” (Bryman 2012: 12):

How did Majorca deal with the bankruptcy of Thomas Cook?

To find the answer to the research question, four different sub-questions will be solved through the research project

- (1) How did the response of the private and public sector look like?
- (2) How was the recovery of the destination built?
- (3) Who were the main benefited stakeholders after the bankruptcy?
- (4) How did the case of the collapse of Thomas Cook enable the tourism stakeholders in Majorca to rethink the tourism industry in the destination?

1.3. Delimitation of the research project

The case of the bankruptcy of Thomas Cook offers a variety of research opportunities. We considered an important step to narrow down the focus research since the early stages of the planning of this project. As can be seen from the research question, this project aims to know how Majorca handled the crisis of Thomas Cook and how the recovery looked like. Therefore, this project does not aim to know what causes or circumstances generated the crisis of Thomas Cook. Some of the causes will be explained in the framework as it is necessary to have an insight of what generated the crisis; however, we are not interested in analysing them. Moreover, a detailed analysis of the impact of the crisis in the destination was not our major concern, but how the different stakeholders actually manage to solve the crisis.

1.4. Academic and practical relevance

A research project has to be aimed in a way that it can make “an original contribution- however small- to the topic” (Bryman 2012: 90). This research project is designed in a way where the investigation is, not only important for the academic community, but also it may have practical relevance for different destinations.

Academic community importance. The bankruptcy of Thomas Cook has special relevance in the academic community. After making a huge literature review, it was not possible to find any paper written about the bankruptcy of a tour operator (or other enterprises) in the tourism industry, even when this situation has happened before. How

is the destination managing a crisis of this nature? What does the recovery of the destination look like? Those were some of the questions that came to our mind when gathering literature for the literature review. For this reason, the analysis of how Majorca handle the crisis and which were the measures taken to reconfigure the destination may have a huge importance in the academic community. It may also serve as a starting point to analyse how to better respond to a crisis of this nature.

Practical relevance for destinations. The analysis of this type of crisis may influence positively to destinations where it is important to know how to react to every crisis, even when each crisis is different. Destinations would be benefited from having an example of each type of crisis since this would allow them to react in advance to the crisis creating a contingency plan that may help them to refuse or diminish the effects of a future crisis. Moreover, if a crisis of this nature occurs in a destination, they will be able to look to an example of what was necessary to manage a crisis like this, which may help them to create their own emergency plan.

CHAPTER 2: PHILOSOPHY OF SCIENCE

The philosophy of science is the approach that helps researchers to understand and explain relationships in the world (Egholm 2014: 9). According to Egholm (2014: 12) the different philosophies of science "can form the basis for formulating research questions, developing a research design, collating material and evaluation the validity and usefulness of analysis". In essence, the philosophy of science chosen in project research may influence in every single part of the research project.

Social constructivism is the philosophy of science that is chosen for this research project. The constructivist approach arose on a critique of a different philosophy of science, which was scientific realism. The constructivists were showing "scepticism about whether scientific statements can be valid independently of how people make sense of the world" (Egholm 2012: 140). Social constructivism is one of the four main traditions of constructivism considered by Egholm (2012: 141). The starting point of social construction is that "social groups (...) create realities collectively, and (...) these realities are shaped by the groups' interests and goals" (ibid.). According to Egholm (2014: 162), social constructivism is "not interested in the individual's intentions and experiences, because the individual does not represent him- or herself and does not have an individual essence". For this reason, Cobb (1994: 13 in Paris 2011: 104) describes the heart social constructivism as an "individual-in-social-action" where the "'social' can include a range of contexts ranging from historical, political or cultural trends, to face to face interactions" (Au 1998 in Paris 2011: 104). Therefore, according to Trochim (2006: 5 in Soiferman 2010: 13), "the best way to understand any phenomenon is to view it in context". Accordingly, social constructivism considers that all kinds of knowledge are equally important, so it rejects "the idea that some types of knowledge are more privileged than others" (Egholm 2012: 144).

Paris (2011) points out that "social constructivism has relevance not only to tourism education but also to the greater understanding of tourism". The author discussed the fact that "the study of tourism occurs from multiple disciplinary perspectives (...). In addition to the theoretical understanding of tourism as a social phenomenon, the global tourism industry has a "real world" need for individuals that are knowledgeable and able to work in diverse teams, adapt to cross-cultural situations, and understand the social complexities resulting from the nearly one billion international tourists that travel each year" (ibid.:

103). For that, the “real world” of the tourism industry is created by individuals’ interaction.

2.1. Ontology

The ontology can be considered as “one of the key concepts in the philosophy of science” (Egholm 2014: 25). It addresses “the basic assumptions about the nature of the (social) world upon which the individual perspective is based” (ibid.), and it answers the following question: What is the fundamental nature of the phenomena in the world? (ibid.). According to Egholm (2014: 25), two main ontological distinctions are differenced: the ontological realism and the ontological constructivism. The ontological realism “assumes that objects, relationships and characteristics exist in the world independently of our understanding of them” (ibid.); while the constructivist approach assumes that “we can only study our own understanding of objects, relationships, and characteristics” (ibid: 25-26). Therefore, while the *ontological realism* is seeking “to understand and explain that which exists in the world independently of how academics understand it; the *ontological constructivism* focuses on how these factors are created and perceived” (ibid: 26).

Therefore, the ontological basis in this research project is constructivist since the main purpose of the project is to know “how a phenomenon is created in a specific context – not the essence of the phenomenon per se” (ibid: 145). Besides, Bryman (2012: 380) points out that an ontological position described as constructionist “implies that social properties are outcomes of the interactions between individuals, rather than phenomena ‘out there’ and separate from those involved in its construction”. It also implies that “social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision” (Bryman 2012: 33). This project research is not trying to analyse how the phenomenon of the bankruptcy of Thomas Cook affects to Majorca but how different stakeholders in the destination interact to “construct” a response to face the crisis, and its subsequent recovery.

2.2. Epistemology

Epistemology is the second key aspect highlighted by Egholm (2014). This approach “is about the nature of knowledge, how we know something, and how knowledge can and (perhaps) must be produced” (ibid.: 28). According to Egholm (2014: 145), “the epistemology of social constructivism is based on the idea that knowledge is always

coloured by time and place, and therefore changeable. As a consequence, knowledge is considered both a result of the context and a tool with which to transform it". Therefore, the nature of knowledge is produced subjectively, and as "each individual has a different view of the world (...) it is difficult to generalize findings" (Soiferman 2010: 16). In this case, the relationship states as follows: "a subject (the interpreting academic) looks at a subject (that which he or she wants to know something about, which cannot be separated from the interpreting academic" (Egholm 2014: 29).

"Experiences are structured and understood through concepts and contexts, which are constructed by this subject. Whether the picture that is formed in this way is true or correct cannot be determined" (Flick 2014: 77).

CHAPTER 3: METHODOLOGY

3.1. Approach

According to Soiferman (2010: 5), “the method chosen should depend in large part on what the research question was, what one wants to know, and how they determine they will arrive at that knowledge”. Corresponding with the research intentions, a qualitative research approach is applied. The researcher in qualitative research is “more concerned with words rather than numbers” (Bryman 2012: 380). However, Onwuegbuzie and Leech (2005: 270 in Soiferman 2010: 4) believe that the difference between qualitative and quantitative methods resides in how researchers view the nature of reality. The authors assert that the qualitative theories “believe in multiple constructed realities that generate different meanings for different individuals, and whose interpretations depend on the researcher's lens” (ibid.).

Bryman (2012: 383) points out some of the “main research methods associated with qualitative research”, which allow us to verify if we were actually using qualitative research. Among the research methods associated with qualitative research are “the collection and qualitative analysis of texts and documents” and the “qualitative interview”. Those two are the main methods used in the analysis of this project research, which confirms that we are using a qualitative research approach. Lately, authors suggested replacing the word qualitative from qualitative research to the word exploratory (Soiferman 2010: 18) since, for instance, “researchers might begin by exploring a topic that they are interested in through the use of preliminary observations, interviews, open-ended questions, and data gathering (ibid.).

The research approach corresponds to the nature of the data used for the analysis; however, it is also necessary to specify the approach taken for the process of writing.

The qualitative approach usually leads the researcher to use an inductive approach in the research, and so we did. The inductive approach can also be called a “bottom-up” approach (Mitchel 2018: 104). The inductive researcher is the person who works from the “bottom-up, using participants’ views to build broader themes and generate a theory interconnecting the themes” (Creswell and Plano Clark 2007: 23 in Soiferman 2010:3). According to Egholm (2014: 145), social constructivism is often based in an inductive approach, “as they take the specific point of departure to define relationships, rather than examining pre-existing hypothesis about those relationships”. Through the inductive

method, it is possible to "observe, study and known the generic characteristics or commons that are reflected in a set of realities to elaborate a proposal or a scientific law of general nature"¹³ (Abreu 2014: 200); therefore, the main aim of qualitative research is to "learn from the participants" (Soiferman 2010: 8). Ultimately, in the inductive approach, "the researcher begins with specific observations and measures, and then moves to detect themes and patterns in data" (Soiferman 2010: 7).

The inductive techniques "use the data themselves to derive the structure of the analysis" (Kemparaj & Chavan 2013: 96). In this approach, "a series of specific observations lead the researcher to a general conclusion that may be true" (Mitchell 2018: 104). Kemparaj and Chavan (2013) point out that "the researcher starts by assuming that the categories which can be used to summarize the data are a theoretical 'blank sheet'". For this reason, theory can be used to create a framework for the analysis, but the analysis will develop different conclusions and theories (Mitchell 2018: 104). "The process of induction involves drawing generalizable inferences out of observations" (Bryman 2012: 26).

3.2. Research design

According to Bryman (2012: 88), a research design is "related to the criteria that are employed when evaluating social research. It is, therefore, a framework for the generation of evidence that is suited both to a certain set of criteria and to the research question in which the investigator is interested". Ragin (1994: 191 in Flick 2014: 112) defines research design as "a plan for collecting and analysing evidence that will make it possible for the investigator to answer whatever questions he or she has posed". Ultimately, the research design responds to the stage where the researcher plans a determined study (Flick 2014: 112) through a "framework for the collection and analysis of data (Bryman 2012: 46). Moreover, it is extremely important to choose a good research design that fits with the project research because it may "reflect decisions about the priority being given to a range of dimensions of the research process" (Bryman 2012: 46).

Bryman (2012: 50) analyses five different types of research designs, among them it is possible to find the case study design, which is the one used in this project research.

¹³ "se observa, estudia y conoce las características genéricas o comunes que se reflejan en un conjunto de realidades para elaborar una propuesta o ley científica de índole general"

3.2.1. Case study

As commented above, the case study design is one of the five different types that Bryman (2012) examines and the one that is going to be used in this research project. According to Yin (2003), case studies have been used in different areas and it may allow the investigators "to retain the holistic and meaningful characteristics of real-life events – such as individual life cycles, organizational and managerial processes, neighbourhood change, international relations, and the maturation of industries" (ibid.: 2). Bryman (2012: 66) pointed out that "the basic case study entails the detailed and intensive analysis of a single case". The cases studies aim to be the precise description or reconstruction of cases (Flick 2014: 121). Regarding this particular issue, the case study is not only associated with a single event, which is the bankruptcy of Thomas Cook but it is also associated with a specific location, which is Majorca, one of the islands located in the Balearic Islands in Spain. Majorca is considered the central 'case' of this project research since "the term 'case' associated the case study with a location, such a community or organization" (Bryman 2012: 67). Therefore, in this specific case, Majorca can be considered as an organization in the sense of what the involved tourism stakeholders, understood as a set of enterprises that compose the "tourism organization" of the destination influence in the response and recovery of the destination. In this specific case, "the 'case' is the focus of interest in its own right" (Bryman 2012: 68).

a) Why did we choose Majorca?

After reading some of the news published after the bankruptcy of Thomas Cook and its influence in Spain, we decided to choose Majorca over any other destination as the case study of our project research for several reasons. Firstly, we wanted to make our project research about a Spanish destination since we are from Spain and we are very interested in what is going on in our country, and specially, in the tourism industry.

Secondly, after reading the news released after the bankruptcy of Thomas Cook, we noticed that the Canary Islands and the Balearic Islands were the most damaged destinations in Spain due, among other circumstances, to the high dependency of tour operators. For this reason, we considered that as the impact was higher in the destination, we would be able to find more information such as news and measures. Moreover, we considered that since Majorca was not only affected by the tour operator in relation to the hotel beds but also, among others, in the air connectivity, we were going to be able to find more stakeholders interested in conducting interviews for the purpose of the project.

Thirdly, we decided to choose a destination located in the Balearic Islands rather than in the Canary Islands due to proximity to the destination. We are from Elche (Alicante) which is a city located in the east coast of Spain; so it was more likely to make a trip for a possible fieldwork in the Balearic Islands than in the Canary Islands since we can not only travel by plane to the islands from our city but also we can take a ferry to go to Majorca. Therefore, more possibilities for transportation and also, relative proximity to our home town. Moreover, we share not only the first official language (Spanish) but also our official second language with Majorca, which is the Catalan. So, we thought that in the case that somebody asks us to make an interview in Catalan or if we had to read some official papers or news in this language, we were able to understand what they were saying; and with so, we were able to gather more information for the analysis.

3.2.2.1. Reliability, replicability, and validity

According to Yin (2003: 33), four are the tests that have been used commonly in order to establish “the quality of any empirical social research” and those are the followings: “construct validity, internal validity, external validity and reliability” (Yin 2003: 34).

a) Construct validity

Construct validity is the first test that Yin (2003) proposes. The construction of validity is based on the establishment of “correct operational measures for the concepts being studied” (Yin 2003: 34). Two steps are presented to cover and meet the test requirements of construct validity which are:

- “Select the specific types of changes that are to be studied (and relate them to the original objectives of the study)
- Demonstrate that the selected measures of these changes do indeed reflect the specific types of change that have been selected” (Yin 2003: 35).

Ultimately, the project research has to have certain coherence where the aims that were selected at the beginning of the project are the ones that actually are analysed. Moreover, Yin (2003: 36) shows three different tactics which are the use of multiple sources of evidence, establish a chain of evidence, and "have the draft case study report reviewed by key informants".

In addition, in our case, we added footnotes with the original reference to add validity to our project research. All the data gathered for the analysis of the different research

questions was in Spanish, and subsequently, the references were translated by ourselves in English.

b) External validity

The external validity tests establish "the domain to which a study's findings can be generalized" (Yin 2003: 34). According to Yin (2003: 37), the external validity test in case studies has been a "major barrier in doing case studies". A great discussion has been centred concerning the external validity and the generalization of a determined case study research. "How can a single case possibly be representative so that it might yield findings that can be applied more generally to other cases?" (Bryman 2012: 69).

This question raises the doubt of to what extent the analysed case studies can be generalizable as Yin (2003:37) pointed out: external validity "deals with the problem of knowing whether a study's findings are generalizable beyond the immediate case study". As Bryman (2012: 69) points out it is not possible to generalize the findings of a determined case study. The author asserts that "it is important to appreciate that case study researchers do not delude themselves that it is possible to identify typical cases that can be used to represent a certain class of objects, whether it is factories, mass-media reporting, police services, or communities" (ibid.). Therefore, in our case, how Majorca handle the crisis of the bankruptcy of Thomas Cook cannot be generalizable to other destinations as every destination presents their own characteristics; in contrast, it can be an example of how to solve a crisis. The combination of different case studies in the same issue may generalize the results. This is confirmed by Yin (2003: 37) who pointed out that "the generalization is not automatic, however. A theory must be tested by replicating the findings in a second or even a third neighbourhood". This is known as the *replication logic* (ibid.). Therefore, the problem of generalization can be solved by "doing a series of cases" (Flick 2014: 123).

Following the discussion with the external validity, Yin (2009 in Bryman 2012: 70) considers five different types of cases that are used by researchers. Those are the "critical case, extreme or unique case, representative or typical case, revelatory case and longitudinal case" (ibid.). In this project research, the revelatory case is applied. Yin (2009: 48 in Bryman 2012: 70) points out that it exists "when an investigator has an opportunity to observe and analyse a phenomenon previously inaccessible to scientific investigation". The case of the bankruptcy of Thomas Cook is not a unique case because some other tourism stakeholders have collapsed over the years, not with the same

magnitude though. This phenomenon could not have been analysed before it happens, and neither the situation in a determined situation and the measures and strategies that were implemented due to it.

c) Reliability

The reliability test consists of "demonstrating that the operations of a study – such as the data collection procedures – can be repeated, with the same results" (Yin 2003: 34). For this reason, errors and biases have to be minimized (Yin 2003: 37). Yin (2003: 38) points out that "in the past, case study research procedures have been poorly documented, making external reviewers suspicious of the reliability of the case study". However, this can be solved with accurate documentation of the procedures followed to collect the data and how the analysis was done. For that, we consider the methodology as an important section of the project research. It should include all the steps followed to complete the research project.

3.3. Methodology - Data collection

3.3.2. Methods of data collection

This section presents the methods of data collection used to structure and design the analysis section of this project research. The data collection is one of the stages that compose the research project process and according to Bryman (2012: 12), "data collection represents the key point of any project". According to Soirferman (2010: 6), in qualitative research, the researcher "becomes the instrument for data collection. It is up to the researcher to gather the words of the participants and to analyse them by looking for common themes, by focusing on the meaning of the participants, and describing a process using both expressive and persuasive language".

Therefore, this stage entails "gathering data from the sample so that the research questions can be answered" (Bryman 2012: 14). All the data collected and the analysis must be focused on answering the research questions presented at the beginning of the research project. Both data collection and analysis "are subsequently geared to the illumination or resolution of the research issue or problem that has been identified at the outset (Bryman 2012: 22). Depending on the author consulted the data collection methods can be divided into different groups. According to Flick (2014), data collection can be based on two different big sections. The author classified the data collection methods in methods where verbal data is collected (interviews, focus groups...) and methods where the data is gathered beyond the talk (ethnography, observation...). However, in the case of De

Leeuw (2008: 113), she stated that “essentially there are two basic forms of data collection: those with and those without an interviewer”. The data collection can also be divided between the primary and secondary data. Understanding primary data as the “information that researchers gather first hand” (Rabianski 2003: 43) and the secondary data as the “information from secondary sources, i.e. not directly compiled by the analyst; may include published or unpublished work based on research that relies on primary sources of any material other than primary sources used to prepare a written work” (ibid.).

Rabianski’s (2003) classification will be the one used to structure the data collection section. All the different methods that were used for the data collection of this project will be gathered in this section. It should be pointed out that the bigger part of our data is based on secondary data collection since due to the coronavirus crisis, it was not possible to do an ethnography in the destination and neither, semi-structured interviews were gotten. The main focus of our data collection lies in the data collected from different online news articles; however, the data obtained through the different readings are complemented by one interview, one video-forum, and an interview that we conducted. Ultimately, all the data gathered is secondary data except the interview that we did.

As commented above, all the data gathered for the analysis was in Spanish. This fact made that we have to translate every reference that we wanted to include in the analysis. For that, it should be highlighted that all the Spanish references used in the analysis are own translated. For that reason, we added footnotes in every reference translated with the Spanish reference. In that way, it would be possible to contrast our own translation of the reference and the original reference.

3.3.2.1. Primary data collection methods

a) Interviews

As Bryman (2012: 469) states, the interview is probably the most general method used in qualitative research. Moreover, Flick (2014: 207) points out that the most widely employed and the type which arouses more interest between the researchers is the semi-structured interviews as interviewees may openly express his/her viewpoints. The semi-structured interviews can be typically referred to:

“a context in which the interview has a series of questions that are in the general form of an interview schedule but it can vary the sequence of questions. The questions are frequently somewhat more general in their frame of reference from

that typically found in a structured interview schedule. Also, the interview usually has some latitude to ask further questions in response to what are seen as significant replies" (Bryman 2012: 212)

However, although we planned to have several semi-structured interviews to gather information for the data analysis, the interview made in this project research was not a semi-structured interview. Due to the coronavirus situation, our interviewee asked us to send the questions in advance, so he could respond to the questions by audios through the instant messaging app WhatsApp when he had time to do it. Therefore, we had to be flexible in this aspect to get the answers that we needed for the analysis, even when we knew that it was going to be better to make a Skype interview since it was not possible to make a face-to-face interview. The data collected from this interview is the only primary data that we got for the analysis section.

This method of data collection is not contemplated in the literature as it is an innovative method in an extraordinary situation. However, it can be considered as a structured online interview since the questions were sent in advance by e-mail and we, as interviewers, could not change the structure and add up more questions to enhance the results of the interviews. In this type of interview, the interaction between the interviewee and the interviewer is inexistent, so some information may be lost in the process.

[a.1.\) Choice and justification of interviewees](#)

As commented above, one single interview was carried as a method of data collection. The interviewee was Bartolomé Deyá Tortella. We contacted him after the recommendation of Ana María Munur who is an associate professor in the Copenhagen Business School. We contacted her asking for an interview, but unluckily, she could not help us, but she did recommend us to contact different professors of the Balearic Island University (Universidad de las Islas Baleares), and so we did.

Bartolomé Deyá Tortella is Ph.D. in Economics by the Carlos III University of Madrid (Spain) (Universitat de les Illes Balears). Nowadays, he is the vice dean of the Faculty of Tourism in the Balearic Islands University (Universidad de las Islas Baleares). He declared in the interview that he did not play any role in the bankruptcy of Thomas Cook as he was professor and vice-dean of a university; however, he showed to have a big amount of knowledge about the tourism in Majorca, the role of the tour operators in the island, and what happened after the bankruptcy of Thomas Cook on the island, making

him an adequate candidate to carry out the interview. Moreover, after carrying out the interview, we checked on the Internet, and he was called to be interviewed in different media. After the bankruptcy of Thomas Cook, he made different declarations assessing the impact of the bankruptcy on the island, and how the future of tourism will look like. This material was also used to complement the answers to the interview.

[a.2.\) Preparation of the interview guide](#)

The interview guide that we prepared to carry out the interview was aimed at the profile of the interviewer. We assumed since the beginning that he was not a stakeholder who play a role in the bankruptcy of Thomas Cook, but a person who was into the Majorcan tourism industry, and he may know what was going on after the crisis as well as how the future of the tourism industry in Majorca will look like.

The interview guide (as it can be seen in appendix 1) was composed of an introductory part where we were presenting ourselves and the main aim of our project. We also thanked the interviewer for taking the time of answering and participating in our interview and we offered the anonymity to him. The interview guide was divided into four different blocks. We wanted to create different blocks as it may be easier for the interviewee to keep track of what we were asking.

[a.3.\) Transcription technique](#)

The transcription is an important step to analyse the interview. According to Flick (2014: 388) “if data have been recorded using technical media, their transcription is a necessary step on the way to their interpretation”. Bryman (2012: 482) pointed out that “qualitative researchers are frequently interested not just in *what* people say but also in the *way* that they say it”. However, due to the specific form of how the interview was made, we, as researchers, were not interested in the way that our interviewee was answering the questions but in what our interviewee was saying. As it was thought ahead of the speech, there was no space for the interpretation. Our interviewee knew what he wanted to say and how to say it.

We did not have to record the interview as our interviewee sent audio on the instant messaging app WhatsApp. Therefore, we have the audio with the answers to our interview guide, which in some way can emulate an audio recording. The transcription was considered as a key aspect of the analysis of the interview as it allowed “more thorough examination of what people say” and it permitted “repeated examinations of the

interviewees' answers" (Bryman 2012: 482). Moreover, the transcription of the interview was used for the thematic analysis of it (more information about the process of the thematic analysis on the interview will be explained at a later stage).

Usually, the procedure of an interview transcription may be very time-consuming (Bryman 2012: 482). For this reason, this same author recommended a transcription machine to speed up this procedure. For this purpose, we use happyscribe.co/es which is an online software that automatically transcribes the recording audio. Although the software transcribed the whole interview, afterwards we had to review it to eliminate the possible misunderstandings made by the software. However, the use of the software eliminated the main problem with transcribing the interview, which is, as commented, the time-consuming.

3.3.2.2. Secondary data collection methods

a) Online newspapers

The information gathered from online newspapers was the secondary data collection method that we used the most. As we could not get more interviews, we decided to look closely at different online newspapers to get information that could be analysed afterwards. Luckily, the impact of the bankruptcy of Thomas Cook was a piece of really shocking news in Spain. Therefore, many opinions, interviews, and news arose during the uncertainty stage of the crisis, which benefited us when writing the analysis as we could get different expert opinions.

As commented, we looked into different news and different online newspapers but we looked very closely at Hosteltur, Diario de Mallorca, and Preferente. All these online newspapers have a special relevance covering the news in the bankruptcy of Thomas Cook. On one hand, Hosteltur and Preferente are two of the most known tourism specialized online newspapers in Spain. Therefore, relevance is evident. They were covering intensively the news about the bankruptcy of Thomas Cook in the tourism industry; however, it has to be stressed that more information was gathered from Hosteltur than from Preferente since the coverage of Hosteltur was more complete. Nonetheless, we did not want to lose the opportunity of looking into the news of Preferente as it is not only specialized in the tourism industry, but it is also edited in Palma (Majorca). On the other hand, Diario de Mallorca is one of the most important and relevant newspapers in Majorca, and with so, it also is its online newspaper. Diario de Mallorca is exclusively

covering news of Majorca. For this reason, due to the specialization in different matters of these online newspapers, we considered them as key online newspapers to look at.

The way of procedure was the same in all the case. Firstly, we wrote 'Thomas Cook' in the searcher of news in each online newspaper as keywords which lead us to a bunch of news that had to be reviewed. Hosteltur had 2215 different news with the keyword 'Thomas Cook'; Diario de Mallorca does not specify the number of news, and neither does Preferente¹⁴; however, it was possible to see that many pieces of news were written about Thomas Cook along the history of the online newspapers. For this reason, we decided to look at the news released from the 23rd of September, the day that the bankruptcy of the tour operator was declared. This entailed a reduction in the sample.

Different interesting sources of data were found through the online newspaper Diario de Mallorca. The aforementioned newspaper-broadcast live the Tourism + forum 2019 (Diario de Mallorca 14/10/2019). It was an event organized by Diario de Mallorca on the 14th of October of 2019. As it was a forum conducted after the bankruptcy of one of the biggest tour operators, the issue was considered the central topic of the forum. This forum gathered many very important stakeholders of the island as it was, among others, Gabriele Burgio, Alpitour president; Carmen RIU, co-president of the hotel chain RIU, Gabriel Subías, CEO of Ávoris and María Frontera, president of the Hotel Federation of Majorca (ibid.). This meeting was considered a turning point in our project research. We were a bit disappointed in not getting any interviews with any of the important stakeholders directly involved in the bankruptcy of Thomas Cook; therefore, this forum makes us see that there were many secondary sources of data that we could use to carry out our analysis. We did not transcribe the forum completely, but some notes for the analysis were taken while we were watching it.

b) Documents from the state

We also consider interesting the analysis and usage of the data from official documents from the local and national governments. As it will be commented in the analysis, the public sector has a big influence on the response and recovery of a crisis, which makes it extremely important to bear all these documents in mind. Bryman (2012: 549) recognized the importance of using documents from the government since the "state is the source of a great deal of information of potential significance (...)" In addition to such quantitative

¹⁴ Information checked the 19th of May of 2020.

data, the state is the source of a great deal of textual material of potential interest, such as Acts of Parliament and official reports”. Scott (1990 in Bryman (2012: 549) pointed out that the documents that are presented by the state fulfil four different characteristics which are authenticity; they have meaning “(in the sense of being clear and comprehensible to the researcher) (ibid.); high credibility and unique.

Hereafter, the different documents that were used from the government both local and national will be explained.

b.1.) Documents from the Spanish government

Three documents elaborated by the national government were used in the analysis of this project research. They were considered essential as it was a reliable and official source of information which could be used in the analysis. Moreover, it is necessary to highlight the use of the web page of INE (Instituto Nacional de Estadística; National Statistics Institute). INE is in charge of gathering all the statistics of the national territory in different sections. Tourism is one of them, and some of the statistics offered by the Institute were used in the introduction as well as in the analysis.

- **Royal Decree-Law 12/2019, of 11th October**, adopting urgent measures to diminish the effects by the insolvency of the business group Thomas Cook (BOE 2019). This law is gathered in the “Boletín Oficial del Estado (BOE)” (Spanish for Official Bulletin of the State) and it was formalized on the 12th of October of 2019. This Royal Decree-Law collected many of the measures that the Spanish government presented in order to diminish the effects of the bankruptcy of Thomas Cook. According to this same Royal Decree-Law: “The measures that are adopted in this Royal Decree-Law intend to give concrete answers to this needs of the urgent character. Therefore, the situation generated in the tourism sector due to the insolvency of the business group Thomas Cook is tackled, avoiding the direct negative impact”¹⁵.
- **Measures adopted by the Spanish government to face the crisis caused by the activity cessation of Thomas Cook** (Ministerio de Industria, Comercio y Turismo 2019). This document was extracted from the web page of the Spanish Ministry of Industry, Trade, and Tourism and it summarizes all the measures that were going to

¹⁵ “Las medidas que se adoptan en este real decreto-ley pretenden dar respuestas concretas a estas necesidades de carácter urgente. Así, se aborda con inmediatez la situación generada en el sector turístico por la insolvencia del grupo empresarial Thomas Cook, cuya actividad es clave para el sector turístico de nuestro país, evitando que repercuta negativamente”

be taken as an emergency plan to diminish the effects of the bankruptcy. In our opinion, this document has more meaning, in the sense that Scott (1990 in Bryman 2012) presents, that the Royal Decree-Law. The document was explaining clearer the measures approved by the Royal Decree-Law.

- **Action plan. Thomas Cook** (Ministerio de Industria, Comercio y Turismo 2019b). It is a pictogram made by the Spanish Ministry of Industry, Trade, and Tourism where the action plan is presented in five different action areas (connectivity, helps, promotion, employment, and protection). It was presented as an easier and more schematic way to gather all the information presented in the two previous documents, which may facilitate the comprehension of it. The following picture (figure 1) is an adaptation of the original one. It will be summarized and translated, and it will show the main action areas and their main measures showed in the pictogram. We consider this image essential to show the material that we got like the whole image is in Spanish.

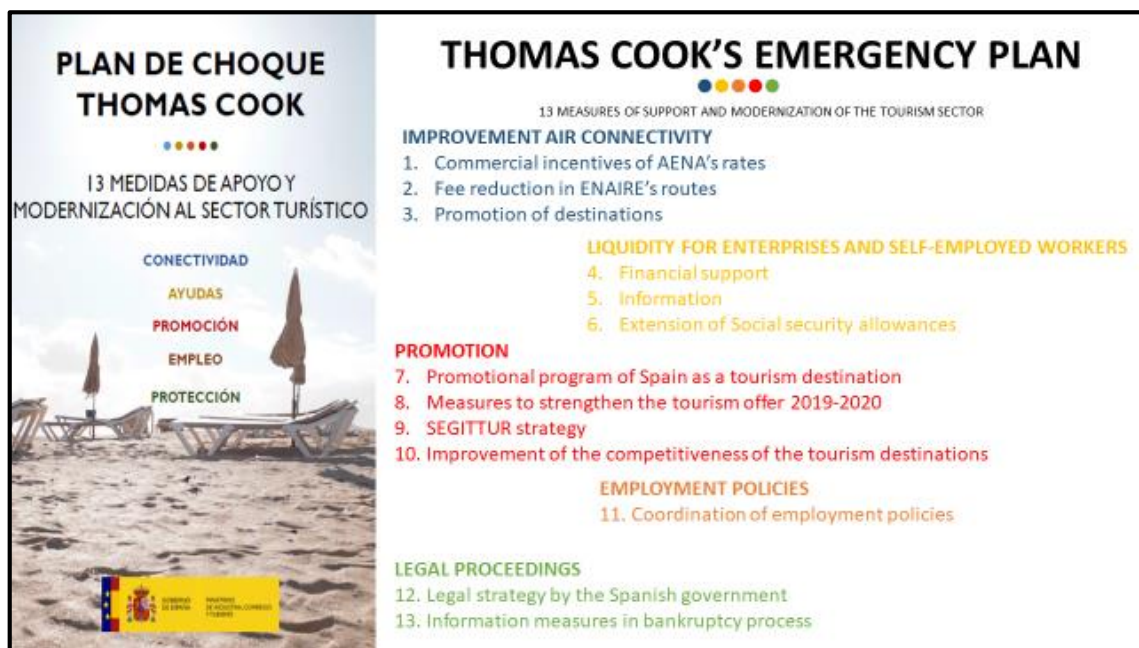


Figure 1: Translation of the main point of Thomas Cook's emergency plan. [Source:](#) own elaboration with the information of the Ministerio de Industria, Comercio y Turismo (2019 b)

b.2.) Documents from the local government

A single document from the local government was used for the analysis of this project research. After the bankruptcy of Thomas Cook, many were the measures that the Balearic Islands' government contemplated. They are all compiled on an informative note called Autonomic Measures to diminish the effects of the bankruptcy of Thomas Cook in

the Balearic Islands¹⁶ (GOIB 2019), similar to the document that the Spanish government released (Measures adopted by the Spanish government to face the crisis caused by the activity cessation of Thomas Cook). In this briefing note, the Balearic government summarizes and inform about all the measures taken due to the bankruptcy.

c) Podcasts

Podcast has increased its popularity over the years. For some people, they are considered the "replacement for radio/music and television" being a media similar to the audiobooks (Perks and Turner 2019: 102). In this project, podcasts were used in the very early stages of the project to set a framework in our minds. What happened with Thomas Cook? Which is the implication in the tourism industry? They were some of the questions that pop in our mind with the bankruptcy of the tour operator; so, mainly, the podcasts were used to set the scene in our mind to find a problem and the area in which we wanted to base our project research. However, one very short podcasts make us realize that the bankruptcy of Thomas Cook was not considered a 'major' crisis in the destination as the gap left by Thomas Cook was going to be filled by other different tour operators. For this reason, this podcast was used in the analysis. The podcast was found in Capital Radio. Capital Radio is a radio which also makes some podcasts in streaming in section Capital Radio – on demand. The podcast (García 2019) was called “Will affect the bankruptcy of Thomas Cook to the Spanish tourism?”¹⁷ and it was reported by Pablo García, CEO of Divacons Alphavalue. It is an enterprise that offers “agnostic analysis of business models and valuations, and helping clients assess their investment risks and opportunities” (Alpha Value Independent Equity Research, n.d.).

3.4. Methodology – Data analysis

3.4.1. Analysis approach used

The thematic analysis seemed to be the analysis approach that fits better for our analysis. The thematic analysis can be considered as “one of the most common approaches to qualitative data” (Bryman 2012: 578) and it can be defined as "a method for identifying, analysing and reporting patterns (themes) within data. It minimally organizes and describes your data set in (rich) detail. However, frequently it goes further than this and interprets various aspects of the research topic (Braun and Clarke 2006: 79 in Flick 2014: 421).

¹⁶ “Medidas de ámbito autonómico para mitigar los efectos en Baleares de la quiebra de Thomas Cook”

¹⁷ “¿Afectará la caída de Thomas Cook al turismo español?”

Braun and Clarke (2006: 79 in *ibid.*) pointed out that the thematic analysis should be developed in six different steps, explained as follows: “the first step focuses on doing the transcription (yourself) and reading the transcripts several times. In the second step, codes are developed from the material (...). The third stage entails sorting the codes into various themes and collation of the relevant data extracts in the themes. Step 4 aims at a refinement of the developing codes system by breaking down themes into subthemes (...). This should lead, in the fifth step, to thematic maps (visual representations of themes and subthemes and links between them). (...) In the sixth (and final) step the results of this procedure are presented. Those steps were followed to analyse the data obtained in the data collection stage. However, some variations were done through the process depending on the source of material that we were analysing. As commented above, two main different sources of data were used: the pieces of news released by the online newspapers, and the interview made to Bartolomé Deya Tortella.

On one hand, related to the pieces of news released by the online newspapers, there was no need for doing transcription and we did not code for this purpose. We had already different themes that we wanted to talk about because they were set on the literature review. Therefore, while reading, we tried to fit different direct references together with the web link in the different themes to create a narration based on the thoughts and information of many stakeholders. As commented above, the themes of the analysis were already set by the literature review. However, the subthemes created in some sections were created as Flick (2014) proposed.

On the other hand, the interview was transcript but as commented above, a software made it for us. We read and correct the mistakes that the software could commit when doing the transcription, but it really helped us to save time on the process. The analysis of the interview was done coding thematically different aspects of the interview, as it is shown in the annex (appendix 3). This allowed us to easily include the information gathered in the interview to the different themes created through the process of analysis since even when they were kind of given by the literature review, we needed to add new ones due to the nature of the crisis.

Lastly, thematic maps were very useful for the analysis part of this information as we were able to create connexions between different kinds of sources and also, similarities and differences between different speeches, as some of them contradicted others.

3.5. Limitations: How the coronavirus crisis influence the research

The situation that the coronavirus (COVID-19) has generated, has influenced directly on the results of our project. The whole crisis affected to many destinations and the tourism industries of many countries. The Spanish government was under the obligation of closing totally the country not only for tourists but also for the Spanish citizens. Therefore, the virus was hurting the economy in different countries as the economic activity was almost paralysed, and with so, the tourism industry since travelling was not possible by then.

We consider that the pandemic had a direct effect on the results of our research project. Firstly, we consider that the crisis of Thomas Cook was minimised due to the coronavirus crisis. This affected us in two ways. On one hand, it was not possible to know if the tourism industry was recovered after the crisis of Thomas Cook. This was essential to our project in order to know if the measures that different governments and stakeholders adopted were appropriate enough to get the destination to a normal status or even an improved one. On the other hand, Thomas Cook's news were significantly decreased when the coronavirus arose. This is the normal situation bearing in mind the huge importance of the pandemic and the generalized worry in the tourism industry (and other industries) because the sector was completely stopped.

We also consider that the COVID-19 could influence our interview process. As commented, we were not able to do more than one interview even when we sent 25 different emails to different stakeholders involved in the crisis. When we contacted them, the coronavirus crisis started to surface; therefore, we consider that those stakeholders were too busy trying to solve a bigger crisis than the bankruptcy of Thomas Cook was, and they did not have time to answer our questions. In addition, the possibility of doing fieldwork was cancelled due to the coronavirus crisis. We were thinking to travel from the 6th to the 8th of April, but for this time, the borders were already closed, so we did not have the opportunity to make interviews *in situ*. For all this, the data collection method that was thought in the early stages of the process had to be changed to other methods where the secondary data played the lead.

Academically speaking, writing a thesis can be one of the most challenging things that we could ever face. It is a tough process with a lot of stressful situations along with the project writing. Writing a thesis during a pandemic multiplied all the problems creating even more stress and writing block during those last months. Uncertainty and confusion arose not only for writing a thesis but for the situation that the whole world was living. The pandemic made us rethought the topic of our thesis. In the early stages, we sent many emails to different stakeholders and nobody was answering them, since they were busy handling the coronavirus situation and others were not even working, what made us think that we were not going to be able to gather the necessary data

to carry out our project. But finally, we decided to keep the topic as we could find many secondary data on the Internet about the bankruptcy of Thomas Cook in Majorca.

CHAPTER 4: LITERATURE REVIEW

The literature review can be considered as a key element in a research project as it allows the researcher to better understand the framework and what has been already written about the issue. According to Soiferman (2010: 8), in qualitative studies, "the literature review is used to provide evidence for the study and to identify the underlying problem that will be addressed by the inquiry". In this case, the literature review will be mainly focused on the theory of crisis management and the different steps to follow in such the case of a crisis.

The main objective of this project is to analyse how Majorca handled the crisis of the bankruptcy of Thomas Cook. For this reason, crisis management theory was considered as the appropriate way of analysing it as it beholds the process in which destinations will be immersed when a crisis or disaster happen.

Moreover, it is important to highlight the way in which we understand tourism. Tourism is considered in this research project as a "network of stakeholders" as declared by Scoot, Laws, and Prideaux (2008: 4). Therefore, tourism is considered to be formed by different organisations and stakeholders which construct the industry as a whole.

The literature found to analyse the main issue does not stick perfectly to the bankruptcy of Thomas Cook, as it was impossible to find a theory which analyses the steps that a destination should follow in the case of the bankruptcy of a tour operator, or how to handle a crisis of this nature.

4.1. Crisis management

As the UNWTO (2020a: 3) shows in the World Tourism Barometer, tourist figures are raising increasingly over the years. International tourists' arrivals (overnight visitors) reached 1.5 billion in 2019, which is translated in the growth of 3.8% over the previous year, about 54 million more than the previous year. Moreover, tourism spending is still strong and growing continuously (UNWTO, 2020b). Therefore, with all the data given by the UNWTO, tourism might be considered as one of the economic activities which bring more benefits to enterprises generating an extensive economic activity (Pforr and Hosie, 2008: 250). However, tourism is also characterized by being one of the most globalized and interconnected activities, which might be very dangerous when different crisis or catastrophes come, as Pforr and Hosie (2008: 249) asset:

“[t]ourism is an industry which is highly susceptible to negative events and, since there is always a crisis somewhere in the world, the sector appears to be under an almost permanent threat of yet another crisis looming”

The globalisation of the tourism industry has contributed to an accelerated expansion of the tourism business internationally, which serves, among others, to expand the profitability of tourism enterprises. However, it might also affect negatively to the enterprises because they are open to a greater number of risks (Ritchie 2004: 670). Crises are inevitable in the tourism sector and that is something that the UNWTO (2020a) has learnt. The organization points out that even when the figures expected for 2020 are positive, organizations and stakeholders always have to be cautious with them, as "prospects may be affected by a worsening of the economic scenario as well as of current trade and geopolitical tensions". This may lead to a drain of tourists or redistribution of them to other areas or destinations not affected (ibid.), also known as displacement effect, where "tourists may be well be choosing safer destinations and avoiding areas of perceived danger" (Pforr and Hosie 2008: 253). For example, "Brexit's impact on Europe could affect the euro area countries and to benefit destinations outside the Eurozone, as was the case already in 2019" (UNWTO 2020a). The dissociation of the United Kingdom of the European Union was one of the scenarios that the UNWTO forecasted that might influence the tourist activity in 2020, which showed that many scenarios can be prevented or at least, the impacts may be diminished due to the forecast of different scenarios contemplated by different organisations. However, others, as the actual global pandemic or as it was the bankruptcy of Thomas Cook cannot be forecasted with much time in advance, which allows businesses less time to tailor preventive actions to diminish the negative effects that they might have.

4.1.1. Definition of crisis, tourism crisis and difference between crisis and disaster

Literature is not providing a common definition of crisis that can be generally accepted by everyone (Pforr and Hosie 2008: 252; Santana 2004: 307). Despite this, it is possible to find many different definitions of crisis in the literature depending on the author.

McKercher and Hui (2004: 101 in Pforr and Hosie 2008: 249) define crises as "episodic events that disrupt the tourism and hospitality industry on a regular basis". Moreover, Coles (2004: 178 in Pforr and Hosie 2008: 249-250) added that it is necessary to bear in mind that "when not in crisis, destinations are in an extended program of practically prevent limbo, almost waiting for the important trigger event to take place". In addition,

Pauchant and Mitroff (1992: 15 in Ritchie 2004: 670) define a crisis as a "disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core". Thanks to all the definitions that appear in the literature, Pforr, and Hosie (2008: 252) propose a range of keywords that are included in the definitions of crisis, and that are essential to understand what a crisis is. These are: "disaster, negative event, catastrophe, problem or turning point, risk, chaos, vulnerability, safety and security" (ibid.).

According to Santana (2004: 307), the term "tourism crisis" is rarely explained in the literature. However, Sönmez et al. (1994 in ibid.) included the term in their paper. The authors define tourism crisis as:

"... any occurrence which can threaten the normal operation and conduct of tourism-related businesses; damage a tourist destination's overall reputation for safety attractiveness, and comfort by negatively affecting visitor's perception of that destination; and, in turn, cause a downturn in the local travel and tourism economy, and interrupt the continuity of business operations for the local travel and tourism industry, by the reduction of tourist arrivals and expenditures" (Sönmez et al 1994: 2.2. in Santana 2004: 307).

It is necessary to highlight that crises are not something new in the tourism industry, they have been occurring since the tourism started (Santana 2004: 300; Hall 2010: 402), and also "how sensitive the industry is to change in its operational environment" (Santana 2004: 304). Nevertheless, the perception of crises amongst the population has changed over the last years due to the use of the global mass communication, which contributes to a rapid spread of news amongst the population, influencing negatively to the mind-set of tourists about destinations and their decisions when choosing the tourist destination (Pforr and Hosie 2008: 250). But not only that, Faulkner (2001: 143) asserts that "the impacts of disasters on the market are often out of proportion with their actual disruptive effects because of exaggeration by the media". Sometimes the media is distorted and create rumours about a certain disaster or crisis benefiting for the misinformation that disasters may provide, "as disruptions to communication systems combine with publication deadlines to inhibit the verification of reports and the rating game fosters sensationalism" (ibid.), which will change drastically the mind of travellers. According to Santana (2004: 300), tourism is related to concepts such as "enjoyment, pleasure, relaxation or safety" and not with "distress, fear, anxiety, trauma and panic" which are the concepts related to

crises or disasters, and overall, all the situations that travellers would avoid. As global mass media plays an important role in regards to the psychology of the tourists, it might be said that tourist behaviour or thoughts about a tourism destination are hardly affected if tourists cannot perceive a security sensation on the destination (Pforr and Hosie 2008: 254; Santana 2004: 305). However, as McKercher and Hui (2004: 102 in Pforr and Hosie 2008: 253) pointed out that “[f]ortunately, most tourists have relatively short memories and will resume traveling when they feel the immediate threat has passed. As a result, history suggests that disasters tend to have no lasting impact on tourist flows”.

Despite all this information which concerns how psychology may affect tourists after a disaster or crisis, it is necessary to highlight that it is not the case after the bankruptcy of a tour operator. All these theories cannot be applied to our case as tourists are still willing to visit the destination. Tourists know Majorca and what the destination can offer to them; hence, it is not a case of lack of security but a lack of an intermediate or a middle point that links the tourist with the already built destination. Therefore, in the particular case studied, tourists will still visit Majorca if they find a way to do it.

Faulkner (2001: 136) emphasizes the importance of making a distinction between the terms crisis and disaster. Faulkner (ibid.) describes a crisis situation “where the root cause of an event is, to some extent, self-inflicted through such problems as inept management structures and practices or a failure to adapt to change”, while a disaster situation may be described as the situation “where an enterprise (or collection of enterprises in the case of a tourist destination) is confronted with sudden unpredictable catastrophic changes over which it has little control”.

Regarding the differentiation that Faulkner (2001: 136) does, the bankruptcy of Thomas Cook can be considered as a mix between a disaster and a crisis situation. While it can be considered a crisis because the bankruptcy was led by "inept management structures and practices or a failure to adapt to change" as the tour operator collapse was caused among other reasons because it did not reinvent itself to serve certain changes of patrons in the tourism industry, it can also be considered a disaster as many destinations have to face an unpredictable change over which they had little control, as Faulkner (2001: 136) states. However, although it can be considered as a mix of term, in this project research, the bankruptcy of Thomas Cook will be referred as a crisis.

4.1.2. Definition of crisis management

All in all, "crises are generally distinguished from routine situations by a sense of "urgency" and concern that problems will become "worse" in the absence of action" (Santana 2004: 307). Therefore, stakeholders in the tourism industry need a plan to face crises that impact and endanger the industry or businesses in order to, somehow or other, save the industry. As Ritchie (2004: 670) points out: "there is a need to understand such incidents and examine strategies that can be used to stop or limit their impacts on a growing and important sector". Consequently, the theory of crisis management is covering this fact.

In the context of crisis management, several core themes have been set in order to manage a crisis adequately which are: preparedness, "sensibilization¹⁸" and initial response (Pforr and Hosie 2008: 251). According to Santana (2004: 308), crisis management can be defined as:

"[A]s an ongoing integrated and comprehensive effort that organizations effectively put into place in an attempt to first and foremost understand and prevent crisis, and to effectively manage those that occur, taking into account in each and every step of their planning and training activities, the interest of their stakeholders"

According to Fink (1986: 15 in Faulkner 2001: 137), the essence of crisis management becomes "the art of removing much of the risk and uncertainty to allow you to achieve more control over your destiny". Besides that, Pforr and Hosie (2008: 251) indicate that all the crisis must be customized to the actual crisis that the tourism industry is facing because as Ritchie et al. (2004: 202 in ibid.) highlighted: "all crisis are different and crisis managers need to tailor responses to the individual crisis, rather than try to plan for every individual situation". Hence, all the strategies taken under a crisis will be conducted bearing in mind the framework of the crisis (Santana 2004: 301) which means that socio-cultural, economic, political, historic and physical characteristics of it are extremely important (Pforr and Hosie 2008: 251).

Moreover, it is necessary to determine the type of crises that enterprises are facing in every situation. Parsons (1996 in Ritchie 2004: 671) proposes three different types of it depending on the time in which they may provoke damage to the enterprises: *immediate*

¹⁸ Awareness, sensitisation

crises, very little or no warning exists, so the organisations cannot prepare a plan before the crisis affects the enterprise; *emerging crises* are developed slower so the enterprise may prepare a plan to stop it or limit the impact that it can have in the organisation; *sustained crises* that may endure weeks, months or years. Therefore, aside from tailoring the crisis management depending on the framework of each crisis, it is necessary to look into the “time pressure, the extent of control and the magnitude of these incidents” (Ritchie 2004: 671).

4.1.3. Nature of crisis or disaster

In order to face a crisis properly, organizations need to understand and analyse the crisis deeply in order to tailor the measures that may be applied in such cases. It is necessary to know beforehand the nature of a crisis or a disaster to adapt the measures which are going to be taken in those cases. Pforr and Hosie (2008: 253) differentiate two different types of disasters or crises: natural disasters and disasters attributable to people. On one hand, inside the group of natural disasters, it is possible to find "forms-storms, floods, tsunamis, fires, volcanic eruptions, avalanches, hurricanes, typhoons and epidemics" (ibid.). Lee and Harrald (1999: 184 in Ritchie 2004: 669) state that "natural disasters can disrupt the supply and distribution chains for even the best prepared business". On the other hand, "the disasters attributable to people, can emanate from accidents and hostile acts, such as fires, arson, explosion, political upheaval, riots, insurgency, disease, crime, terrorism or war" (ibid.). These disturbances have dramatically impacted the tourism industry as it was the attack of September 11, 2001, and the Bali Bomb Attack (Ritchie 2004: 669).

Other of the categorizations that can be found in the literature about crisis and disaster nature, is the one shown by Santana (2004: 300). The author creates a different framework of analysis where it is shown a categorization in different groups depending on the nature of the own crisis, as can be seen in figure 2. Moreover, it is organized around the socio-economic framework or nature/technological framework, and from severe to normal concerning the impact that it can have (ibid.). Besides, Pforr and Hosie (2008: 254) asserts that “crises in tourism are by their nature very complex and not well understood as tourism is susceptible to host of internal and external dynamics”.

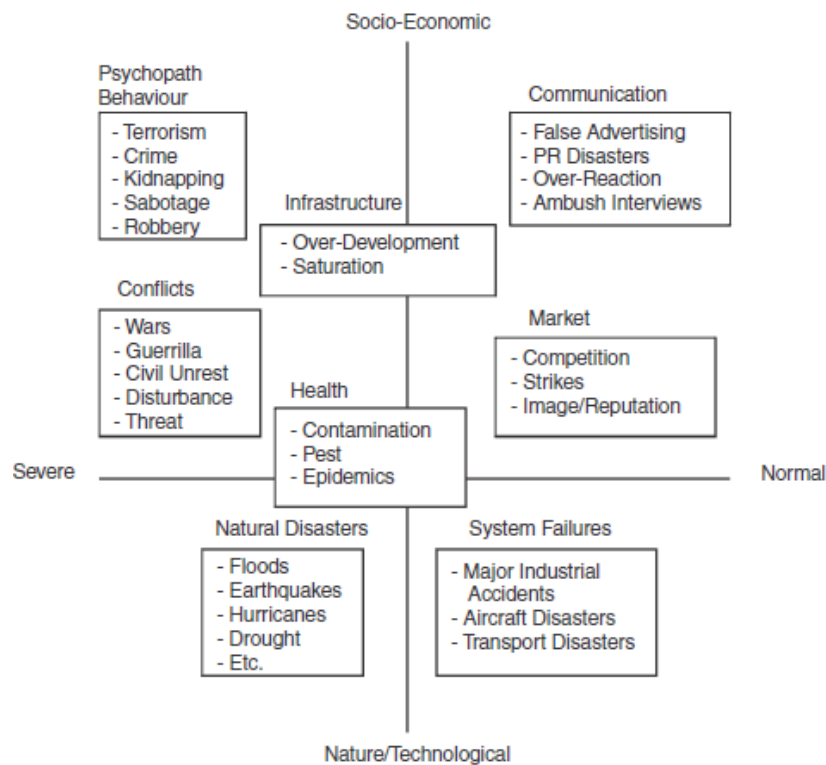


Figure 2: A framework of Generic Causes of Crisis in Tourism. Source: Santana 2003: 301

As can be seen from both categorizations, the bankruptcy of a tour operator is not contemplated in disaster attributable to people; therefore, a gap is found in the literature. A new differentiation has to be made. The bankruptcy of a tour operator can be considered as a disaster attributable to people and it should be placed in the market framework as it will be explained on the analysis.

4.1.4. Different approaches to crisis management planning

Pauchant and Mitroff (1992 in Pforr and Hosie 2008: 255) identify two different approaches for crisis management planning in tourism which are the proactive and reactive approach. Both of them are useful to know when the enterprises are starting to take action to tackle the negative consequences that crises or disasters may have on them.

The *proactive* stage is taken before the crisis arrives. The enterprises are recognizing the crisis before it comes which allows them to recognize it and act beforehand to minimize the consequences in the industry (ibid.). Conversely, the *reactive stage* is the approach taken after the crisis occurs. The main priority in this stage is to contain the damage that the crisis may produce in the organization and return to a state of stability (ibid.).

In regards to Pforr and Hosie (2008: 255) the proactive approach is more effective when facing a crisis because the industry is prepared for it and it would be more manageable. Even so, sometimes it is difficult to take a proactive approach because every crisis “can

occur today with little warning, anywhere, any time. A crisis can also happen to any organization, large or small, public or private, regardless of its management style” (Santana 2004: 302).

4.1.5. Steps to follow in crisis management

It is possible to find many theories in the literature about the steps that organisations or enterprises may follow in case of a disaster or crisis. Those frameworks are addressed in different papers and different authors did so. For that reason, it is possible to find different steps, phases, or frameworks to apply in an organisation in case of a disaster or crisis. Some of them, as it is the framework used by Faulkner (2001), are addressed to disaster management in the tourism industry. Even so, others are more focused on addressing crisis or authors proposed a more generic framework which fits in both types of crisis, as it is the framework proposed by Wilks and Moore (2004), in regards to the study created by Huang, Tseng, and Petrick (2008).

Analysing the literature, it is possible to notice that while it was easy to find the steps to follow in case of a crisis, it was very difficult to find literature about recovery strategies or the post-recovery phase in crisis management, and first and foremost, a theory on crisis management which may be applied in the case of the bankruptcy of a tour operator or a big tourism company.

Following the consideration made in previous paragraphs when the collapse of Thomas Cook was determined to be a hybrid situation between the terms crisis and disaster, and bearing in mind the inexistence of a crisis management strategy divided by steps for this topic, two different frameworks written by different authors have been selected to analyse in order to create an appropriate framework for the analysis of our project research.

Faulkner (2001) and Wilks and Moore (2004) are the main selected authors whose frameworks will be analysed in this project research. The election of both authors was based on the different nature of their crisis management proposals. While Wilks and Moore (2004) are focused on the creation of a framework based on the experience of different crisis or disaster occurred in the history of tourism, Faulkner (2001) made a complete distinction between crisis and disaster and his framework is based on crisis management under a disaster situation, understanding disaster “where the event which disrupts the routine concerned, and in response to which adjustments have to be made, is triggered externally” (Faulkner 2001: 138).

4.1.5.1. Frameworks used to describe stages in response to a crisis/disaster

Firstly, Faulkner (2001) created a set of stages drawing his own framework which may be used in response to a disaster basing it in two different authors, who were Fink (1986) and Roberts (1994). Table 1 shows the sequence of stages which may be used in case of a disaster according to Faulkner (2001).

Composite stages	Fink's (1986) stages	Robert's (1994) stages
1. <i>Pre-event</i>		<i>Pre-event</i> : where action can be taken to prevent disasters (e.g. growth management planning or plans aimed at mitigating the effect of potential disasters)
2. <i>Prodromal</i>	<i>Prodromal stage</i> : when it becomes apparent that the crisis is inevitable	
3. <i>Emergency</i>	<i>Acute stage</i> : the point of no return when the crisis has hit and damage limitation is the main objective	<i>Emergency phase</i> : when the effects of the disaster has been felt and action has to be taken to rescue people and property
4. <i>Intermediate</i>		<i>Intermediate phase</i> : when the short-term needs of the people affected must be dealt with – restoring utilities and essential services. The objective at this point being to restore the community to normality as quickly as possible
5. <i>Long term (recovery)</i>	<i>Chronic stage</i> : clean-up, post-mortem, self-analysis and healing	<i>Long-term phase</i> : continuation of the previous phase, but items that could not be addressed quickly are attended to at this point (repair of damaged infrastructure, correcting environmental problems, counselling victims, reinvestment strategies, debriefings to provide input to revisions of disaster strategies)
6. <i>Resolution</i>	<i>Resolution</i> : routine restored or new improved state	

Table 1: Stages in a community's response to a disaster. *Source: Faulkner 2001:140*

In the case of Wilks and Moore (2004), they reduced the phases of the crisis management plan to four stages, which are the following: reduction, readiness, response, and recovery. It is what the authors call the 'four Rs' of crisis management. Even when the phases may seem to be more reduced than in the case of Faulkner (2001), both authors made a series of observations to bear in mind which are interesting to compile together. It is possible to see the difference between both frameworks in table 2. It is also necessary to highlight that even when Wilks and Moore (2004) establish fewer stages, in the end, they are covering the same stages that Faulkner (2001) does.

Faulkner (2001) stages	Wilks and Moore (2004) phases and steps	
1. Pre-event	1. Reduction	Establish the context Identify Risks
	2. Readiness	Analyse and evaluate risks
2. Prodromal	3. Response	Treating risks
3. Emergency		
4. Intermediate		
5. Long-term (recovery)	4. Recovery	Monitoring and review
6. Resolution		

Table 2: Comparison between Faulkner's (2001) stages and Wilks and Moore (2004) stages. *Source: own elaboration*

Faulkner (2001) explains in his paper a set of specifications and disadvantages which may be given when addressing a disaster strategy. All the specifications will be introduced in the phases and steps that Wilks and Moore (2004) proposed, as they are more specified in their paper. Mair, Ritchie, and Walter (2016: 2) affirm that “an effective crisis and disaster management include three steps: (1) planning and preparedness activities before a crisis or disaster, (2) response to, or management of, a crisis or disaster as it occurs and (3) final resolution to a new or improved state after the crisis or disaster is over”. However, in purpose of the research question, the emphasis of the phases will be made in the response and recovery of a crisis/disaster situation.

a) Reduction phase

The first phase is a *reduction* which consists on "identify a potential crisis, then seek to reduce its impact" (Wilks and Moore 2004: 38). However, the reduction phase also considers the possibility of reducing the possibility of a crisis in the organisation. This phase can be divided into two different phases: "establish the context and identify risks" (ibid.: 38), and the SWTO analysis is considered as a key instrument to identify possible problems and risks. Notwithstanding, this tool must be reevaluated and kept up-to-date once it is developed and implemented (ibid.).

b) Readiness phase

The second phase, *readiness*, is divided into two different steps: analyse and evaluate risks (ibid.: 41). In this case, Wilks and Moore (2004: 41) explain that “[b]eing ready” involves more than making plans and running an occasional drill. Tourist destinations and businesses need to evaluate their crisis exposure and develop strategic, tactical and communication plans (...) [and,] [m]anagers and staff need to be psychologically and physiologically prepared for the impact and stresses that crisis events may impose upon them”.

Fink (1986: 7 in Ritchie 2004: 673) stated that "any time you (i.e. managers) are not in crisis, you are instead in pre-crisis or prodromal¹⁹ model" which means that all the businesses are on the edge of a crisis. Faulkner (2001: 137) adds that according to the Chaos theory which states that every stable system is at the edge of chaos, where any even "insignificant event may be enough to precipitate instability and change on such a scale that integrity and coherence of the system appears to be threatened". This opinion is also shared by Wilks and Moore (2004) who defend that it is really necessary to be ready and prepared to face a crisis. However, Faulkner (2001) states that it is very surprising that very few are properly prepared, as many of them do not have developed strategies tailored to address the arrival of a disaster as an integral part of their business plans (ibid.: 142). In addition, Huque (1998 in Faulkner 2001: 140) questions the degree of preparation of organisations in an emergency situation. He highlights the importance of it saying that "policies and decision-making structures that govern an organisation's activities in normal times may not be appropriate in disaster situations" (Faulkner 2001: 140) as they may "restrict the ability of organisations to respond promptly and effectively to emergency conditions" (ibid.).

For this reason, managers are asked to reduce the risk and be prepared for any crisis, so they may act quickly. Managers should prepare an organisational strategy to avoid or limit those impacts (Ritchie 2004: 673). Johnson and Scholes (1993 in Ritchie 2004: 673) proposed a definition of strategy, which is understood as "the direction and scope of an organisation over the long term: ideally, which matches its resources to its changing environment, and in particular, its markets, customers or clients to meet stakeholder expectations". Those strategies may contain four key elements which are the following:

- "Strategic analysis: *examining the macro or micro-operating environment*;
- Strategic direction and choice: *developing and selecting strategic directions and specific generic strategies to achieve organisational goals*
- Strategy implementation and control: *developing suitable organisational structures, human and financial resource strategies, providing leadership to control and allow for the implementation of specific strategies; and,*
- Strategic evaluation and feedback: *continuous improvement is an important part of strategic planning and management and organisations learn how to improve*

¹⁹ Prodromal stage: "when it becomes apparent that the crisis is inevitable" (Faulkner 2001: 140)

the effectiveness of strategies through evaluation and monitoring” (Ritchie 2004: 673)

As it can be seen for this strategic plan, the four key elements may fit with the four phases determined by Wilks and Moore (2004): reduction, readiness, response, and recovery phases.

c) Response phase

The third phase is called *response* and it is composed of one step which is treating risk (Wilks and Moore 2004: 45). This phase is activated in "the immediate aftermath of an event when everything is as its most chaotic" (ibid.: 45). This phase covers the application of the strategies carried out during the previous phases or the quick application of strategies not contemplated before. In regards to Mair, Ritchie, and Walters (2016: 2), managers will not only have to tailor strategies to minimise damages, but they will also have to tailor strategies which will be able to "maximise potential opportunities during a crisis or disaster, and to work towards a resolution, ideally an improved state, after the crisis or disaster is over".

Faulkner (2001) highlighted some of the disadvantages that enterprises may find when implementing the phases of the framework. Co-operation between different organisation would be considered as a key aspect in the response of the crisis, as well as the establishment of a leader who will be on charge of "defining the planning outcome required, essential constraints on planning, including time-lines, and then either withdraw to allow the planning team to proceed or alternatively assume a role as member of the planning team" (Wilks and Moore 2004: 48). On the other side, Faulkner (2001: 139) confirms this idea adding that there are many different organisations involved in both during the emergency phase and after that, the recovery period. However, Faulkner (2001: 139) points out a major disadvantage in addressing co-operation and coordination of different organisations during a crisis as it is not difficult to find competition and rivalry between different and with so, the “ability of organisations to respond effectively” (ibid).

In addition to that, it also becomes a barrier to communication and co-operation between organisations during a crisis the “different internal cultures and modus operandi” (ibid.) of the organisations. Moreover, Granot (1997: 139-140 in ibid.) states that some disputes are left unresolved in ‘normal’ times, which make that all these conflicts emerge during a state of emergency. That is why he asserts that all these organisational conflicts or

disputes "need to be planned ahead and exercised before the actual need occurs" (ibid). Despite this, Granot (1997 in Faulkner 2001: 140) also indicates that "inadequate resources often force agencies into a collaborative arrangement under emergency conditions. The extent to which pressure to react to the disaster might force organisations to work together, and thus provide a catalyst for breaking down institutional barriers in the longer term".

Aside from the disadvantages (or advantages) that organizations may create, Heath (1995 in Faulkner 2001: 140-141) points out a series of key considerations in the development of disaster plans to bear in mind as they may hinder the effectiveness of the strategies. All these considerations are based on the Kobe earthquake from 1995, and these include, among others: availability of resources, communication failures, dispersion of resources... Based on these considerations, Heath (ibid.) proposed the incorporation of a system called 'cascaded strategic priority profile' (CSPP) in the disaster planning phase. This approach allows the organisations to order different tasks and activities that need to be addressed to plan the disaster situation, from the highest priority to the lowest. In addition, the author adds that this approach should be taken in different levels, which allow having multiple layers which will be more manageable, and also, it is necessary to bear in mind that these have to be articulated to "avoid waste, duplication and mutually antagonistic actions" (ibid.). All the layers must co-operate, and with so, help each other to plan the disaster situation. Faulkner (2001: 142) ensures that:

"[t]he effectiveness with which the tourism industry in a disaster area handles crisis, and therefore the degree to which it is prepared for it, has a bearing on how quickly services are restored to normal. However, the speed of the destination's recovery ultimately hinges on the degree to which market communication plans have been integrated with disaster management strategies"

Therefore, the ingredients to a fast recovery are not only the strategies taken during the process but also the preparedness of organisations to face the disaster will play an important role.

It is possible to highlight in this phase the influence of the mass media since it would be the responsible of "promoting the destination during and after the crisis" (Wilks and Moore 2004: 45). However, a bigger paragraph will be explained in the recovery

paragraph about the role or influence that mass media may have on the recovery of a destination.

c.1.) Ingredients to effectively manage a disaster in the tourism industry

Cassedy (1991 in Faulkner 2001: 143) and Drabek (1995 in *ibid.*) proposed two balanced models for a detailed crisis management plan and the ‘ingredients’ that disaster strategies in tourism may follow. Both models are shown in table 3, which reveals the contrast between them. Both of them present differences between them since “Cassedy emphasises aspects of the process of developing effective strategies, while Drabek’s approach is structured around the sequence of responses that is necessary to cope with the emergency” (Faulkner 2001: 143).

Cassedy (1991)	Drabek (1995)
<ul style="list-style-type: none"> • <i>Selection of a team leader:</i> a senior person with authority and able to command respect (ability to communicate effectively, prioritise and manage multiple tasks, ability to delegate, coordinate and control, work cohesively with a crisis management team, make good decisions quickly) • <i>Team development:</i> a permanent and integral feature of strategic planning able to identify and analyse possible crisis, develop contingency plans. • <i>Contingency plan:</i> including mechanism for activating the plan, possible crisis, objectives, worst-case scenario, trigger mechanism • <i>Actions:</i> action plan assignment of tasks, including gathering information and developing relationships with other agencies/groups (govt, agencies, other travel providers, emergency services, health services, the media, the community, the travelling public) • <i>Crisis management command centre:</i> a specific location and facility with relevant communication and other resources for the crisis management team 	<ul style="list-style-type: none"> • Warning • Confirmation • Mobilisation • Customer information • Customer shelters • Employee concerns • Transportation • Employee sheltering • Looting protection • Re-entry issues

Table 3: Ingredients of disaster strategies in tourism. *Source:* Faulkner (2001: 144)

Thanks to the combination between the approaches shown by Fink (1986) and Roberts (1994) regarding to the stages proposed to response in case of a disaster and the comparison shown in table 3 about the ‘ingredients’ needed to create disaster strategies in the tourism industry, Faulkner (2001: 144) has created a table (figure 3) where it is possible to see graphically a complete and structured method created through the mixture of all these theories of the steps or stages to follow in case of a disaster in the tourism industry. The analysis of figure 3 has been analysed in the previous paragraph. However, Faulkner (2001: 145) points out that it is necessary to bear in mind a series of prerequisites

which are highly advisable to carry out an effective strategy of disaster in tourism. Those are the following ones: co-ordination of teams or organisations, consultation with other areas of strategic planning, or commitment from the parts (ibid.)

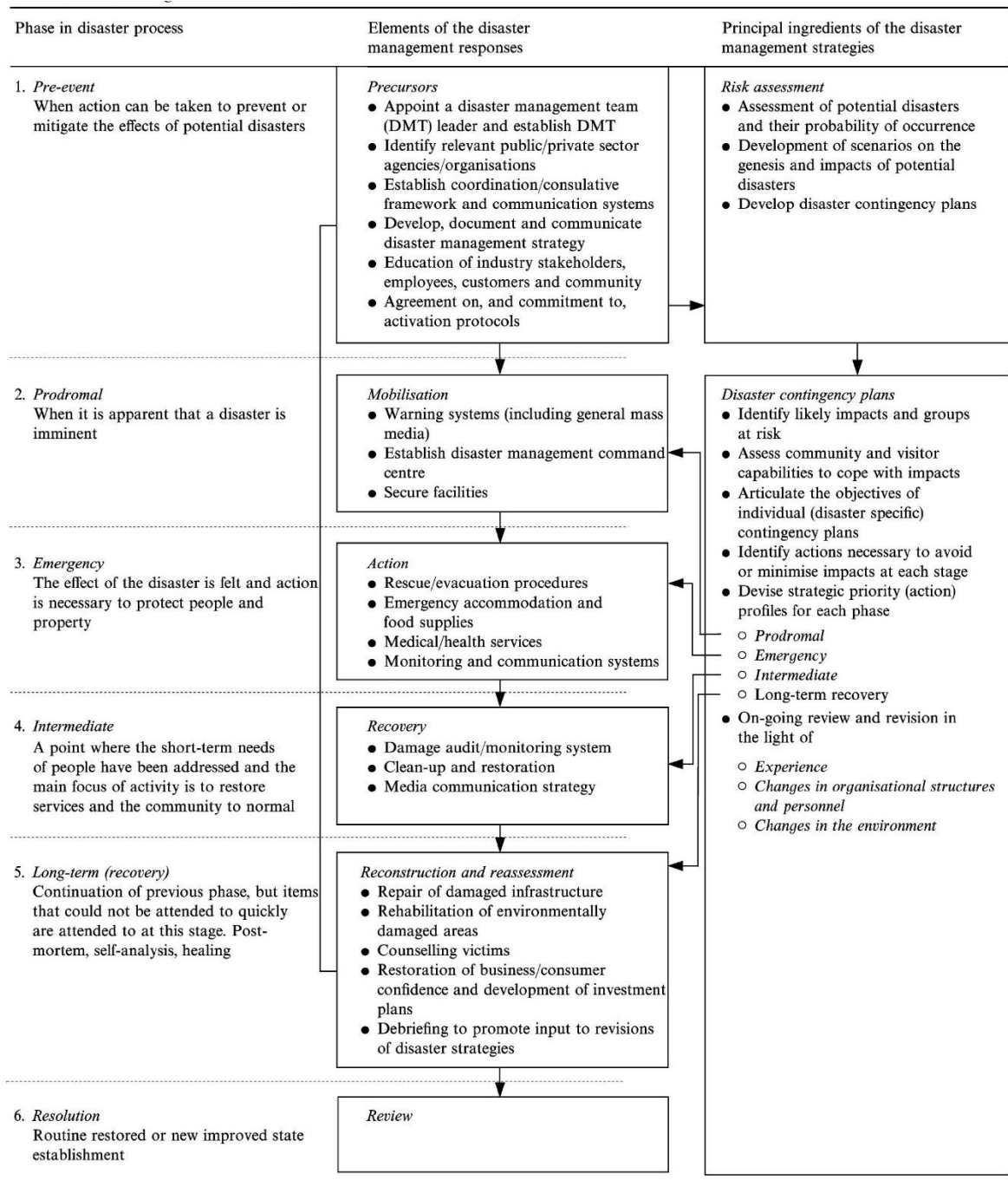


Figure 3: Tourism disaster management framework. Source: Faulkner (2001: 144)

The ingredients of the tourism disaster management planning process are widely explained in Faulkner (2001: 145). The author believes that organisations should include the followings:

- *Risk assessment.* It is considered the first step to take in the planning process. It is necessary to know beforehand the disaster that may occur in destinations and which probability.
- *Prioritisation.* As it was mentioned before, a cascaded strategic priority profile (CSPP) needs to be implemented in the process. In a tourist destination, it is necessary to make the safety of tourists as a high priority as they are more vulnerable in unknown territory.
- *Protocols.* They will facilitate the coordination between the different stakeholders, so those need to be established and accepted by every party in the process.
- *Community capabilities audit.* “An assessment of the community’s capacity to cope with specific types of disasters needs to be carried out so that the appropriate level of emergency relief from external sources can be determined” (ibid.)
- *Disaster management command centre.* This centre would be the focal point of the management operation.
- *Media, communication, and monitoring activities.* As was commented earlier in this paper, the media plays a crucial role in the disaster management of a destination. Therefore, it is necessary to establish since the beginning a centralised source of information which "ensure that misleading and contradictory information is not disseminated" (ibid.). Communication is also an important part of the response of a crisis in three main areas which are "from the emergency managers to stakeholders, between tourism stakeholders and from the destination to the tourism market" (Mair, Ritchie and Walters 2016: 11). The authors highlight the importance of the communication between the destination and the tourism market, and overall, with the visitors that are in the destination during the disaster as they will need information and guidance. Moreover, “[s]ystems for monitoring the impacts of disasters, and providing reliable information on safety matters and the status of tourism services are therefore necessary” (Faulkner 2001: 145)
- *Warning systems.*
- *Flexibility.* The stages of a tourism disaster planning management could vary, so it is very important to be flexible about the order of the steps, adapting the stages to every different disaster. Furthermore, it is also appropriate for the organisations

to be flexible, in terms that they can be demanded to execute tasks that they are not used to do.

- *Involvement, education, and review.* The stakeholders included in the planning management should be involved in the process. They "need to be informed about the strategy and the strategy should be periodically reviewed in the light of reactions to it and new developments" (ibid.). Moreover, "debriefings, after disasters have actually occurred, are important so that lessons can be learned from the experience" (ibid.).

Although all these bullet points formed the basic ingredients for a recuperation in the tourism industry after a disaster, some of them can hardly be applied to the improvement of the situation in a destination after the bankruptcy of a tour operator. Only a few of these ingredients can be used for this matter. First and foremost, the *risk assessment* is very important, as if destinations took the problem in advance, they would be able to avoid some of the effects that the bankruptcy may have on the destination. Conversely, the *prioritisation* of what really matters in the crisis would be the key in order to deal first with what really matters. Lastly, the *media, communication, and monitoring activities; flexibility and involvement, education, and review* could also play an important role in this specific case. Besides that, and considering the ingredients provided by Drabek (1995 in Faulkner 2001: 144), the employee concerns as many people may lose their jobs, customer information as many people could get caught in the destination without the possibility to come back home and transportation, which importance is related to the previous ingredient, may be necessary to analyse in case of a bankruptcy of a tour operator.

d) Recovery, resolution or post-disaster phase

The fourth phase, and the more substantive phase in this project, is the *recovery*. This phase consists of monitoring and reviewing the strategies applied during the previous phase, the response (Wilks and Moore 2004: 52). The main aim of this phase is "the return to normality or movement to an improved position based on reflections" (Huang, Tseng and Petrick 2008: 216). In addition, in regards to Wilks and Moore (2004: 53), it is possible to measure the effectiveness of a crisis management system through three different ways, which are the followings:

- "The speed with which a destination or organization resumes or continues full business operations"

- “The degree to which business recovers to pre-crisis levels; and”
- “The amount of crisis-resistance added since the crisis”.

Mair, Ritchie, and Walters (2016: 2) focus on the post-disaster theory and the crisis response or recovery "as much of the research on tourism crisis and disaster management appears to be concerned with this stage". The authors understand post-disaster recovery as “the development and implementation of strategies and actions to bring the destination back to a normal (pre-event) condition or an improved state” (ibid.). Consequently, even when the paragraph of post-disaster recovery will be located in the recovery phase on the destination, it also involves the response phase on it as the strategies implemented will lead to this status as the strategies carried out in the response will chain the recuperation of a destination. Mair, Ritchie, and Walters (2016: 2) understand by an improved state, the situation after a crisis of disaster which leads "to improvements in government policies for tourism; new services and products may be developed and stakeholders may come together in adversity forming strong collaborative networks".

Besides, Scott, Laws, and Prideaux (2008) add that "[f]rom the practical perspective of managers, the general challenge of the recovery phase is to restore operations to normal, but increasingly there is evidence of more radical, strategic thinking in reshaping the offer as social and tourism infrastructure, equipment and even staff may have to be replaced, new patterns of operation developed and new markets sought" (ibid.: 2). Moreover, they add a very interesting curiosity which is the meaning of the word crisis in Chinese. “The word for crisis is composed of two symbols meaning ‘danger’ and ‘opportunity’” (ibid.: 2); therefore, a crisis or a disaster can be considered as a new opportunity to restructure the destination, for example, “by identifying new market segments and in some cases discouraging some market sectors they feel are less desirable” (ibid.: 3).

The post-recovery phase is "based on the idea of a continuously evolving system where (gradual) change is endemic but a crisis may suddenly result in a fundamentally different state. From this perspective, a return to normality is not necessarily the required (or even desired) endpoint. (...) These changes may be positive or negative but certainly, the subsequent state may be different from proceeding ones, and importantly, the changes that occur were unplanned from the perspective of the organisations strategic management" (Scott, Laws and Prideaux 2008: 7).

This last phase of crisis management is divided into three different cornerstones which are the role of mass media, marketing strategies, and tourist behaviour. Moreover, another cornerstone is added as it is the future preparedness and how destinations can learn for a crisis which embraces the post-recovery phase. All those cornerstones can be considered as 'tools' to facilitate the recovery of the destination.

d.1.) Role of mass media

Faulkner (2001: 142) and Wilks and Moore (2004) include the role of the mass media in the recuperation after a crisis. As it was mentioned above, the mass media is playing a crucial role, and it can influence negatively tourists' minds and in consequence to the destination, as mass media might generate panic and baseless rumours among the tourists. Mair, Ritchie, and Walters (2016) point out that "there was a sense that when a disaster strikes, initial media reports are more informative but as time goes by, the media need to find a story to keep the public's interest and this is where sensationalism can arise" (ibid.: 12); hence, a co-operation between the organisations and the mass media can be considered as one of the cornerstones for the recovery of the destination (Faulkner 2001: 142), which may "help to build confidence in a destination" (Mair, Ritchie and Walters 2016: 12). The media is considered an essential part of the recovery of a destination according to Mair, Ritchie, and Walters (2016: 12), when the authors affirm that it may allow "destinations to counteract any negative publicity to protect destination image and reputation". In addition, Wilks and Moore (2004: 77) agree that media might be used as a tool for recovering the tourist confidence in the destination. A list was made including four different areas that the mass media can help to the destination by Wilks and Moore (2004: 77-78); however, only two can be applied to the issue that concern to us.

Firstly, the authors point out "image-building communications ". In this area, Wilks and Moore (2004) recommend being pro-active in communication which demonstrates to tourists what the destination is doing to restore the tourism industry to normal or the improvements that are being made. In addition, it is important to look for positive news. It is important to give tourists information such as the opening of certain tourist attractions. "The goal is to demonstrate 'business as usual' in the destination" (ibid.: 77). They also consider important to "anticipate legal actions", which means that it is necessary to pay attention to the news to notice if some information is wrong, and if so, it has to be corrected showing evidence, and sometimes it will be necessary to take legal actions.

Secondly, the authors point out the flexibility in the promotion. They propose to “create new niche market products, target experienced and special interest travellers, create special price offers, step up promotion to domestic market, increase familiarisation trips for tour operators and special events” (ibid.: 78).

d.2.) Marketing strategies

Marketing and promotion strategies are key elements in the recovery of a destination as it may help to attract tourists to the destination after a disaster or crisis (Mair, Ritchie and Walters 2016: 13). In fact, some authors as it is Faulkner and Vikulov (2001 in ibid.) consider that the marketing strategies should get the primary focus in the recovery phase and Mair, Ritchie, and Walters (2016: 18) assert that the "rapid initiation of recovery-marketing campaigns is a vital step" in this phase. Those marketing campaigns have to be tailored addressing different aims accordingly with the nature of the disaster (Mair, Ritchie and Walters 2016: 13), and also in different levels such as the local, regional and national levels (ibid.: 18). Walters and Mair (2012 in ibid.: 14) analysed a range of post-disaster recovery messages in marketing strategies and identified the nine more commonly used messages in those strategies. There were "business as usual, community readiness, solidarity, celebrity, endorsement, restoring confidence, spinning the unsafe image into assets, curiosity enhancement, short-term discounts, and guest/visitor testimonials" (ibid.). Despite this, the authors conclude that "every crisis and disaster is unique, and every post-disaster recovery-marketing strategy needs to consider both the nature of the disaster and the location where it took place" (ibid.).

Among the techniques that are recommended for this purpose, it is necessary to highlight the “familiarisation visits for the travel trade and or visits from travel media representatives” (ibid: 19). This will create "positive media coverage and editorials, as well as ensuring that the destination remains part of wholesaler's offerings. It can also be useful in preventing cancellations; as positive word of mouth begins to spread” (ibid.). Other of the techniques used in some destinations that were hit by a disaster or a crisis was offering discounts where the prices of different services are dropped down in the destination. However, offering discounts to tourists may result in a disadvantage. For this reason, Mair, Ritchie, and Walters (2016: 19) recommend offering 'value-add' discounts for instance buy two and get a third free.

d.3.) Tourist behaviour

As commented above, tourist behaviour can be affected by disaster or crisis in destinations. When a disaster hits a destination, tourists may be afraid of the situation and they stop visiting the destination. However, there is also a change of the tourist patron for those who are planning a visit after a disaster or crisis (Mair, Ritchie, and Walters 2016). Destinations after a disaster have experienced "more cancellations, more last-minute bookings, and more self-drive visiting friends and family (VFR) travel" (ibid.: 16). Wayne and Carmichael (2005 in ibid.) assert that "many visitors will not necessarily cancel their holidays (although this remains a relatively common option), but rather will change their plans. In the specific case of the bankruptcy of Thomas Cook, the cancellations arrive at the island massively unrelated to the own desire of tourists, as the connection between tourists and the destination was lost. Many flights and hotel reservations were lost. However, tourists still wanted to visit the island and the change of plans was carried out by the loss of connection between both.

Besides that, as commented in the background of the Spanish tourism, Grupo Marsans (Marsans Group) was a cluster of different tourism enterprises which declared its bankruptcy in 2010, leaving many affected people without their holidays, as it was the case of Thomas Cook. From then on, the tourism pattern changed in different aspects not only for the tourists but also for the Spanish tourism industry.

Some of the tour operators based in Spain saw the opportunity, and for many of them, the annual turnover was boosted from 2010 to 2011. However, after one year, all these tour operators saw their annual turnover decreased, which indicated that the tourists' behaviour pattern had changed (Gómez Encinas, 2015: 100). Due to the bankruptcy of this cluster of companies which affect very much to tourists as they were subjected to an arduous path to get their money back, tourists started to book their holidays by their own with the help of different travel agencies or by the Internet, which offer more direct contact with the tourism service. Moreover, from this moment, the virtual communities started to surface overall in the cruise tourism sector. These communities allow tourists to book different tours separated from the services that the cruises were offering (ibid.: 101). After that, many travel agencies started to sell these services where a tourist may book some of the services that also can be sold by the shipping line through an external channel (ibid.: 102). The authors say that a new type of client has emerged, the 3.0 client. However, as Herrero (2011 in ibid.) points out "the problem is that clients do not appreciate anymore

the service and the quality, but the price". From then on, the tourist enterprises started to sell experiences in the format of experiences boxes (ibid.: 103), which allows tourists to choose what they want to do.

d.4.) Learning from a crisis/future preparedness

Experiences and learnings are considered key elements in the final phase of crisis management (Rodríguez-Toubes, Brea, and Torre 2014: 51). A crisis may be considered as a learning process for the future crisis of the same nature, so it may be said that destinations which have suffered from a disaster or crisis will be able to better handle the crisis of the same nature in the future due to the learning process. However, authors as Prideaux (2004 in ibid.) argue that "contingency planning of any kind is not in the normal operating framework of many tourism business" which leads to a 'reactive mindset' in the destination (Ritchie in ibid.). This situation is strengthened by the analysis of Tsai and Chen (2010 in ibid.) which found out that a developed disaster-management was developed in Taiwan but "this was a reaction to a disaster". They did not do it in advance. This opinion is also held by Rodríguez-Toubes, Brea, and Torres (2014: 51) as they assert that "there is a small percentage of the administrators that have lived the experience of a disaster and that have transferred the acquired knowledge for better development of a future crisis management".

Although the situation of a reactive mindset of the destinations, Mair, Ritchie and Walters (2016: 15) conclude that every destination has to move away for those reactive strategies and "move towards a more resilience-based planning approach", defined as "the amount of disturbance an organisation (or destination) can absorb before it changes trajectory and alters or ceases operation", which lead to a more proactive mindset in destinations.

Richardson (1994 in Faulkner 2001: 139; Rodríguez-Toubes et al. 2014: 51; Scott, Laws and Prideaux 2008: 4) proposes two different learning approaches: 'single-loop' and 'double loop', which refer to the adjustment capabilities of communities or organisations hit by a disaster. The single loop involves a linear reorientation "more or less in keeping with traditional objectives and traditional roles" (Richardson 1994: 5 in Faulkner 2001: 139). Conversely, the 'double-loop' learning approach challenges the "traditional beliefs about what society and management is and what it should do" (Scott et al. 2008). Moreover, Richardson (1994:5 in Faulkner 2001: 139) states that: "organisations must be prepared to manage through the crisis-driven era that is, in one sense, given to them but managers

must also be more aware and proactively concerned about organisations as the creators of crisis” (ibid.).

CHAPTER 5: ANALYSIS

After the literature review, several phases were identified by different authors on how to handle effectively a crisis management. Crisis management is mainly composed of four different phases which are, on one hand, the reduction and the readiness, and on the other hand, the response to the crisis and its subsequent recovery. As commented in previous sections, it was possible to find a big amount of literature which showed the steps to take into account when handling a crisis of different natures; however, it was not possible to find any literature papers which refer to a crisis/disaster lead by the bankruptcy of a big company.

The main analysis of this project research is to fill this gap in the literature showing the different steps in crisis management adapting them to the crisis of a tour operator. This will be done with the analysis of how Majorca handle the crisis of the bankruptcy of Thomas Cook. The analysis will be comprised of two different sections which are the response and recovery phases. These two stages will aim to analyse how the crisis was handled by different organisations in the tourism industry of Majorca and what the recovery looked like were contemplated by Faulkner (2001) and Wilks and Moore (2004). Moreover, an introductory section will be written about the nature of the crisis and how it affected tourism in Majorca. At the end of the analysis, it will be discussed if this crisis may be used as a learning for a future crisis leading to a more prepared tourism industry.

5.1. Analysis of the crisis and its impact on Majorca

As commented in the literature review, the term crisis was decided to be used in order to name the bankruptcy of the tour operator Thomas Cook; however, it may be considered as a mix between the terms ‘crisis’ and ‘disaster’. The bankruptcy was “self-inflicted” by the tour operator, among many causes “the failure to adapt to change” (Faulkner 2001: 136), as ABC blogs (23/09/2019) pointed out, and on the other hand, it can be considered as a disaster as it was a “sudden unpredictable” (ibid.) which Majorca (in this case, but also many destinations) did not have the full control of the situation. María Frontera asserted that they were not expecting the bankruptcy of Thomas Cook so early (Diario de Mallorca 23/09/2019). However, other stakeholders as Carmen Riu (Diario de Mallorca 03/10/2019) asserted that: “we all knew the level of debt of Thomas Cook, we knew the losses levels that [the tour operator] had had in previous financial years. And in spite of all, I was surprised that they were buying... investing in recent times. If they had a level

of debt that big, why were they investing?”²⁰. Therefore, although the financial problems of Thomas Cook were a secret known by everybody, they were still investing in different projects. For instance, Thomas Cook opened the hotel Casa Cook located in Ibiza²¹ in the summer of 2019 (Hosteltur 06/09/2019). This was the summer when the bankruptcy of the tour operator was given. Therefore, while many stakeholders were aware of the problems in the economic solvency of the tour operator; it was investing in different projects. So, this situation could mislead the tourism sector.

The nature of the crisis can be determined following the framework of Generic Causes of Crisis in Tourism showed by Santana (2003: 301) in figure 4. As commented in the literature, there is not a planned cause for the collapse of a big enterprise of the tourism industry, as it was the case of Thomas Cook. However, we consider that it can be categorized as a failure in the market caused by the bankruptcy of a big company, specifically, a tour operator. Therefore, this specific cause is not contemplated in the framework that Santana (2003) proposed, which denoted a gap in the literature.

²⁰ Tots sabíem el nivell de endeutament de Thomas Cook, sabíem els nivells de pèrdues que havia tingut en els darrers exercicis. I a pesar de tot, a mi m'estranyava que compressin... que fessin inversions darrerament. Bueno si tenia un nivell de endeutament tan gros, ¿per què feien inversions?” [The interview was made in Catalan].

²¹ Ibiza is other of the islands that compose the Balearic Islands

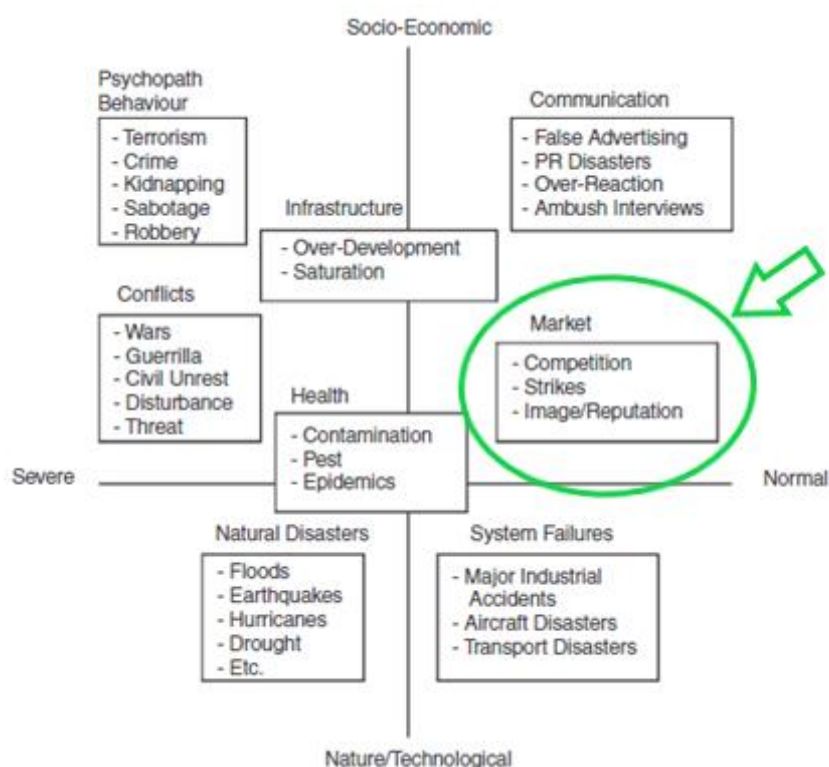


Figure 4: A framework of Generic Causes of Crisis in Tourism. Source: Santana (2003: 3019) and own elaboration of the green circle to show where we would place the bankruptcy of Thomas Cook.

Even when the bankruptcy of Thomas Cook can be considered a mix of crisis and disaster, it differs from any other crisis. The tourism behaviour changes completely when, for instance, a certain natural disaster as an earthquake hit the destination and destroys infrastructure or when there has been a terrorist attack or a pandemic in a destination. Those situations may create, according to Santana (2004: 300), “distress, fear, anxiety, trauma and panic” on tourists, and hence, tourists avoid visiting the destination. The situation of crisis detracts their interest in travelling to those destinations. However, the bankruptcy of Thomas Cook, even when it is a crisis, is completely different from the already discussed above. The crisis of Thomas Cook is based on the bankruptcy of a tour operator. Therefore, tourists are still willing to visit the destination but they cannot do it due to the loss of the intermediary.

It is difficult to analyse and measure the impact that the bankruptcy of Thomas Cook had in Majorca because “sadly, with everything that is happening nowadays (COVID19 crisis) it is difficult (to analyse the impact) because it will not be 2020’s tourists season”²² (interview Bartolomé Deyá). The forecast made in the early stages of the crisis by

²² “desgraciadamente, con todo lo que está sucediendo es difícil porque no habrá temporada turística 2020”

different professionals as for instance, María Frontera, president of the Hotel Federation of Majorca; Isabel Vidal, president of the hotels' establishments of Platja de Palma; or Reyes Maroto, Spanish Ministry of Industry, Trade and Tourism, was not very encouraging by that time, as many airline seats and many hotel beds were lost due to the bankruptcy of the tour operator. Many reports were measuring the impact of this crisis by the hotel beds and airline seats that were lost due to the crisis; however, according to José Ángel Preciados, CEO of Ilunion Hotels, those are not the only figures to take into account. He asserted that the bankruptcy of Thomas Cook was having a "tremendous impact in the tourism sector that not only cut across destinations, hotels and airline companies, since it not only affects to hotels but all the collateral services in affected destinations, with the jobs loss that it implied²³" (Hosteltur 02/10/2019). Many people lost their jobs, many hotels had to finish their season ahead on time (Hosteltur 30/09/2019) and many suppliers got affected due to delayed payment of Thomas Cook since tour operators use to pay three months in arrears (Hosteltur 25/09/2019). However, as Iago Negueruela, Tourism and Job counsellor of the Balearic government, (Diario de Mallorca 2019, 14 November) pointed out: in Majorca "we have a problem of doubt, but not of season. Tourists have already come. They have consumed in bars, in the small businesses (...) and now, the most affected are the ones that will not collect those resources (...). It has a very important effect on the economy, and for this reason, we have acted to give liquidity"²⁴.

Pablo García indicated on the podcast named "Will affect the bankruptcy of Thomas Cook to the Spanish tourism?"²⁵ (García 2019) that the tourism industry would not be affected due to the bankruptcy of a tour operator since "the failures in the business management of one enterprise may be considered as opportunities for other businesses". What Pablo García (ibid.) suggested was that the gap that Thomas Cook left in the tourism industry, would be filled, among others, by other tour operators or airline companies. In a nutshell, "Spain will be still being attractive for the British tourists, and they will have to find other alternatives to come to the Spanish destinations" (ibid.) as Thomas Cook's competitors

²³ "una faena tremenda para el sector que trasciende a destinos, hoteles y compañías aéreas, porque no sólo afecta a los hoteles sino a todos los servicios colaterales en los destinos afectados, con la pérdida de empleos que esto supone"

²⁴ "Tenemos un problema de deuda, pero no de temporada. Los turistas han venido. Ellos han consumido en los bares, en los comercios (...), y ahora los más afectados son los que no cobrarán esos recursos (...) Tiene un efecto muy importante en la economía, y por eso hemos actuado para dar liquidez"

²⁵ "¿Afectará la caída de Thomas Cook al turismo español?"

“will offer other tourist packages suitable with what Thomas Cook was offering to their clients” (ibid.).

Therefore, although it is not possible to clearly determine if the tourism industry of Majorca was recovered after the bankruptcy of Thomas Cook due to the coronavirus situation, it is necessary to determine which tool or steps were leading Majorca to the path of the recuperation. What measures were applied to diminish the effects? Which tools were used? Was there an overall interest by the competitors to fill the gaps that Thomas Cook left? What aspects should change to increase the resilience for a future crisis? An analysis of the response and recovery phase of the crisis will be shown in the following chapters.

5.2. Response

In this section, it will be analysed how Majorca as a destination handled the crisis and the response to the bankruptcy, not only in the public sector, but also in the private. As the literature review displayed, the response is the phase activated in “the immediate aftermath of an event when everything is as its most chaotic (Wilks and Moore 2004: 45), covering, in this case, the application of strategies not contemplated before the bankruptcy occur as Diario de Mallorca (24/09/2019) pointed out: “²⁶(Majorca) has not adopted any preventive measure upon an incubated disaster with sufficient advance”. María Frontera recognised that they “did not expect that the bankruptcy was going to be that imminent”²⁷ (Diario de Mallorca 23/09/2019).

As declared in previous sections, it should be noted that we understand “destination” as a “network of stakeholders” as Scoot, Laws and Prideaux (2008: 4). And in consequence, the opinions of different stakeholders that were involved and affected by the bankruptcy of the tour operator, such as hotels, providers, tourism complementary offer, restaurants... are important and should be analysed in this project. However, it is also necessary to highlight again that thousands of tourists got caught up in different destinations. Britain's Civil Aviation Authority calculated that there were 30.000 tourists in Spain by the time of the bankruptcy. In contrast, the Spanish government said that there were more than 53.000 tourists by that time (Hosteltur 25/09/2019 b). The Spanish

²⁶ “(Mallorca) no ha adoptado ninguna medida preventiva sobre un desastre incubado con la antelación suficiente”

²⁷ “No esperaba que la quiebra fuera tan inminente”

government considered the tourists' repatriation as the priority number one since the beginning, and the main responsibility in the short-term (Hosteltur 23/09/2019).

In what refers to the hotel establishments, according to María José Aguiló (Hosteltur 30/09/2019), the bankruptcy of Thomas Cook led to the early closure of different hotels on the island. Therefore, indirectly, the bankruptcy of Thomas Cook triggered a high season's closure in advance, leading to a loss of income in the destination, and as Iago Negueruela pointed out, also to a loss of employment (Diario de Mallorca 2019, 14 November). This view is supported by Bartolomé Servera who points out that "hotels, which were going to close their hotel establishments in November, will close in September or October" (Hosteltur 25/09/2019), and as Iago Negueruela pointed out "if the season finish earlier, it affects directly to the employees"²⁸ (Diario de Mallorca 2019, 14 November). However, according to Joan Mola who is the president of the Spanish Confederation of Hotels and Tourist Accommodation (CEHAT: Confederación Española de Hoteles y Alojamientos Turísticos) "the early closure of hotels was not a final closure but a provisional measure to establish new strategies" (Hosteltur 30/09/2019) which is always good news to the destination.

In regards to the impact of the bankruptcy in hotels, it has to be underlined that not all the hotels had the same impact due to the bankruptcy of the tour operator. Laura Hernando, managing director of the department of hotels in Colliers International Spain, confirmed that even when the affected ones are all of them, "we understand that the small hotels or independent hotels can have a more negative impact, depending also on the percentage of operation with Thomas Cook, they might have a delicate financial situation, because they were cases in which the tour operator was operating the totality of one hotel"²⁹ (Preferente 25/09/2019).

On the other hand, as commented above, the suppliers were other of the stakeholders affected by the bankruptcy of Thomas Cook. As Bartolomé Servera (Hosteltur 25/09/2019) highlights: "the suppliers' sector will be one of the most affected, together with the transportation not only of passengers but also of goods". After the collapse, the supplier sector decided to stop delivering products to hotels that were affiliated with

²⁸ "Si la temporada se acorta, afecta directamente a los trabajadores"

²⁹ "Los que entendemos que pueden tener un impacto más negativo son los pequeños hoteles o los independientes, que en función del porcentaje que tengan operado con Thomas Cook pueden tener una situación financiera muy delicada, ya que hay casos en los que esta compañía opera la totalidad de un hotel"

Thomas Cook unless they paid right away in cash (ibid.). The debt of the chain of Thomas Cook Hotels to the suppliers was accumulated for two or three months (ibid.) due to the delayed payment of the tour operator. Moreover, suppliers quantified the debt in the range between 80.000 euros to more than 300.000 euros in Spanish territory (ibid.). These figures are wide and not accurate. These figures were an estimation by that time since the suppliers asserted “it is not possible to give an exact amount of debt since many hotels were still open” (ibid.) by this time.

In connection with the preceding paragraph and to the debt that Thomas Cook left in many tourism enterprises, María Frontera (Diario de Mallorca 2019, 14 November) affirmed that after the bankruptcy, it has been clear that Thomas Cook had a favourable treatment on the islands since there were some hotels and other tourism companies that gave certain flexibility when paying to the tour operator. This favourable treatment was due to the historical trajectory of the tour operator in the islands, which made that after the bankruptcy, the debt was even bigger. Moreover, it is very difficult to know the economic impact of the bankruptcy in the destination due to the payment flexibility of this tour operator since different establishments did not collect the invoices since May or June (Diario de Mallorca 27/09/2020). For this reason, and as pointed out by María Frontera (Diario de Mallorca 2019, 14 November) “the collection management is as important as the sales management”. According to Buhalis (2000: 128), the bankruptcy of a tour operator is often characterised as a “nightmare”. The author asserted that “hotels are some of the last recipients of compensation after consumers and other legal bodies. This is in spite of the fact that they may have already delivered their products and services (...) most hotels lose significant amounts of money” (ibid.). Therefore, the hotel provides a service to the client but it never gets the money which can have “severe implications for hotels’ future revenue” (ibid.).

Therefore, it is possible to say that many enterprises and stakeholders are directly and indirectly affected and implied in the bankruptcy of Thomas Cook. The hoteliers and the providers are some of the direct ones. However, it is necessary to highlight that other stakeholders as the transport sector or industrial laundries, for instance, were also affected.

For this reason, due to the importance of the bankruptcy as its affectation on many stakeholders, Majorca’s local government cannot be considered as the only stakeholder involved in the process of the response of this crisis; therefore, it will not only be analysed

what Majorca's or Balearic Islands' government did but also what the Spanish government and other stakeholders did in the response of the crisis. It is possible to find many stakeholders in this situation and all of them played an important role in the response of the crisis and its subsequent recovery, as confirmed by Faulkner (2001: 139).

We have decided to divide the stakeholders into two different sections depending on if the stakeholder belongs to the private or public sector. On one hand, the public sector encompasses the measures and strategies that the Spanish and local governments carried out to diminish the negative effects of the crisis. The analysis of the response of the public sector will be analysed through the documents exposed in the methodology in the section of “documents from the state” and complemented with the secondary sources. On the other hand, the private sector is composed by the response of the competitors of Thomas Cook. Ultimately, the cooperation between stakeholders is crucial to develop a good response in a crisis (Wilks and Moore 2004: 48; Faulkner 2001).

5.2.1. Public Sector

According to Glassner (2010), the role of the public sector when facing a crisis may change depending on the crisis that we are talking about; however, the author pointed out that in the economic crisis of 2008, the role of the state or government was to “provide support for the maintenance of employment and the protection of workers’ purchasing power through various policy instruments” (ibid.: 5). As commented, this was the role of the state in an economic crisis, but what happens when we are talking about the insolvency of an important tour operator? Does the government regulate in the same way? Managing crises by public bodies and governments is considered by Lemonakis and Zairis (2020: 1) as “a prerequisite for their smooth operation and survival”. In the case of the bankruptcy of Thomas Cook, the public sector was mainly in charge of tailor measures and strategies which help to diminish the effects of the crisis. However, they were also in charge of cooperating together with other stakeholders to improve the tourism industry. According to the Spanish Minister of Industry, Trade and Tourism, Reyes Maroto, the bankruptcy of Thomas Cook has helped to “determine that there is a need of modernizing the tourist model”³⁰ (Hosteltur 08/11/2019).

After the bankruptcy of Thomas Cook, the Balearic Islands were positioned as one of the most vulnerable destinations in Spain together with the Canary Islands since 90% of

³⁰ “para constatar que hay que modernizar el modelo turístico”

Thomas Cook tourists were travelling to one of those destinations, representing the tourists that visited the Balearic Islands 28%, and 62% that visited the Canary Islands (Ministerio de Industria Comercio y Turismo 2019), and with so there was an urgent need of a quick response to the crisis by the governments, as María Frontera declared in Hosteltur (24/09/2019): “The impact of the collapse of the Thomas Cook’s activity is so large that many enterprises with a high exposition degree and dependence may see their future seriously committed. For this reason, we are claiming the central and state administration to evaluate the mechanisms that it may be activated”³¹. So, not only the local government but also the Spanish government needed to be implied in the process of response and solving the crisis as soon as possible. The Spanish government ensured that "the tourism sector in Spain is configured as an essential socio-economic activity to the creation of wealth and employment" (BOE 2019). The measures taken by the Spanish government were not only based in Majorca but in the whole Spanish territory, with special attention, as commented above, on the Canary Islands and the Balearic Islands.

According to the literature, the approach taken by the public sector (Spanish government and local government) can be considered as reactive approach since all the measures were taken after the bankruptcy occurred and the main priority of them, as said in the literature review, was to contain the damage that the bankruptcy was going to produce over the tourism industry in Majorca (Pauchant and Mitroff 1992 in Pforr and Hosie 2008: 255). All the measures taken by both governments had a twofold aim. Firstly, they want to diminish the impact of the crisis in the destination to be able to return to a state of stability as soon as possible, and secondly, to "strengthen and improve the competitiveness"³² of the destination (Hosteltur 30/10/2019).

The main cause to take such an approach was that the bankruptcy of Thomas Cook may be categorized as an immediate crisis where very little or no warning exists (Parsons 1996 in Ritchie 2004: 671). The Majorcan tourism industry was not expecting that the bankruptcy of Thomas Cook came in such an imminent way (Diario de Mallorca 23/09/2019). But, as Carmen Riu asserted, the bankruptcy of Thomas Cook was a secret known by everybody (Diario de Mallorca 03/10/2019).

³¹ “el impacto del cese de actividad de Thomas Cook es de tal envergadura que muchas empresas que tienen un alto grado de exposición y dependencia ven seriamente comprometido su futuro. De ahí que se reclame a la Administración central y estatal evaluar de forma rápida los mecanismos que se podrían activar”

³² “fortalecimiento y mejora de la competitividad”

On one hand, after the bankruptcy of the tour operator, the Spanish government tailored an emergency plan which main aim was “to limit the effects of the bankruptcy of the British tour operator Thomas Cook in the Spanish tourism sector”³³ (Hosteltur 04/10/2019). The plan was composed by thirteen different support measures and modernization of the Spanish tourism sector clustered in five main sections or cornerstones which are the “improvement of the air connectivity, liquidity to enterprises and self-employed workers, tourism demand promotion, employment policies and last but not least, legal proceedings” (Ministerio de Industria, Comercio y Turismo 2019b). All these measures were approved by the Royal Decree-Law 12/2019, of 11th October, adopting urgent measures to diminish the effects by the insolvency of the business group Thomas Cook³⁴ (BOE 2019), and were tailored to counteract the effects of the bankruptcy in the Spanish territory. It is necessary that the measures the Spanish government brought were a combination of the requirements that the most affected Spanish destinations proposed to diminish the effect (Hosteltur 23/09/2019). From the very beginning, the Spanish government met with different regional governments to have first-hand information about the effects that the bankruptcy may have in destinations, and with so, the Spanish government tailored the aforementioned emergency plan.

On the other hand, the local government act more or less in the same areas that the national government did. Some autonomic measures were taken with a certain urgency to counteract the effects of the crisis in the Balearic's tourism industry in various fields (GOIB 2019). For the creation of this measures' package, the local government met with different enterprises affected by the bankruptcy for instance, with the central headquarters of Thomas Cook on the islands. The main aim of these meetings was the same that in the Spanish case. The local government wanted to have first-hand information for the elaboration of the contingency plan (Hosteltur 27/09/2019).

All this leads to the measures taken by both governments. This information will be divided into different sections. The sections will be divided into five different sections which are the improvement of the air connectivity, financial support for the tourist sector, employment policies, legal proceedings, and marketing (figure 5). As can be seen, the response of the public sector was taken in different layers or action areas which made the

³³ “limitar los afectos de la quiebra del turoperador británico Thomas Cook en el sector turístico español”

³⁴ Real Decreto-ley 12/2019, de 11 de Octubre, por el que se adoptan medidas urgentes para paliar los efectos de la apertura de procedimientos de insolvencia del grupo empresarial Thomas Cook.

response more manageable and also, it avoids waste and duplication (Heath 1995 in Faulkner 2001: 140-141).



Figure 5: Different sections treated by the public sector. Source: own elaboration

5.2.1.1. *Improvement of the air connectivity*

With the bankruptcy of Thomas Cook, many airline seats were lost, which hardly affected the air connectivity with the islands. Thomas Cook was “‘one of the main actors’ as many tele operators were hiring the group for the plane trips”³⁵ (El Mundo 24/09/2019). Ramón Hernández, BlueBay Hotels CEO, ensured that the air connectivity has to be one of the measures with greater incidence in the response of the crisis (Hosteltur 02/10/2019). He pointed out that “offer and supply are still in the islands, even when they will need some months to recovery”³⁶ (ibid.); however, if the air connectivity is lost, there is no way to access any of the built infrastructures. Bartolomé Deyá (interview) also highlights the importance of the air connectivity with the islands, and he supports the statement said by Ramón Hernández, pointing out that:

“We have to think that the tour operators had an important number of flights. (...) The bankruptcy provoked an important reduction of this connectivity which is very important for the islanders’ destinations because if this air connectivity disappears, even when you have hotel establishments, even when you have the basic infrastructures, if we do not have any company which covers the seats’ deficit that Thomas Cook left, we will have a problem and it is that tourist will not be able to arrive at the islands”³⁷ (interview).

According to the statistics from AENA (Ministry of Industry, Trade and Tourism n.d.), “Thomas Cook airlines brought a total of 7,1 million passengers to Spain” in 2018. This

³⁵ “‘uno de los principales actores’ pues muchos tele operadores contrataban al grupo para que les hiciera los trayectos en avión”

³⁶ “oferta y demanda siguen estando ahí, aunque necesitarán unos meses para reponerse”

³⁷ “Tenemos que pensar que estos turoperadores tenían un importante número de vuelos (...) La quiebra, además, provocó una reducción muy importante de esta conectividad, que para los destinos isleños es importantísima, porque si desaparece esta conectividad aérea, por mucho que tú tengas establecimientos hoteleros, por mucho que tú tengas infraestructuras, si no tenemos ninguna compañía que cubra ese déficit de plazas que dejó en el aire Thomas Cook, pues tendremos un problema y es que los turistas no van a poder llegar a las islas”

figure indicates the importance that Thomas Cook's airline had in the Spanish territory. For this reason, urgent measures in this matter had to be taken as quickly as possible.

The measures established by the Spanish government in the air connectivity matter were held by AENA (Spanish Airports and air navigation authority; Aeropuertos Españoles y Navegación Aérea) and ENAIRE, that is "the leading supplier of the air navigation services and the aeronautical information in Spain"³⁸ (Enaire). These measures are considered as the first measures on the elaborated action plan to diminish the effects of the crisis and encourage different airline companies to fly in the Spanish territory. However, the Spanish government ensured that these measures are planned for a short-haul. Governments and stakeholders involved will have to work together in the medium and long-term to promote the destinations and to improve the airport infrastructures, to encourage different airlines companies to create new routes in Spanish territory, and overall, in the islands (Ministerio de Industria, Comercio y Turismo 2019). This measure or initiative was also shared by the local government.

The Balearic Islands' government was also very aware of the importance of the connectivity to the islands since the beginning. They asserted that "the bankruptcy of Thomas Cook has, at least in a short-term, effect towards the British air routes and, to a lesser extent, with the centre of Europe"³⁹ (GOIB 2019: 7). For this reason, the local government together with the Balearic Islands Tourism Agency (AETIB: Agencia Estratégica de Turismo de las Islas Baleares) launched different marketing campaigns which had as main aim "consolidate existing routes, develop replacement air connections for those which were lost and open new flight connections to strategic markets"⁴⁰ (GOIB 2018: 8).

AENA offered some commercial incentives for the airline companies' rates, encourage them to start new routes or improve the existing ones, which will increase the air connectivity. The incentives package was approved by AENA's governing body and it established three different situations where airline companies may apply for the incentives. The requirements and discounts are explained in figure 6.

³⁸ "principal proveedor de servicios de navegación aérea y de información aeronáutica en España"

³⁹ "La quiebra de Thomas Cook tiene, al menos a corto plazo, efectos sobre las rutas aéreas británicas y, en menor medida, del centro de Europa"

⁴⁰ "consolidar rutas existentes, fomentar conexiones de sustitución de las que se pierden y abrir nuevos enlaces a mercados estratégicos"



Figure 6: Requirements (nota informativa AENA). Source: Ministerio de Industria, Comercio y Turismo

On the other hand, ENAIRE also reduced the rates that airlines companies had to pay for the provision of air navigation services within the Spanish territory (Ministerio de Industria, Comercio y Turismo 2019). This discount had as main objective to increase the number of new airline companies since the discount will make Spain a more attractive country to invest in (ibid.). Moreover, the report highlighted the importance of this discount "in the case of the Canary and Balearic Islands and the maintenance of their air connectivity"⁴¹ (ibid.).

5.2.1.2. Financial support to the tourist sector

The local and national government joined their efforts to create different measures to give financial support to the tourist sector. As it will be outlined in the following subsections, the different governments tried to diminish the negative effects of the crisis creating a line of credits for enterprises and subsidies for the islands to improve their infrastructures. These measures are confirmed in the literature by Gurtner (2007: 94) who pointed out that in times of crisis "businesses and industry representatives must also invest adequate human, material and financial capital to develop resilience and mitigation". Gurtner's text was made after a series of terrorist bombs in Bali and it analyses the recovery of the destination. Although it is not considered a crisis of the same nature, the importance of financial support to the tourist sector is also considered a key aspect of this research project.

a) Liquidity to enterprises and self-employed workers

Due to the bankruptcy of Thomas Cook, the Spanish government saw the need for a line of credit of 200 million euros for those enterprises and self-employed workers who had

⁴¹ "en el caso de las Islas Canarias y Baleares, y, el mantenimiento de su conectividad"

solvency problems because of the unpaid bills by Thomas Cook (Ministerio de Industria, Comercio y Turismo 2019). This measure aimed to “let the enterprises to maintain the commercial activity and employment during the reorganization and adaptation process”⁴² (ibid.: 3). This line of credit was addressed to the whole Spanish territory, for this reason, the Balearic government also decided to create a line of credit of 10 million euros to “facilitate and improve the liquidity of the enterprises affected by the bankruptcy of Thomas Cook”⁴³ (GOIB 2019: 7). Unlike the line of credit launched by the Spanish government, the local government's line of credit was aimed at small establishments (less than 250 employees), tourism suppliers and tourism complementary offer. This subsection let us see that the cooperation between different stakeholders, in this case, the local and national government, may be considered as an essential key factor to develop a good response to the crisis.

b) Public support to the islands

The Spanish government decided also to establish two different subsidies taking into consideration two of the most affected territories which were the Canary Islands and the Balearic Islands, to develop this measure. For this reason, the Spanish government launched two different subsidies to these destinations which aimed to “recover the air connectivity, strengthen the diversification and improve the destination”⁴⁴ (BOE 2019). For this purpose, the Spanish government established a direct award to the Balearic Islands of 8 million euros. According to Diario de Mallorca (22/11/2019), this subsidy was intended to “reshape mature tourist areas in the Balearic Islands especially affected by the bankruptcy of Thomas Cook”⁴⁵. 5 million euros were aimed at Majorca where multiple improvements in the infrastructure were planned to reshape with this money, for instance, improvement of different promenades of the island, improvement of the access to the beaches... (Diario de Mallorca 22/11/2019). However, the subsidy was not shared equally around the islands which made that some villages of the islands were not happy with the distribution as it is the case of Cala d’Or. They stated that due to the bankruptcy of the tour operator, they calculated economic losses of 4 million euros (Diario de Mallorca 12/11/2019) and even so, they did not receive any subsidy (ibid.). Other cities as Palma de Majorca were very happy to receive this money because as the major of the

⁴² “permitiéndoles mantener la actividad y el empleo durante el proceso de reorganización y adaptación”

⁴³ “para favorecer y mejorar la liquidez de las empresas afectadas por la quiebra de Thomas Cook”

⁴⁴ “recuperar la pérdida de conectividad, consolidar la diversificación y mejorar el destino”

⁴⁵ “remodelar zonas turísticas maduras de Baleares afectadas de manera especial por la quiebra del turoperador Thomas Cook”

city stated “crises are always opportunities if you know how to profit them”⁴⁶ (Hosteltur 5/11/2019). For this reason, he asserted that although the crisis had hit the destination, “the funds can be invested in the improvement of the destination”⁴⁷ (ibid.).

This fact reinforces the theory explained in the literature review by Scott, Laws and Prideaux (2008), where they assert that sometimes crises can be considered as a new opportunity to restructure the destination. They gave the example that after a crisis a destination can be reshaped “by identifying new market segments”. However, in this case, the crisis was seen as an opportunity to improve the infrastructure of the destination. As, Alfonso Rodríguez Badal, mayor of Calvià, stated: “There were going to come different investments in 2019 for mature destinations, but unfortunately they did not come, and now because of the crisis of Thomas Cook (...) 8 million will come and they will help us to initiate city beautification actions (...) very necessary to our destinations”⁴⁸ (Hosteltur 5/11/2019).

5.2.1.3. Employment policies

As it was said previously, the bankruptcy of Thomas Cook had a tremendous impact in the Spanish tourism industry, not only in destinations, hotels and airline companies but also on jobs in the national territory (Hosteltur 02/10/2019). The Balearic Islands’ government pointed out that the unemployment situation in Majorca was especially important noticing that Thomas Cook’s Spanish central headquarters were located in Majorca, which entailed a bigger job loss on the island (GOIB 2019: 5).

For this reason, both governments also considered of great importance to regulate in terms of employment. In this case, the employment policies gathered one essential measure which is the coordination between the national and autonomic in terms of employment policies. Both organisations cooperated together to tailor measures that would helped all the affected workers by the bankruptcy of Thomas Cook (Ministerio de Industria, Comercio y Turismo 2019b). The main aim of this measure was to “give an effective answer to the affected workers within the shortest possible time”⁴⁹ (Ministerio de Industria, Comercio y Turismo 2019). For instance, there was a coordinated activity lead by some of the employees of the Spanish Employment Service (SEPE: Servicio de

⁴⁶ “Las crisis son oportunidades si las sabes aprovechar”

⁴⁷ “estos fondos se podrán invertir en la mejora del destino”

⁴⁸ “Iban a venir en 2019 inversiones para destinos turísticos maduros, desgraciadamente no pudieron venir, y ahora por la crisis de Thomas Cook y (...) pueden llegar 8 millones que nos van a ayudar a iniciar actuaciones de embellecimiento urbano (...) muy necesarios para nuestros destinos”

⁴⁹ “dar eficaz respuesta a los mismos (trabajadores afectados) en el menor tiempo posible”

Empleo Estatal) and the Balearics Islands Employment Services (SOIB: Servei d'Ocupació de les Illes Balears) that visited the headquarters of Thomas Cook in Majorca where the employees were assisted in terms of unemployment benefits and the different public aids that they could apply for (Diario de Mallorca 10/10/2019).

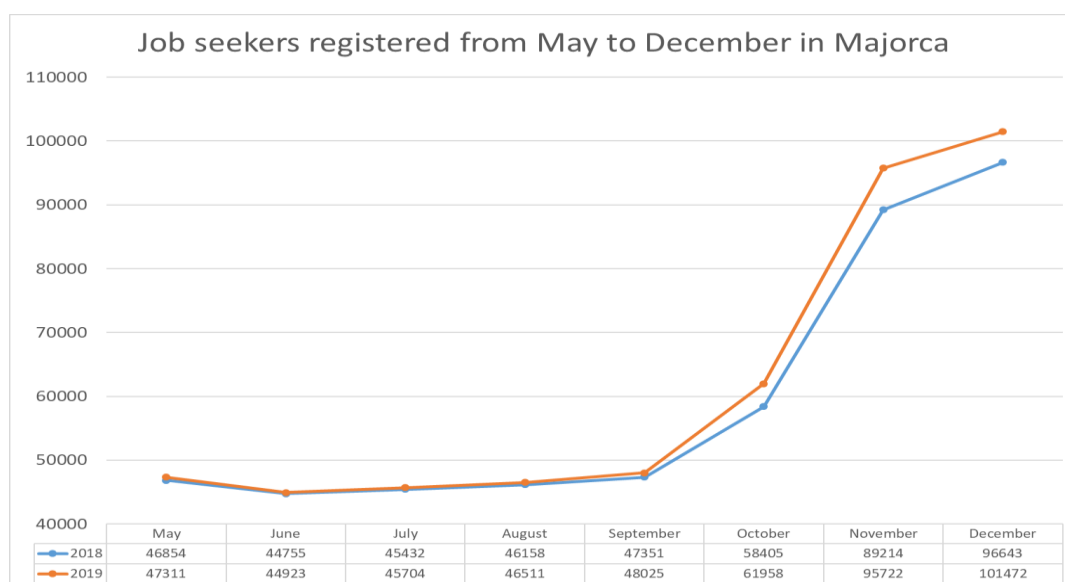
Moreover, as mentioned above, Thomas Cook's Spanish central headquarters were located in Majorca leading to a big loss of employment in this stage. For this reason, the local government established some incentives for companies that hire the employees that were lost due to the bankruptcy on the central headquarters (GOIB 2019: 5). It was established two requirements to get those incentives: "the new contracts will have to be open-ended contracts and with a mandatory minimum period of preservation"⁵⁰ (ibid.). In addition to that, the local government urged those who needed to "initiate a re-skilling process"⁵¹ which encourages workers to inscribe in different professional training courses (ibid.).

However, it seems that these measures were not enough to encourage different enterprises to rehire those workers as the number of unemployed people augmented in more than 10.000 members in October as can be seen in the graphic 2. The blue line represents the job seekers registered from May to December in Majorca in 2018, and the orange line the job seekers registered in the same period in 2019, when the bankruptcy already occurred. It is possible to see in the graphic 2 (an in graphic 1) that the tourist season in Majorca finishes in the months of September and October since it is possible to see in graphic 2 that the amount of job seekers registered is higher. However, after the bankruptcy of Thomas Cook, the figures were bigger than it was the previous year due to the impact of the same. Also, it is necessary to highlight that the number of employees that could have been registered as a job seeker in the local employment office after the bankruptcy of Thomas Cook could have been bigger. After the bankruptcy, TUI recruited some of the employees that lost the job due to the bankruptcy as Diario de Mallorca (28/09/2019) asserted. This situation leads us to what Pablo García was suggested (García 2019). Different tour operators, in this case, will take over the space vacated by Thomas Cook, and with so, for instance, some of the employees that were employed by the collapsed tour operator.

⁵⁰ "Los nuevos contratos deberán ser indefinidos y con un período de tiempo mínimo obligatorio de mantenimiento"

⁵¹ "proceso de recualificación"

Reyes Maroto asserted that additional measures were going to be applied if the one that was applied does not work. She admitted that: “on the Balearic Islands, where the unemployment increase in 10,000 people in October, the measures of the incentives (...) have not served to avoid that hotels close before”⁵² (Diario de Mallorca 08/11/2019). However, despite she asserted that the measures were not enough to avoid the early closure of the hotels, we could not find any measure tailored to counteract this measure.



Graphic 2: Job seekers registered from May to December in Majorca. Source: own elaboration from data showed in INE

Furthermore, the local government established financial support of 500€ per month for four months to those Thomas Cook's employees who were affected by the bankruptcy (GOIB 2019: 6). This financial help was thought for those employees who, due to different circumstances, were not able to get unemployment benefits, and two different requirements were set to get financial support. The employees must not work in other enterprise and they must follow a Personalized Labour Integration Path (ibid.). This measure seemed to be very effective as some of the employees that were working in the central headquarters of Thomas Cook in Majorca were not able to get the unemployment benefit from the central government. According to Diario de Mallorca 08/11/2019 b) 477 out of 619⁵³ employees that were employed in the central headquarters of Thomas Cook applied for this financial help that the local government offered, minimizing in that way the social impact of the crisis.

⁵² “En Baleares, donde el paro aumentó en 10.000 personas en octubre, las medidas de bonificaciones (...) no han servido para evitar que los hoteles no adelantasen su cierre”

⁵³ This figure may change depending on the online newspaper that we are looking on. La Vanguardia (29/09/2019) asserted that 760 employees were the ones affected by the crisis.

5.2.1.4. Legal proceedings

It is necessary to adopt joint legal proceedings to face the insolvency of any enterprise, and more and more when the insolvency process is carried out by a big enterprise as it was Thomas Cook. According to Hosteltur (7/10/2019), the bankruptcy of Thomas Cook entailed a complex structure as Thomas Cook “had in each country diverse mercantile companies inside the divisions of Thomas Cook. It was a conglomerate with a very complex structure and numerous brands”⁵⁴.

This action measure was created with two main strategies which were the creation of a joint legal strategy which was led by the national government and a package of information which would be delivered to enterprises that were involved in the bankruptcy and need to recover the debt that Thomas Cook left (Ministerio de Industria, Comercio y Turismo 2019b). The last measure would facilitate the procedures “when the hoteliers reclaim the debt”⁵⁵ (ibid.) as “they have to bear in mind the starting date and which is the procedure in each country, because they are similar but not 100%”⁵⁶ (ibid.: ii).

5.2.1.5. Marketing strategies

The bankruptcy of Thomas Cook has a certain complexity in the tourism industry. As noted above, the bankruptcy affected not only tourists but also stakeholders. The collapse of Thomas Cook left destinations without an intermediary to connect it with tourists, but it also left many tourists without the middle point to hire their holidays. For this reason, many marketing campaigns were launched, but they did not have as main objective to attract tourists to the islands but to attract different stakeholders to invest and fill the gap that Thomas Cook left.

The section will be analysed in three different subsections which represent some of the aims that the public sector wanted to achieve with the marketing strategies. Those subsections were coded and identified in the analysis process of the data gathered, so they were not given in the action plans elaborated by the different governments. The subsections presented hereafter are: attract different enterprises, diversify and de-seasonalize the offer and tourism competitiveness.

⁵⁴ “En cada uno de los países tenían su base diversas sociedades mercantiles dentro de las divisiones de Thomas Cook. Se trataba de un conglomerado con una estructura muy compleja y numerosas marcas.

⁵⁵ “a la hora de reclamar la deuda”

⁵⁶ “los hoteleros han de tener muy en cuenta las fechas de inicio y cómo es el procedimiento en cada país, porque son similares pero no al 100%”

a) Attract different enterprises

As discussed above, air connectivity was the most important aspect to fill after the bankruptcy of Thomas Cook. For this reason, different marketing strategies were launched in this matter.

The Spanish government pointed out in the emergency plan tailored to face the bankruptcy of Thomas Cook (Ministerio de Comercio Industria y Turismo 2019) that they were not only taking action in close markets as Poland or the Nordic Countries but also, they were carrying out actions in “readjust the air connectivity”⁵⁷ in the United Kingdom and Germany as they did not want to lose their traditional markets (ibid.: 8). This measure was considered in the short-term; however, the Spanish government considered equally important to add “other new directed (measures) mainly to mobilize the intermediaries in the sector, the travel agencies through incentives and training programs”⁵⁸ (ibid: 8).

Moreover, it is also important to highlight, even when it does not have to be with the air connectivity, that both governments did not only try to attract different enterprises to fill the gap left by Thomas Cook with marketing strategies but also the Spanish government carried out “a contact round with different enterprises interested in buying one part of the production centre of Thomas Cook in Spain, and specifically in the Balearic Islands”⁵⁹ (Diario de Mallorca 18/10/2019).

b) Diversify and de-seasonalise the offer

After the bankruptcy of the tour operator, the local government considered that it was very important to diversify the tourism offer in Majorca as tourism was very dependent on the British and German markets since they were the principal sending countries (GOIB 2019). The Balearic Islands' government decided to launch 90,000 hotel beds to the Social Tourism program (ibid.: 8). The Social Tourism program is aimed at “people older than 55 years old, people with social difficulties and young people with low income”⁶⁰ (ibid.: 8). The program usually guarantees the hotel occupancy in the low season; hence, it can be considered as a strategy to de-seasonalise tourism on the island as well as to diversify the tourism offer because it will augment the complementary offer. We consider that this initiative was an important measure as a response to face the crisis because the bankruptcy

⁵⁷ “reajuste de la conectividad en los mismos”

⁵⁸ “otras nuevas (medidas) dirigidas principalmente a movilizar los intermediarios del sector, las agencias de viaje, y ello a través de programas de incentivos y formación”

⁵⁹ “una ronda de contactos con varias empresas que están interesadas en la compra de una parte del centro productivo de Thomas Cook en España, y concretamente en Baleares”

⁶⁰ “personas mayores de 55 años, personas con dificultades sociales y personas jóvenes con rentas bajas”

of the tour operator was given at the end of September when the high season in Majorca was about to finish. This initiative attracted many Spanish tourists to the destination augmenting the hotel occupancy and therefore, diminishing the impact of the crisis on the island. According to Hosteltur (08/11/2019 b), the Majorcan government pointed out that there was already a promotion plan in motion; however, they had to redesign the marketing campaign to focus it on the current situation. They had to "rethink, focus, and expand the promotion plan"⁶¹ (ibid.) what leads us to one of the ingredients established by Faulkner (2001: 145): the flexibility and adaptive capacity of the Majorcan government to the crisis that took place.

Conversely, the Spanish government also decided to include in the emergency plan elaborated to face the bankruptcy of Thomas Cook a marketing campaign in social media and digital media (Ministerio de Industria, Comercio y Turismo 2019) which was aimed to diversify the demand in different close markets as Nordic countries, Poland, Belgium or Russia "to face the reduction of the connectivity, mainly with the United Kingdom"⁶² (ibid.: 8).

c) Tourism Competitiveness

After the bankruptcy of the tour operator, the Spanish government decided to create a financial fund with the aim of "giving financial support to the projects that develop tourism enterprises oriented to the improvement of the sector competitiveness, especially those projects that include actions of digitization of tourist destinations, and innovations and modernization of the services, to adapt themselves immediately to the loss of demand caused by the bankruptcy of Thomas Cook"⁶³ (Ministerio de Industria, Comercio y Turismo 2019: 4). In short, the Spanish government felt the need of modernizing the tourism industry and creating the financial fund called "State Financial Found for the Tourism Competitiveness" (FOCIT: Fondo Financiero del Estado para la Competitividad Turística) as a way of incentivizing many entrepreneurs to create different enterprises that help the Spanish tourism industry to modernize, and with so, augment the competitiveness and the digitalization of the sector.

⁶¹ "repensar, focalizar y ampliar el plan de promoción"

⁶² "ante la reducción de conectividad, principalmente de Reino Unido"

⁶³ "apoyar financieramente los proyectos que desarrollen las empresas turísticas orientados a la mejora de la competitividad del sector, en especial aquellos que contengan actuaciones de digitalización de los destinos turísticos, y de innovación y modernización de los servicios, para adaptarse inmediatamente antes la pérdida de demanda ocasionada por la quiebra del grupo empresarial Thomas Cook"

Moreover, with regards to the digitalization of the sector, the Spanish government added 1,485,000€ to the financial fund intended to the innovation and the tourism technology in destinations. This money is intended to be used to “improve the competitiveness of the affected destinations and accelerate the transformation”⁶⁴ (Ministerio de Industria, Comercio y Turismo 2019: 5).

5.2.2. Private Sector

We consider that the response of the private sector is equally important as the response of the public sector. We understand the private sector as all the stakeholders that are included directly and indirectly on the sector and that do not depend on the public sector, which are those that depend on the government. We consider that the private sector is in charge of reorganizing the sector. For instance, as it will be seen on the following section, the private sector especially other tour operators, travel agencies and airline companies will be in charge of filling the gap left by Thomas Cook as Pablo García (García 2019) suggested: “the failures in the business management of one enterprise may be considered as opportunities for other business”. Therefore, “the bankruptcy of Thomas Cook has generated movements in chain in all the industry”⁶⁵ (Reportur 06/12/2019).

It is necessary to highlight that before Thomas Cook collapse, some stakeholders of the Spanish private sector carried out an initiative to avoid the bankruptcy of the tour operator. As states in Hosteltur (20/09/2019), three days before of the bankruptcy of the tour operator, mass media started to release alarming news headlines where they alerted that Thomas Cook required a huge amount of money to continue with its activity, specifically 200 M £ as “a contingency measure to face the winter season”⁶⁶, plus 900 M £ that were asked in advanced due to the recapitalisation plan of the tour operator (Hosteltur 20/09/2019). In the face of this threat, many Spanish hotels set up a meeting where they tried to gather 107 M € to help Thomas Cook to survive (Hosteltur 22/09/2019). It was “an initiative led by the Iberostar's president, Miguel Fluxà, the CEHAT⁶⁷ and the hotels' associations of the most affected Spanish destinations. They wanted to bet for the future of a key tour operator for the connectivity (transportation)

⁶⁴ “mejorar la competitividad de los destinos afectados y acelerar su transformación”

⁶⁵ “Thomas Cook ha generado movimientos en cadena en toda la industria”

⁶⁶ “como medida de contingencia para afrontar la temporada de invierno”

⁶⁷ Confederación Española de Hoteles y Alojamientos Turísticos (Spanish Confederation of Hotels and Tourist Accommodation)

and the own future of the Spanish holiday destinations"⁶⁸ (ibid.). It is necessary to highlight that not only the directly involved stakeholders were the ones who participate in this meeting. For instance, the hotel chain RIU Hotels also tried to save Thomas Cook from the bankruptcy, although when RIU Hotels was not working with Thomas Cook but with TUI. Carmen Riu, RIU hotels CEO, pointed out that "although she was partnered with TUI, she decided to support the initiative (...) with the main aim of avoiding the bankruptcy of the tour operator as long as possible" (Diario de Mallorca 03/10/2019). She knew the importance of this tour operator in the Spanish territory and in particular, in the Balearic Islands (where she is from), and the impact that this bankruptcy might have in the destination.

According to Pforr and Hosie (2008: 255), the previously explained initiative held by some of the hotels' associations in Spain would be considered as a proactive approach since it was taken "before the crisis arrive" (ibid.) and it would have avoided the consequences that the bankruptcy of Thomas Cook brought. However, we also consider this initiative as a reactive response since the hotels' associations met right after they knew that Thomas Cook could collapse. For this reason, this initiative can be considered as a reactive approach after the disturbing news about the bankruptcy but also as a proactive stage as it is produced before the actual crisis occurred and it is carried out to "minimize the consequences in the industry" (ibid.) betting not only for a key tour operator for the transportation but also for the future of the Spanish tourism industry. This shows that although it is possible to categorize an initiative or measure as a proactive or reactive approach, sometimes it is not that clear and it could be a bit of both concepts.

However, all the measures taken by the tourism stakeholders as it may be the competitors or the companies affected by the bankruptcy of the tour operator are considered reactive. The competitors, as it will be seen in the following sector, tried to fill the gap that Thomas Cook left, considering it as a twofold opportunity not only for them who would increase their market share but also for the destination as the investment of different stakeholders made that the effects of the bankruptcy were diminished.

In this section, it will be analysed the role that the competitors of Thomas Cook played in the response and the subsequent recovery of the destination. We did not include the

⁶⁸ "iniciativa liderada por el presidente de Iberostar, Miguel Fluxá, la CEHAT y las asociaciones hoteleras de los destinos más afectados, con la que se quería apostar por el futuro de un operador clave para la conectividad y el propio futuro de los destinos vacacionales españoles"

role that other enterprises of the private sector played because those initiatives will be considered in the recovery phase as many of the measures introduced were produced due to the learning and future avoidance of a crisis of the same nature.

5.2.2.1. The response of the competitors

As Pablo García (García 2019) asserted “the failures in the business management of one enterprise may be considered as opportunities for other businesses”. Alfonso Castellano (Hosteltur 02/10/2019) confirms this saying that “it is a worrying situation in the short-term (...). However, it can be considered as an opportunity source for airlines companies such as Jet2 or Norwegian, which have now the opportunity to introduce and improve the air connectivity; and for the hoteliers should bet for the direct selling and other commercialization channels to replace the demand that arrived from Thomas Cook”⁶⁹. Bartolomé Deya (Reportur 06/12/2019) assured that Balearic Islands were not going to lose tourists due to the bankruptcy of Thomas Cook if they were loyal customers to the islands; however, “they will travel with another tour operator, Jet2.com or any other”⁷⁰ (ibid.). Actually, this was exactly what was happening. According to María Frontera, the Hotel Federation in Mallorca’s president (FEHM⁷¹), “the tourism market is moving too fast” since many other tour operators are trying to offer their services to fill the gap left by Thomas Cook (Diario de Mallorca 2019, 14 October). From all this information, it is possible to conclude that the role that competitors or other enterprises play in a crisis caused by the collapse of a big company, should be considered as a key factor for the response of a crisis because they might significantly reduce the impact of the crisis in a determined industry.

For this reason, we consider that public stakeholders should strive to attract new enterprises that want to invest in the destination to fill the gap left by the collapsed enterprise. This is the case of the Spanish government. Diario de Mallorca (17/10/2019) pointed out that Reyes Maroto, Spanish Minister of Industry, Trade and Tourism was

⁶⁹ “a corto plazo es una noticia inquietante (...). Pero puede ser una fuente de oportunidades para que compañías aéreas como Jet2 y Norwegian se implanten y mejoren esa conectividad; y para los hoteleros que apuesten por la venta directa y otros canales de comercialización para sustituir la demanda que les llegaba a través de Thomas Cook”

⁷⁰ “No perderemos clientes, seguirán viniendo a Baleares si los hemos fidelizado, pero lo harán con otro tuoperador, Jet 2 o cualquier otro”

⁷¹ Federación Empresarial Hotelera de Mallorca

contacting “different enterprises that were interested in buying a proportion of the production centre of Thomas Cook in Spain, specifically in the Balearic Islands”⁷².

For all these reasons, the different stakeholders that have contributed to the reduction of the negative effects that the bankruptcy of Thomas Cook had in Majorca will be analysed hereafter.

a) TUI

After the bankruptcy of Thomas Cook, TUI saw the opportunity of expanding its business, adding two million additional seats on their flights to different destinations among them the Balearic Islands (Reportur 06/12/2019; Hosteltur 10/10/2019). Moreover, the airline company bought the slots that Thomas Cook lost in different British airports offering more departures from airports such as Manchester, Doncaster, Sheffield, Birmingham, Newcastle, and Glasgow (Hosteltur 10/10/2019), contributing not only to the better air connectivity but also promoting the creation of employment which was lost due to the bankruptcy of Thomas Cook (ibid.). Moreover, TUI added as part of their offer 135 hotels that belonged to Thomas Cook around the world of which six of them are located in the Balearic Islands (Preferente 12/02/2020).

In December, TUI brought forward that they had experienced an increase of 18% in the United Kingdom's summer bookings after the bankruptcy of Thomas Cook (Preferente 12/12/2019). Moreover, TUI (ibid.) highlighted that "they had already sold one-quarter of its offer for the summer, that also was 14 percent higher than the last season"⁷³. According to the online newspaper Preferente (12/02/2020), the investment made by the tour operator TUI resulted in a very good strategy for them. As can be shown in the following reference:

*"I have never seen a sales volume for the summer like this one. I see a growth of two digits in all our markets for this summer. After the bankruptcy of a key competitor, we have seen an improvement in the first trimester bookings since many clients appeal TUI to book again their holidays, especially in the United Kingdom"*⁷⁴ (Fritz Jousen, Preferente 12/02/2020).

⁷² “varias empresas que están interesadas en la compra de una parte del centro productivo de Thomas Cook en España, y concretamente en Baleares”

⁷³ “Ha vendido una cuarta parte de su programa para el próximo verano, que además es un 14 por ciento mayor que el de la temporada pasada”

⁷⁴ “Nunca he visto unas ventas para el verano como este. Veo un crecimiento de dos dígitos en todos nuestros mercados para este verano. Después de la insolvencia de un competidor clave hemos visto una

Regarding Fritz Jousen (ibid.), chief executive of TUI, the tour operator was enjoying extraordinary bookings due to the collapse of one of their biggest competitors fostering a "historical summer" for them.

b) EasyJet

The airline company EasyJet made an inversion of 36 millions of pounds to buy some of the slots that Thomas Cook left in the airports of Gatwick and Bristol (Hosteltur 08/11/2019 c; Diario de Mallorca 08/11/2019 c). The airline company also confirmed the acquisition of other slots in Manchester and Birmingham; however, none of these acquisitions had as a destination the Balearics Islands (Hosteltur 17/10/2019).

Moreover, the company EasyJet Holidays, which also belongs to EasyJet, has increased its activity as thanks to the bankruptcy of Thomas Cook decided to increase its market share and diversify itself (Hosteltur 10/10/2019 b). EasyJet Holidays planned to rise its accommodation offer in 500 hotels; however, after the bankruptcy of Thomas Cook, the company declared that they were being offered different hotels' offers which belonged to Thomas Cook; for this reason, the accommodation offer was going to rise in 200 hotels more than the company had forecasted (ibid.).

The bankruptcy of Thomas Cook made EasyJet Holidays sell different tourist packages to travel agencies (10/10/2019). In addition to this, the CEO of EasyJet Holidays, Garry Wilson announced the beginning of a new era in EasyJet Holidays where the all-inclusive packages are flexible for tourists (Hosteltur 29/11/2019). They said:

*"We are aware of how the way in which people travel is evolving continuously; we know that clients want flexibility on when and how to travel; we know that they want to select easily the hotels that better fit their needs and that they want a booking process without difficulties. We are very excited to fill these needs with the launch of our new modern and competitive holidays' business"*⁷⁵ (ibid.)

EasyJet Holidays was created in 2007, but the bankruptcy of Thomas Cook served to this company to rethink their business. This resulted in an innovative way of selling holidays

clara mejoría en las reservas del primer trimestre ya que muchos clientes recurrieron a TUI para volver a reservar sus vacaciones, particularmente en Reino Unido"

⁷⁵ "Sabemos que el modo en que la gente viaja está evolucionando continuamente; sabemos que los clientes quieren flexibilidad en cuándo y cómo viajar; sabemos que quieren seleccionar fácilmente el hotel que se adapta a sus necesidades y que quieren un proceso de reservas sin dificultades. Estamos realmente entusiasmados de poder satisfacer estas necesidades con el lanzamiento de nuestro nuevo negocio de vacaciones moderno y competitivo"

to travellers as they have adapted their offer to the new ways of travelling and the new needs of tourists, which make EasyJet Holidays be a very competitive firm.

As confirmed by Hosteltur (21/01/2020), “the collapse of Thomas Cook boosts the results of Easyjet”⁷⁶; as the report stated, EasyJet transported 22,2 million passengers during the first trimester which was translated in an increase of 2,8% with regard to the previous year (ibid.).

c) Jet2.com

Jet2.com was also benefited by the bankruptcy of Thomas Cook. According to the information given by Reportur (06.12.2019) “the English airline company Jet2.com and its tour operator Jet2holidays have programmed thousands of seats towards Canarias, Baleares and Reus between October of this year (2019) and March 2020”⁷⁷. After the bankruptcy, the news informed that Jet2.com was augmenting its seat capacity to Baleares programming around 5,000 additional seats (Diario de Mallorca 05/11/2019). During the summer of 2020, the airline company was forecasting to carry one million passengers to the Balearic Islands (ibid.).

d) On the beach

On the beach which is a British OTA (Online Travel Agency) declared that the collapse of Thomas Cook created an unprecedented opportunity to increase the market share (Hosteltur 09/12/2019). However, the first impact on the OTA was a big financial loss of around 25 million pounds. Due to the bankruptcy of the tour operator, On the Beach lost 20% of its flights portfolio since this OTA hired some flights through Thomas Cook (Preferente 28/11/2019). “Despite the loss of these services, On the Beach had to meet clients’ requirements, so they had to relocate those clients in other airline companies, paying the real price”⁷⁸ (ibid.). This inversion would be claimed afterwards to Thomas Cook.

Despite this, Simon Cooper, CEO of On the Beach, believed that the bankruptcy of the tour operator is an opportunity to gain more market share (ibid.). He considered the loss of seats as a short-term consequence. For this reason, the OTA “strongly invested in a

⁷⁶ “El colapso de Thomas Cook impulsa los resultados de easyJet”

⁷⁷ “La aerolínea inglesa Jet2.com y su turoperador Jet2holidays han programado miles de plazas aéreas hacia Canarias, Baleares y Reus entre octubre de este año (2019) y marzo de 2020”

⁷⁸ “La pérdida de estos servicios le ha obligado a cumplir con el cliente y recolocar todo en otras compañías, pagando religiosamente el precio”

marketing campaign to attract new clients"⁷⁹ (Hosteltur 09/12/2019), with which they expected to have "an increase expenditure in the short-haul to achieve a profit in the medium and long-term"⁸⁰ (Preferente 24/10/2019).

e) Hays Travels

Hays Travels is a British travel agency which after the bankruptcy of the tour operator bought 555 of the old offices of Thomas Cook. Moreover, they hired 1,930 old employees of the big tour operator, ensuring that they would hire around 2,500 employees (Hosteltur 08/05/2020). They not only contributed to the recuperation of the sector exercising as the intermediary between the tourists and the destination but also they hired many people who lost their job due to the bankruptcy.

5.2.3. Private vs public sector: subconclusion

As it can be seen from these two sections, and as Faulkner (2001) identified, the cooperation is seen as one of the main key aspects in the response of this crisis. The cooperation must be settled in different levels and layers and it could serve to "avoid waste, duplication and mutually antagonistic actions". Nizamidou and Vouzas (2017: 150) also highlighted the importance of collaboration. In this crisis, all governments and different private stakeholders as organizations, federations and other companies, work together to diminish the effect of the bankruptcy, and with so, get to the recovery phase as soon as it was possible.

It is also possible to observe that each sector played different roles in the response to the bankruptcy. According to Iago Negueruela (Diario de Mallorca 2019, 14 November), in the case of the bankruptcy of Thomas Cook, the government acted when they saw that there was a lack of liquidity. Therefore, while the public sector is focused on tailor measures with different aims such as attracting new tour operators or airline companies to the island, regulating the employment loss and economically supporting the sector; the private sector is on charge of taking over the gap left by Thomas Cook, and ultimately, reorganize the sector. According to Nizamidou and Vouzas (2017: 138), "it is impossible by any means to achieve a sufficient level of synchronization and co-ordination between two or more individual organizations, without having their roles and obligations predetermined". Therefore, we think that in this case, the coordination of the different sectors was accomplished as overall they had different tasks o roles to achieve. Moreover,

⁷⁹ "invertir fuertemente en marketing para atraer a nuevos clientes"

⁸⁰ "un incremento del gasto a corto plazo, para lograr un beneficio a medio y largo plazo"

Nizamidou and Vouzas (2017: 151) point out that both sectors should “emphasize in maintaining operational sustainability, contribute to the economic growth and provide effective solutions in raising public welfare concern”.

The analysis of the response to the bankruptcy of Thomas Cook in the public and private sector is essential to show which are the roles that each sector can take, and also an example of measures taken in this crisis which may serve as an orientation, for instance, for a future crisis of the same nature. However, Aurelio Vazquez considered that the bankruptcy of Thomas Cook was not decisive, so he stated that “the news of the bankruptcy of Thomas Cook and its possible effects have been oversized”⁸¹ (Hosteltur 28/11/2019). As well as the political activity, “probably with good intentions but absolutely overreacted”⁸² (ibid.).

The analysis of this section also showed us the importance of the predisposition of many companies to take over the gap that Thomas Cook left since they will be the ones who accelerate the recovery of the crisis. For example, both sectors took action with the unemployment issue but in different ways. On one hand, the national and local governments were, for instance, offering incentives to enterprises to keep employees; and on the other hand, the private sector was also diminishing the unemployment impact, for instance, hiring employees from Thomas Cook. Another of the conclusions that can be extracted from the previous sections is that, overall, all the competitors of Thomas Cook had a clear strategy after the bankruptcy: cover the gap that Thomas Cook left so they may increase their market share. Another of the facts that can be highlighted from the previous section is the fact that even when, for instance, Easyjet Holidays took some of the hotels that belong to Thomas Cook, the company knew the importance of being flexible when constructing all-inclusive packages.

However, in spite of all the efforts not only of the local stakeholders but also of foreign enterprises who tried to fill the gap that Thomas Cook left in the market, María Frontera ensured in January that there are still many things to do to get back to "normality" (Diario de Mallorca 23/01/2020). She confirmed that "they were still worried about the connectivity. They knew that many airline companies and tour operators had an interest

⁸¹ “creo que se ha sobredimensionado la noticia y los posibles efectos”

⁸² “probablemente con buenas intenciones, pero absolutamente sobreactuado”

in hiring the slots (left by Thomas Cook), but this is not materializing"⁸³ (ibid.). She manifested that there has been a decrease in the slots procurement. This is a very worrying situation for a destination located on an island since "it is very important for the islands to make sure the air connectivity"⁸⁴ (ibid.), and there was nothing sure by that time. She warned that they were doing everything that was in their hands to commercialize and diversify the market, because it is very important not to put all the eggs in one basket (ibid.); however, even when many interested companies took a chance on the destination, there was still a very important gap to fill after the bankruptcy of the tour operator (ibid.).

5.3. Recovery

As commented in the literature review, strategies taken on the response are reviewed and the main aim of the phase is to "return to normality or movement to an improved position based on reflections" (Huang, Tseng and, Petrick 2008: 216). As we now know, the destination did not come back to normal before the coronavirus crisis hit. In this section, the full return to normality can therefore not be analysed; hence, the different tools that normally would have helped to the recovery of the destination will be analysed as well as how the behaviour of both tourists and companies changed after the bankruptcy of Thomas Cook.

As pointed out by Wilks and Moore (2004: 53), there are different ways to measure the effectiveness of a crisis management. In this case, it will be mainly analysed "the amount of crisis-resistance added since the crisis" (ibid.). According to Gurtner (2007: 95-96), "appropriate levels of (...) resilience will minimize the impacts and improve the rate of tourism recovery". Consequently, different stakeholders will have to make a reorganization of the tourism sector to make it more resilient. The reorganization "can be regarded as a critical analysis, reassessment, and radical redesign of existing business processes to achieve significant improvements in performance metrics, from the perspective of relocating and changing the overall business strategy" (Lemonakis and Zairis 2020: 5). Therefore, stakeholders will have to rethink and review the business processes (or even business model in this case) to change or improve the business strategy.

⁸³ "Nos preocupa la conectividad. Sabíamos que había mucho interés de compañías aéreas y turoperadores en contratar esos slots pero eso no se está materializando"

⁸⁴ "es muy importante para las islas asegurarse la conectividad"

Hereafter, it will be analysed the role that different action plans, considered the cornerstones of the recovery phase, play in the recovery of the destination and how they change (if they do) to restructure it. Those are the role of mass media, the marketing strategies, the tourists' behaviour and, the companies' behaviour. In the end, a section will be written about the learnings for the future of this crisis.

5.3.1. Role of mass media

Faulkner (2001) and Wilks and Moore (2004) highlighted in their papers that the role of mass media was considered as a key point in the recovery of a destination after a disaster or crisis since it may help to “counteract any negative publicity to protect destination image and reputation” (Mair, Ritchie and Walteres 2016: 12). However, as commented in the literature review, we do not consider that this is the case of the recovery of a crisis in a destination caused by the bankruptcy of a tour operator. The destination is still considered attractive for the tourists and there is no sense of panic or terror due to a disaster. The problem here is the lack of an intermediary which connect the destination with the tourist. However, although we do not consider it as a key aspect in this specific case, the mass media did play multiple roles in this situation.

All the news analysed for this project were mainly informative. Different mass media were aware of the importance that the bankruptcy of this big tour operator could have in Spain, overall in the Balearic Islands and the Canary Islands. For this reason, they were keeping track of all the news that were released through the process. At this point, the literature said that it is essential to have “image-building communication” (Wilks and Moore 2004: 77). According to the authors, this may show tourists what the destination is doing to restore the tourism industry to normal to welcome them again, and that some improvements are being made. All the news that were published encouraged the image restoration, even when, again, the crisis was not caused by the destination. However, all the news articles were pointing out to what the different stakeholders were doing to actually “restore the tourism industry to normal” and even, they were informing about the improvements that were taking place to the fast restoration and future protection if a crisis of the same nature occurred.

Moreover, in the early days after the bankruptcy, the mass media was informing not only different stakeholders of the tourism industry and interested people, but also to the tourists that got caught on the islands. The tourist repatriation was called “Matterhorn operation”. In this phase of uncertainty for the destination but also tourists, some hotels started to

release news offering their hotel establishments for those that got caught on the island. *Diario de Mallorca* (27/09/2019) assured that "every hotel gave the service that it was considered appropriate"⁸⁵ but there were "some cases in which the tourist was forced to come back to the hotel and they could get for free accommodation or some discounts were applied in this special situation"⁸⁶. According to the literature review, this applies to the "flexibility in the promotion" through the mass media (Wilks and Moore 2004: 78). In *Dario de Mallorca* (27/09/2019), the president of *Platja de Palma* assured that some hotels were having empathetic towards this situation. For instance, *Garden Hotel* released a piece of news in the online newspapers offering discounts to those that already had a reservation (*Preferente* 11/11/2019). This initiative may encourage the recovery in the destination as even when the intermediary was lost, it was a way of communicating tourists that they were still there waiting for them with special prices.

5.3.2. Marketing strategies

The marketing strategies are considered as key elements in the recovery of a destination by Mair, Ritchie and Walters (2016: 13) since they can help to attract tourists to the destination again. However, in the case of the bankruptcy of a big company, as it was *Thomas Cook*, the marketing strategies taken by the different stakeholders were not aimed to restore the image of the destination for tourists and different stakeholders, but to inform that *Majorca* was still there. As *Fernando Urrea* (*Preferente* 09/10/2019) pointed out "there was never a problem with the destination, with the *Balearic Islands*, but with the intermediary".

Different marketing strategies were held along the process. As the literature pointed out the marketing campaigns should be made at different levels (local, regional and national) (Mair, Ritchie and Walters 2016: 13), and they were tailored as an emergency plan after the bankruptcy. The marketing campaigns created as an emergency plan after the bankruptcy complemented the ones that were created before the crisis happened. The theory proposed by *Beirman* (2009: 207) points out that "a vital element in any successful tourism recovery campaign is the formation and implementation of a recovery alliance between the major tourism stakeholders". As it can be seen in section 5.2.1.5., different marketing strategies were structured after the bankruptcy of *Thomas Cook* to attract stakeholders, which confirmed the statement that *Beirman* (2009) made. Moreover, the

⁸⁵ "cada hotelero ha dado el servicio que ha considerado oportuno"

⁸⁶ "casos en los que el turista se vio obligado a volver a su hotel y pudo alojarse gratis o, en los que se aplicaron descuentos ante situaciones especiales".

marketing strategies were aimed to diversify the offer, attract stakeholders and increase the competitiveness of the destination. The marketing campaigns were tailored in the early stage of the bankruptcy which agrees with the literature review as Mair, Ritchie, and Walters (2016: 18) point out that "the rapid initiation of the recovery-marketing campaign is a vital step" in the recovery phase.

5.3.3. Tourist behaviour

Tourist behaviour can be also considered as a key aspect in the recovery of a destination since all the tourism market revolves around them. Every need, change, or preference will be noticed in the tourism sector, so it will have to adapt their strategies to them. According to the literature, a crisis or a disaster may be considered as an obstacle for tourists to travel to destinations. Tourists are very vulnerable in those situations and they may feel fear or panic due to a certain situation.

In the case of the bankruptcy of Thomas Cook, on one hand, tourists who got caught in the destination felt a certain degree of uncertainty as they did not know when they were able to come back home as it was the case of Turner's family. They stated that the bankruptcy of Thomas Cook "has ruined the final part of our holidays, since we have to take a taxi (...) to arrive at the airport. Now, we have no idea of when we are going to come back to Manchester"⁸⁷ (Última Hora 24/09/2019). In the same line, the Hick's recognized that "we are frustrated and annoyed (...) We are eager to arrive to our country and forget this nightmare"⁸⁸ (ibid.). However, some other tourists were facing the situation with optimism as the declaration of a British citizen showed: "at least we have enjoyed a good week of holidays. We will receive compensation and there are worst places to get caught"⁸⁹ (Diario de Mallorca 24/09/2019). On the other hand, people who were willing to travel felt disappointed as a couple confessed: "we are absolutely gutted. We have looked forward to this for a long time" (BBC 23/09/2019). This couple had booked their honeymoon with Thomas Cook, and it was cancelled as a consequence of the bankruptcy.

To conclude, after the bankruptcy of Thomas Cook, the feelings of tourists were very diverse, but all of them revolve around uncertainty or frustration. Uncertainty because

⁸⁷ "Nos han arruinado el final de nuestras vacaciones, ya que hemos tenido que coger un taxi (...) para llegar al aeropuerto. Ahora, no tenemos ni idea de cuándo vamos a regresar a Mánchester"

⁸⁸ "Estamos frustrados y molestos (...). Estamos ansiosos de llegar a nuestro país y olvidar esta pesadilla"

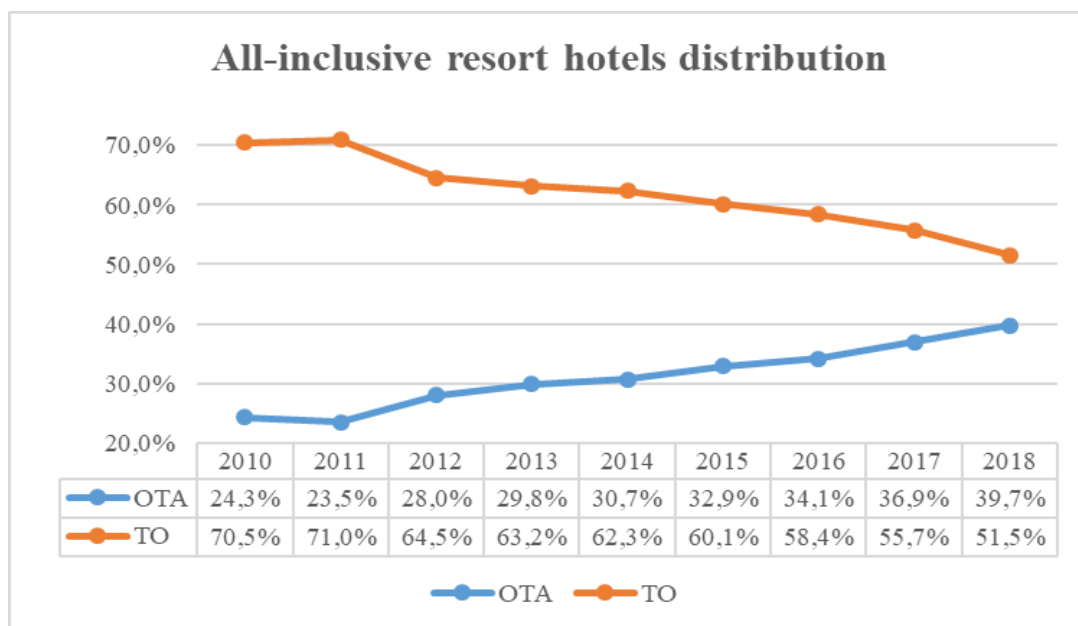
⁸⁹ "por lo menos hemos disfrutado de una buena semana de vacaciones. Recibiremos una compensación y hay sitios peores para quedarse atrapado"

they did not know where they were able to come back home or frustration because they could not enjoy their holidays. However, the feelings do not have anything to do with fear, panic, trauma, or other feelings that a person may feel after a catastrophe as a natural disaster or a terrorism act. For this reason, this crisis cannot be compared with any other where the tourists cannot perceive a security sensation on the destination (Pforr and Hosie 2008: 254; Santana 2004: 305). Therefore, as commented not only above but also in the literature review, the tourism activity was not completely stopped due to the bankruptcy just the part that booked their holidays with Thomas Cook. So, the tourism activity would continue in the islands but with other tourism stakeholders (different tour operators, different travel agencies, different airline companies). Moreover, tourists were still feeling safe in the destination, which makes a reactivation of this part of the demand way easier since they are still willing to visit Majorca. It was not a problem caused by the destination, but by a tour operator that indirectly hit the destination.

Besides that, many authors confirmed that there is an existent change in the behavioural pattern for those tourists that are visiting a certain destination after a crisis or a disaster (Mair, Ritchie, and Walters 2016). Cancellations or last-time bookings are experienced after a disaster; however, this is not the case of the bankruptcy of Thomas Cook. It is true that right after the bankruptcy of Thomas Cook, there were a lot of cancellations due to the cessation of the business activity. However, after three months, the tourism sector started to recover from the crisis. During the International Madrid's Tourism Fair 2020 (FITUR: Feria Internacional de Turismo de Madrid), María Frontera pointed out that even when they did not have enough data to analyse the situation, some tendencies were identified by the hoteliers (Diario de Mallorca 23/01/2020). The British market was still booking their holidays, and the British demand was acting as last year; therefore, it seemed that it was stable. However, the German market decelerated. The number of bookings was lower, and also did the Nordic market (who was already decreasing before the bankruptcy) (ibid.). These tendencies may conclude that generally, after the bankruptcy, the markets were behaving in the same way that they did before. However, tourists' expenditure changed. The statistics of October 2019 provided by EGATUR (Encuesta de Gasto Turístico: Tourist expenditure survey) detected that "although the all-inclusive package was still being the largest expenditure item (22%) [by tourists], it

dropped 4% in October”⁹⁰ (Diario de Mallorca 31/10/2019). However, “tourists’ expenditure of tourists that are not travelling with the packages grow 5,9%”⁹¹ (ibid.). These figures revealed that tourist behaviour changed in the short-term in the Balearic Islands.

Nonetheless, it is necessary to note that, over the years, tourists’ behaviour has been changing continuously and adapting to the new era. According to María Frontera (Diario de Mallorca 23/01/2020), there is a tendency where the last-minute bookings are rising. For this reason, she pointed out that the tourism sector “has to adapt themselves to the new tendencies, supporting (the adaptation process) with the digitalization and technology”⁹² (ibid.) Tourists are now more technological and, according to Ramón Hernández, CEO of Bluebay Hotels, the technology will be considered as a differentiating element (Hosteltur 02/10/2019), not only in the booking process but also during the stay in the hotel.



Graphic 3: All-inclusive resort hotels distribution. Source: own elaboration (Hosteltur 18/10/2019)

The graphic 3 shows the tendency that it has being registered in the last eight years in the booking process of all-inclusive hotels. It shows the evolution of the Online Travel Agencies (OTA) and the Tour operators (TO), two of the most common boking channels in this type of hotels. As can be seen in the graphic 3, the online booking process has

⁹⁰ “A pesar de que el paquete turístico continúa siendo la principal partida de gasto (22%), cae un 4% en octubre”

⁹¹ “crece un 5,9% el gasto de los turistas que no viajan con ese producto”

⁹² “adaptarse a estas nuevas tendencias, apoyándose (para el proceso de adaptación) en la digitalización y tecnología”

augmented considerably in the last eight years. It is still necessary to note that even when the tourists' behaviour is changing, the traditional tour operator still represents more than 50% of the booking distribution in all-inclusive hotels (Hosteltur 18/10/2019). However, it makes us see that over the years, tourists' behaviour is changing and online travel agencies are gaining ground to the tour operators.

As speculated by Hosteltur (18/10/2019), maybe in the future, the “OTA’s takes over of the tour operators as the principal distribution channel of all-inclusive resort hotels”⁹³ (ibid.). However, many stakeholders are convinced that the tour operator has a long way ahead, as it does Steve Heapy, CEO of Jet2Holidays. He assured that after the bankruptcy of Thomas Cook, the travel agencies and the tour operators will be reinforced since “if you buy a trip separately, you do not have any protection”⁹⁴ (Hosteltur 15/05/2020). This is due to the ATOL's insurance which made that travellers with tourists' packages are covered before any incidence. This opinion is also shared by ABTA (Association of British Travel Agents) which pointed out that tourists' confidence in travel agencies might increase due to how the crisis was handled (Hosteltur 09/12/2019).

We found this information very relevant not only for the Thomas Cook’s case but for Majorca as a destination. It is clear that over the years, tourists' behaviour has changed. As commented above, tourists are increasing their online bookings, and with so, also did the OTA’S. Destinations have to adapt themselves to this situation, for instance, augmenting their booking channel. However, Steve Heapy’s affirmation may serve to destinations which are very dependent on the tour operators to still give them a chance.

5.3.4. Companies behaviour

This section was not contemplated in the literature review as a cornerstone for the recovery of a destination after a crisis. However, we considered that the companies' behaviour was very relevant in the case of Thomas Cook, and especially in the recovery of the destinations.

The bankruptcy of Thomas Cook and the negative consequences that entailed in Majorca made that many companies rethought many aspects that had to be changed in a differently way not only for the own recuperation of these affected enterprises and of the destination but also to be prepared in the case of another large company collapses. In this case, many

⁹³ “toman el relevo a los turoperadores como el principal canal de distribución en hoteles vacacionales”

⁹⁴ “Si compras un viaje por separado, no tienes protección”

enterprises considered the adaptive capacity (Hosteltur 09/10/2019) and the diversification (Hosteltur 14/10/2019) as indispensable tools for the recovery. Alfonso Castellano, Hotelatelier CEO, pointed out that the tourism industry was facing “new challenges in distribution, recruitment of tourism demand and reduction in the customer acquisition costs since after the bankruptcy of Thomas Cook, the tour operators’ demand standardisation will disappear” (Hosteltur 02/10/2019).

Over the years, the preferences and needs of tourists have been changing continuously, and consequently, the tourism industry has been involved in this process of changing. This crisis might be considered a disaster in the short-term; however, it can also be considered as an opportunity to rethink and adapt the tourist offer to a new era. On one hand, enterprises should adapt their tourist offer to the preferences of travellers, and with so, they also have to adapt themselves looking for new market niches (Hosteltur 09/10/2019) in which enterprises were not focusing their efforts. However, Alfonso Castellano pointed out that a strategy targeted to specific market niches would be translated in an increase of their profitability (Hosteltur 02/10/2019). In addition to this, CCOO (Comisiones Obreras; Workers’ Commissions) highlighted that the adaptive capacity must be combined with a continuous training investment as “the professionalism is the best strategy to guarantee the sustainability and the excellence of Spain as a tourist destination”⁹⁵ (Hosteltur 09/10/2019).

On the other hand, the diversification is also considered as a key tool in the recovery and in the process of rethinking a destination after the bankruptcy of a big enterprise. The distribution channels diversification is the main aspect that the hoteliers should take into account after the crisis. Many hotels were highly dependent on the tour operator, which entailed that many of the beds sold to Thomas Cook in advance were lost due to the bankruptcy. This situation caused that “many hotels saw themselves without distribution from day to day”⁹⁶ (Hosteltur 09/10/2019 b), leading to a big economic impact. For this reason, some hotel establishments should open themselves to a digital world where the technology and consequently, new channels of distribution will help them to not be dependent on one single channel of distribution but to multiple distribution channels that will contribute to the risk reduction if a big company fails. According to Rebeca

⁹⁵ “la profesionalidad es la mejor estrategia para garantizar la sostenibilidad y la excelencia de España como destino turístico”

⁹⁶ “numerosos hoteles se hayan visto sin distribución de un día para otro”

González, Roiback's Managing Director, this is also an opportunity to enhance the profitability of a determined company (Hosteltur 09/10/2019 b). However, she considered that it does not have to be a radical change because "the air connectivity is a key factor in some destinations and the dependency of tour operators' packages will still be there, but it is necessary to introduce new additional channels"⁹⁷ (ibid.). This is the case of Majorca. Majorca is an island and it has the need for this air connectivity, which makes it a destination with certain dependence of the tour operators; however, that does not detract from the fact that hotel establishments should use additional channels. The main objectives of this diversification are "lower dependence, more control and greater profitability"⁹⁸ (ibid.). But also, it is necessary to bear in mind what José Santas said. "There is not a perfect partner, there are needs for every moment"⁹⁹ (Hosteltur 19/11/2019), but what is clear is that "the history of having everything supported in one partner, it is not a good election"¹⁰⁰ (ibid.). For this reason, the diversification in booking channels is needed.

Jose Yudici, commercial and expansion chief executive of Roxa Hospitality, ensured that the direct channel of distribution would have to be reinforced (Hosteltur 17/10/2019 b) in this new era. In fact, Roiback, which is a company expert in the direct channel management, offered free counselling after the bankruptcy of Thomas Cook to those companies who wanted to "define a distribution strategy more balanced and cost-effective"¹⁰¹ (Hosteltur 09/10/2019 b). Jose Yudici defends that "it is possible to diversify more the recruitment with different markets and tour operators (...). These new actors can contribute to the presence in different countries and different travel agencies (...) and with other price structure"¹⁰² (Hosteltur 17/10/2019 b). Jose Yudici also identifies a new opportunity after the bankruptcy of the big tour operator. His company is working on creating a new website where the client may decide how to build its own travel package based on its own preferences from home (ibid.), bestowing tourists on certain flexibility which was lacking in the travel packages that Thomas Cook prepared.

⁹⁷ "las conexiones aéreas son un factor clave en ciertos destinos y la dependencia de paquetes de turoperadores va a seguir existiendo, pero sí de introducir ciertos canales adicionales"

⁹⁸ "menor dependencia, un mayor control y una mayor rentabilidad"

⁹⁹ "no hay un único partner perfecto, hay necesidades de cada momento"

¹⁰⁰ "La historia de tener todo apoyado en un mismo partner no es una buena elección"

¹⁰¹ "definir una estrategia de distribución más equilibrada y rentable"

¹⁰² "podemos diversificar aún más la contratación con mercados y tour operadores (...). Estos nuevos actores, pueden aportar presencia en países y agencias de viajes diferentes (...) y con otra estructura de precios"

As commented above, according to Ramón Hernández, CEO of Bluebay Hotels, the technology will be considered as a differentiating element (Hosteltur 02/10/2019). Ramón Hernández considered that tourist will not only look for the location, price and online reputation, but also, whether if the hotels are using technology or not, will be considered as a key element when tourists are deciding in which hotel to stay during their holidays.

In conclusion, adaptive capacity, diversification and flexibility can be considered as main cornerstones in the recovery of this crisis not only for the recovery of the destination itself but also for the activity's recovery in different establishments. So, the application of the above aspects will add crisis resilience to those enterprises. And also, in essence, the companies' behaviour, how they adapt to the era post-Thomas Cook will be important for the recuperation of the tourism sector in Majorca.

5.3.5. Discussion: Learning for a crisis

This section will identify and discuss the different elements that the crisis taught to not only the destination but also different stakeholders. Ultimately, it is a compilation of those tools that we think are more important to rise the crisis-resistance to a future crisis and with so, they should be implemented as learning for this crisis.

According to the theory, “all individual organizations, (...) have to learn from their mistakes, interact and co-ordinate effectively in order to re-evaluate and redesign the crisis management plan wherever it is necessary” (Nizamidou and Vouzas 2017: 146). The bankruptcy of Thomas Cook has determined that the tourism industry is an industry which “is very sensitive to any ‘variable’”¹⁰³ (Hosteltur 17/12/2019) and that there was a need for “modernization of the tourism model”¹⁰⁴, noted Reyes Maroto (Diario de Mallorca 08/11/2019 c). Although there was a “significant reduction in the number of the big tour operators as it was Thomas Cook, and as it is TUI or FTI, in favour of other organization travel models more fragmented”¹⁰⁵ in the recent years, what determines “that the tour operator's packages have less importance each time”¹⁰⁶ (Bartolomé Deyá, interview), the tourism model denoted that it was still in need of some changes after the bankruptcy of Thomas Cook. However, it is also necessary to highlight that even when

¹⁰³ “es muy sensible a cualquier variable”

¹⁰⁴ “modernizar el modelo turístico”

¹⁰⁵ “Reducción de forma significativa del peso de los grandes turoperadores, como podía ser Thomas Cook, y como puede seguir siendo de TUI o FTI, en favor de otros modelos de organización de viaje más fragmentado”

¹⁰⁶ “que el paquete turístico cada vez tiene menos importancia”

the bankruptcy of Thomas Cook had a great impact in the Balearic Islands, thanks to those changes in the Balearic tourism model over the years, the impact was lower than if it had occurred twenty years before since the dependency of the tour operator was bigger as confirmed by Pedro Marín, secretary of the Palma's hotel association. "If this happens twenty years ago, it would have been tougher"¹⁰⁷ (Diario de Mallorca 27/09/2019). In fact, the figures given by Anderson (2012) show this fact. The author declared that "from 2002 to 2004, of the tourists to the Balearics, respectively 88.3%, 90.2%, and 88.3% travelled on packages tours" (ibid.: 318).

However, as commented above, many stakeholders as Reyes Maroto (Diario de Mallorca 18/10/2019) or Fernando Gallardo (Diario de Mallorca 16/10/2019) denoted the still urgent need of modernization which will reconfigure a different tourism model where "the power is in the users' hands, and where the user is the 'owner' of the business"¹⁰⁸ (Diario de Mallorca 16/10/2019). Fernando Gallardo (ibid.) pointed out that the bankruptcy was a "source of joy"¹⁰⁹ as the traditional tour operation does not have any future. However, even when this is true because the traditional tour operation has to evolve into more personalized packages, we consider the bankruptcy of Thomas Cook as an opportunity to reconfigure the tourism industry across a process of adaptation to a new era and the new consumption habits. This, in order to "modernize and become more professional to obtain a more differing and competitive offer" (Reportur 06/12/2019) which will contribute favourably to the national and local economy. Moreover, as the literature review showed, experiences and learning are considered key elements in the final phase of crisis management (Rodríguez-Toubes, Brea and Torre 2014: 51). Therefore, a crisis may be considered as a learning process for a future crisis of the same nature. In this case, the analysis shows that Majorca is trying to reconfigure the whole tourism industry to avoid falling in the error of having a high dependency of one big company.

Ultimately, a twofold strategy is identified to reconfigure the tourism industry: 1) offer diversification and 2) adaptation and technology. The application of these strategies or measures denoted the learning after the crisis as they may avoid or diminish the negative effects of a future crisis of the same nature. It has to be noted that the following sections

¹⁰⁷ "Si esto nos pasa hace veinte años, hubiera sido mucho más duro"

¹⁰⁸ "El poder es del usuario y es el dueño del negocio"

¹⁰⁹ "motivo de alegría"

will be based on the tendencies that we have identified through our analysis of what enterprises in general are doing.

5.3.5.1. Offer diversification

As commented above, the bankruptcy of Thomas Cook shook the foundations of a tourism industry closely linked to the tour operation. As confirmed by Bartolomé Deyá (interview) “there were hotels which had surety agreements with this tour operator”¹¹⁰ which means that “an important percentage of the hotels’ beds in a hotel were monopolized by this tour operator”¹¹¹. It is necessary to highlight that the bankruptcy of Thomas Cook not only influenced the hotels but also the air connectivity to the islands. In this matter, the stakeholders on charge of the air connectivity should cooperate together to diversify the airline companies’ portfolio that flights to Majorca to reduce the risks in the face of the bankruptcy of a determined airline company. Moreover, as commented on the section of the air connectivity, the Spanish government propose future cooperation between the stakeholders which promoted different destinations to encourage different airline companies to invest in. This can be considered as a measure in response to the bankruptcy but also as a learning, as an opportunity of splitting the offer between different airline companies so if a company fails, it will have less impact on the tourism industry.

On the other hand, in what refers to the dependency of the tour operators and in order to avoid a future crisis, some enterprises are expanding the tour operators’ portfolio and to expand the booking distribution with other booking channels which may contribute to an improvement in the profitability of enterprises and also, in a risk reduction under the recommendation of different experts, for instance, Rebeca Gonzalez, managing director of Roiback (Hosteltur 9/10/2019). It will be necessary to achieve a tourism industry with less dependency of the tour operator (Diario de Mallorca 18/10/2019) in favour of other booking channels as it may be the direct channel, and with that, Reyes Maroto ensured that the Spanish tourism industry would be enforced after that (Hosteltur 08/10/2019). However, according to a Canarian hotelier: “the tour operation is seen differently whether if it is seen from the peninsula or from the archipelagos. The island territories cannot give up on the tour operators (...) because ‘they are the ones that offer the planes and the ones

¹¹⁰ “había hoteles que tenían contratos de garantía con este turoperador”

¹¹¹ “un importante porcentaje de su contratación (estaba) totalmente monopolizado por parte de este turoperador”

who attract the clients”¹¹² (Reportur 06/12/2019). Therefore, the tour operators cannot be avoided, but it will be necessary to diversify the distribution offer.

Rebeca González also pointed out that many hotels are now in an unknown terrain due to the bankruptcy since they were very dependent on the tour operator and they do not know how to react as they were "standing aside from the new distribution tendencies (...). This is a challenge, but it is also a great opportunity for them (...). The hoteliers will realize that their profitability can be benefited if they implement a different distribution mix as against the dependency of a single tour operator and that leaving the whole commercialization in the hand of others is not the most optimum solution”¹¹³ (Reportur 06/12/2019). For Rebeca González a well-balanced distribution strategy should be set by “giving a percentage to a tour operator so the hotel can generate continuity and tranquillity; and the rest should be distributed between OTA’s and the direct channel”¹¹⁴ (Reportur 06/12/2019).

The market diversification was also a strategy that the governments bear in mind as learning for this crisis. The tourists that visit the most Majorca are British and Germans, they insisted on promoting the destination in other different countries for instance, the Nordic countries to attract other nationalities to the destination for not being very dependent on the first two. The local and national governments were very afraid of British tourists since they were positioned in an uncertain scenario not only because the bankruptcy of Thomas Cook could condition them to travel to Majorca but also to the Brexit (Hosteltur 08/10/2019 b).

5.3.5.2. Adaptive capacity and digital transformation

The adaptive capacity was considered as a key point when it was considered the companies’ behaviour to face the recovery from the crisis by different experts such as Rebeca Gonzalez who ensured that “the hotelier sector should reconsider their actual business model”¹¹⁵ (Hosteltur 09/10/2019 b) since “after the bankruptcy of Thomas Cook,

¹¹² “La turoperación se ve de forma distinta en función de si se mira desde la península o desde los archipiélagos. Los territorios insulares insisten que no pueden renunciar a los turoperadores (...) porque ‘son los que ponen los aviones y los que traen clientes’”

¹¹³ “Manteniéndose al margen de las nuevas tendencias de distribución (...). Esto es un reto, aunque, a la vez, una gran oportunidad (...). Los hoteleros se darán cuenta de que su rentabilidad puede salir beneficiada si implementan un mix de distribución diferente a la sola dependencia del turoperador, y que dejar toda su comercialización en manos de un tercero no es la solución más óptima”.

¹¹⁴ “parte de las habitaciones a un turoperador que pueda seguir generando continuidad y tranquilidad; el resto de inventario puede distribuirse entre OTA’s y su canal directo”

¹¹⁵ “el sector hotelero reconsidere su actual modelo de negocio”

the hotels will be sold by other channels”¹¹⁶ (ibid.). It is necessary to highlight again the adaptive capacity after the crisis of Thomas Cook as an occasion of learning since the adaptive capacity that stakeholders accomplish may be considered as a tool of reduction in the case of a future crisis. Different stakeholders should adapt themselves to “the reality imposed by the new consumption habits” of tourists (Diario de Mallorca 28/09/2019 b), and as the expression says: “To renew or to die”. In this case also, “to adapt or to die”. Joan Riera ensured that “it will survive those who have adapted themselves to the new era, those who are closer to the client removing the number of intermediaries and built loyalty with a quality supply adapted to the demand”¹¹⁷ (Diario de Mallorca 28/09/2019 b).

Bartolomé Deya (Reportur 06/12/2019) pointed out that many hotels were distributing their hotel beds through a tour operator without assuming any risk. However, the bankruptcy of Thomas Cook signified that even one of the oldest and biggest tour operators in the world can collapse, so distributing the hotel beds through a tour operator may also entail risks. “Before, the safe option was the tour operator and hotels were not thinking of using the web (...), but now they will have to accelerate their digital transformation”¹¹⁸ (Reportur 06/12/2019). It is here where the importance of the digital transformation appears, and with so, the importance of technology in the new consumption habits. Over the years, bookings through online booking channels have gained ground to tour operators' bookings. For this reason, it is also necessary for the hoteliers to show themselves in different online booking channels to attract this demand. Moreover, the hoteliers should adapt their strategies to a more technological world since as Fernando Gallardo pointed out “the tourism future will be based in three driving forces: the interpretation and the data analysis to know the client, the automation of work and the technology apply to the sector” (Dario de Mallorca 16/10/2019).

To put all this information in a nutshell, it is possible to conclude that not only Majorca but any other destination, should diversify its offer to avoid to the extent possible the impact of the collapse of any big company. This is affirmed by Bartolomé Deyá (interview):

¹¹⁶ “tras la quiebra de Thomas Cook las ventas de los hoteles por otros canales van a aumentar”

¹¹⁷ “sobrevivirán quienes se han adaptado a los nuevos tiempos, se acercan al cliente eliminando el mayor número posible de intermediarios y logran fidelizarle con una oferta de calidad y adaptada a la demanda”

¹¹⁸ “antes lo seguro era el turoperador y no se planteaban recurrir a la web (...), pero ahora tendrán que acelerar su transformación digital”

“They realize that ‘putting all your eggs in one basket’ is very risky and it is not a good strategy for the future, and they also realize that the motto ‘Too big to fail’ does not apply to the tourism industry”¹¹⁹.

Moreover, in what refers to the two approaches proposed by Richardson (1994 in Faulkner 2001: 139; Rodríguez-Toubes et al. 2014: 51; Scott, Laws and Prideaux 2008:4) about the learning approach that destinations/communities/organizations are taking after a crisis or a disaster, it can be considered that learning taken after the bankruptcy of Thomas Cook is single-loop learning where they are keeping “more or less with traditional objectives and traditional roles” (Richardson 1994: 5 in Faulkner 2001: 139). Majorca as a destination will still do what it was doing before the bankruptcy but changing different aspects which may contribute to diminish the negative effects of a future crisis in the destination as it is the way of distribution.

¹¹⁹ “se dieron cuenta que poner todos los huevos en una misma cesta es muy arriesgado y no es una buena estrategia a futuro, y se dieron cuenta de que el lema ‘Too big to fail’ tampoco en el sector turístico se cumple”.

CHAPTER 6: FINAL DISCUSSION OF THE FINDINGS

After the analysis of how Majorca handle the crisis of the bankruptcy of Thomas Cook, multiple findings were obtained. Those have led to a better understanding of how it is necessary to tailor the response and recovery strategies to the own nature of the crisis. There is not a unique recipe to diminish the effects of a crisis, but the ingredients have to slightly change to give a good response to the crisis.

As seen in the material, it is necessary to note that this crisis has a different nature to others. This crisis cannot be compared for instance with a natural disaster or a terrorism act. Although the destination cannot avoid the bankruptcy of a big company, the destination has the power to tailor measures or reconfigure the tourism industry through the response and recovery to bring the destination back to a 'normal' status; or even better, reconfigure the destination using the learnings of the crisis to avoid a future crisis.

The following discussion entails a summary of the main phases and ingredients that were identified to bear in mind after the bankruptcy of a big company as it was the case of the bankruptcy of Thomas Cook.

6.1. Summary of the response phase

In regards to the approach of the response phase, after the analysis, it is clearer that a proactive approach is the most effective approach when facing a crisis (Pforr and Hosie 2008: 255). The approach taken in response to the bankruptcy of Thomas Cook was reactive, which means that Majorca was not prepared for the crisis. However, if Majorca would have taken a proactive approach after they knew that Thomas Cook was not in their best moment, they would have avoided many negative effects on the destination. The complete elimination of negative effects is almost impossible, but as said, the destination should have diversified their distribution on time to avoid and diminish the effects. Therefore, in the situation that we are analysing, we think that it is necessary to create a contingency plan understood as the "document that sets out the roles, procedures and objectives for an organization in relation to potential threats and how to manage these threats in the event that they materialize" (Drenan, McConell, and Stark 2014: 132). These documents are "absolutely crucial to the successful management of a crisis" (ibid.). They are considered as "a vital part of the crisis management cycle" (ibid.); however, we think that it is more important to change what failed this time, so it will not happen again in the future.

On the other hand, the response should be composed of different ingredients which will contribute to a better response to the crisis. Firstly, as commented in the literature review, the cooperation between different stakeholders and organizations seems to be the more appropriate way to give a response to a crisis of this nature. The union between different stakeholders may diminish the effects of the crisis. For that, it is necessary a situation assessment and the quick response to the crisis not only by the public sector but also by the private sector.

Moreover, the prioritisation may be also considered as key aspect to tailor measures to combat the crisis. Faulkner (2001) points out that the cascaded strategic priority profile (CSPP) must be applied in a tourist destination as it is necessary to make the safety of tourists as high priority since they are the more vulnerable group in unknown territory. In the case of the bankruptcy of Thomas Cook, tourists were trapped in a destination which may create anxiety and uncertainty. For this reason, the main priority in the short-term for the government was to help to repatriate those tourists and then, they tailored measures for medium and long-term to diminish the effects of the crisis.

Secondly, the strategies should be tailored to different layers. In this way, the cooperation of different governments and private stakeholders must be divided into different layers. In this way, the cooperation of different stakeholders will give a better response to the crisis as it will cover more action areas that a single stakeholder cannot fill. Therefore, the cooperation and coordination of different stakeholders amplify the action areas carrying out a broader response. Moreover, all the stakeholders must agree on the action areas in which they are going to act since it may avoid duplication between them.

Thirdly, we propose a new ingredient not contemplated in the literature review. This is the “impact assessment” or “situation assessment”. As it was seen in the analysis, the first step that governments took before tailoring the measures was assembling different regional governments to measure the impact that the bankruptcy of Thomas Cook was having, and with so, act in consequence. We would call it, as we said, “impact assessment” or “situation assessment” and it would be the first step on the response to the crisis. It would consist in analyse with different stakeholders the situation before tailoring any measures.

As an addition, in this specific case, the airline connectivity, marketing strategies and unemployment measures were some of the most important measures taken by the public

sector, which is composed by both the local and national governments; however, in the case of the private sector, the willingness of different companies to fill the gap that Thomas Cook left was considered the key factor for the recovery of this crisis.

Therefore, to put this information in a nutshell, the ingredients that the response phase should comprise are: cooperation and coordination of different stakeholders, quick response and situation assessment, prioritisation, situation assessment and division of the response in different layers and action areas and avoid duplication of the action plans.

6.2. Summary of the recovery phase

The recovery phase is the phase in which the destination returns to normality. However, due to the coronavirus crisis, it was not possible to finally know if the gap left by Thomas Cook was fully recovered.

Moreover, it is necessary to highlight that putting together some of the information found in the literature review about the recovery phase, three were the main cornerstones that composed this phase or the ones that destinations have to keep an eye on (role of mass media, marketing strategies and tourists' behaviour). However, after the analysis, we noticed that a fourth cornerstone was missing in this phase, which was the companies' behaviour. After the bankruptcy of a big company, in this case, of one tour operator, the companies and organizations have to learn from the mistakes that Thomas Cook could commit and with so, adapt their whole business.

There are several factors that influence the recovery of a destination. A good response to face the crisis can be considered one of the most important steps; however, the addition of marketing campaigns to diversify and attract new enterprises is considered equally important as well as the "image-building communication" through the mass media. However, destinations should rethink and consider certain crisis as an opportunity to build up a more efficient tourism model which will be more sustainable in the long-term. This has been the case of Majorca. Tourists' behaviour has changed not only after the crisis, but also over the years. This made destinations and hoteliers to adapt their offer for still being attracting to them. Adaptive capacity, diversification and flexibility are considered as three of the ingredients needed to get back to "normality" which means that the gap that Thomas Cook left will be filled but also as a learning for the crisis.

After the bankruptcy of Thomas Cook, Reyes Maroto, Spanish Minister of Industry, Trade and Tourism, determined that the bankruptcy of the tour operator confirmed the

need of modernization of the Spanish tourism model (Hosteltur 08/11/2019), and that is something that the Spanish tourism has to change to combat the impact of crisis to come. For this reason, learning after a crisis is considered essential. The learning will allow the destination to restructure it in a way that will diminish the effects of a future crisis, and even to create a contingency plan based on the learning which avoids a future crisis of the same nature.

Moreover, according to the theory, post-disaster recovery entails “bring the destination back to a normal (pre-event) condition or an improved state” (Mair, Ritchie and Walters (2016: 2). As commented in other sections, as the coronavirus pandemic hit the destination on the recovery phase of the bankruptcy of Thomas Cook, it was not possible to analyse if the destination went back to normal or even to an improved state. But we consider that all the measures taken after the bankruptcy of the tour operator will improve the Majorcan tourism sector in the long-term.

In conclusion, the crisis that is unleashed in a destination after the bankruptcy of a tour operator entails different measures than any other crisis. Overall, it is a crisis because it has a big impact on the sector, but as we could see, many other enterprises will take over the gap that other enterprises left. Therefore, we agree and highlight what has been said in the literature review. “Every crisis and disaster is unique, and every post-disaster recovery-marketing strategy needs to consider both the nature of the disaster and the location where it took place” (Walters and Mair 2012 in Mair, Ritchie and Walters 2016: 14).

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APPENDIX

APPENDIX 1. Interview guide Bartolomé Deyá Tortella

Somos Tania Ramírez Gea y Joaquín Belmonte Requena, y estamos realizando la entrevista para recolectar datos para nuestra tesis. El principal objetivo de la tesis es analizar y entender como el turismo en Mallorca fue reorganizado después de la bancarrota de Thomas Cook. Del mismo modo, pretendemos también analizar cuáles fueron los efectos visibles de la quiebra, no solo los negativos, sino también los positivos.

En primer lugar, queríamos agradecerle por haber tomado el tiempo para responder nuestras preguntas y participar en esta entrevista, incluso cuando estamos ante una situación complicada. Esta entrevista se usará únicamente para propósitos académicos. Por esta razón, todas las grabaciones serán eliminadas cuando el proyecto esté concluido. Además, ofrecemos la anonimidad a nuestros participantes. Por lo tanto, si usted lo desea, su nombre no será mostrado en el proyecto y no será publicado.

Por favor, no dude en contactarnos si requiere más información sobre las preguntas o la clarificación de las mismas.

BLOQUE 1: Ronda de presentación

- ¿Podría usted presentarse y decirnos cuál es su puesto en el turismo?
- ¿Cuál es el papel que usted jugó en la bancarrota de Thomas Cook? ¿Cómo le afectó?

BLOQUE 2: Introducción: antes de la quiebra

- ¿Cómo describiría usted el turismo en Mallorca antes de la quiebra de Thomas Cook?
 - o ¿Cuál era el modelo de desarrollo turístico en Mallorca?
- ¿Cuál era la importancia del turoperador Thomas Cook en el turismo de Mallorca?
 - o ¿Era el turismo mallorquín demasiado dependiente de este gran turoperador? ¿Por qué/¿Por qué no?
- ¿Qué opina usted de los paquetes todo incluido? ¿Cómo afectan a la economía local?
 - o ¿Considera que ofrecer paquetes todo incluido en un destino puede ser considerado como una buena estrategia? ¿Por qué/¿Por qué no?
 - o ¿Sería una buena estrategia a largo plazo? ¿Por qué?
- ¿Cómo considera que las empresas turísticas pueden prepararse para afrontar crisis o desastres de este tipo?
 - o ¿Qué estrategias pueden ser empleadas para afrontar y superar una crisis?

BLOQUE 3: Después de la quiebra

- ¿Cómo describiría el turismo en Mallorca después de la quiebra de Thomas Cook? (Ejemplos de cambios entre el antes y el después de la quiebra)
 - o ¿Ha habido algún cambio en el modelo de desarrollo turístico? Ejemplos de ello
 - o ¿Había ocurrido anteriormente algún suceso similar en Mallorca? ¿Podría explicarlo?
- ¿Cómo reaccionaron los turistas a la crisis? ¿Ha afectado esta crisis al número de turistas que visitan Mallorca? ¿En qué porcentaje?
- ¿Cómo reaccionaron los principales actores de la industria del turismo a la crisis?
 - o ¿Qué medidas fueron llevadas a cabo y qué impacto tuvieron? ¿Considera usted que fueron suficientes para paliar los efectos negativos de la crisis?
 - o ¿Qué estrategias considera usted que fueron más útiles para afrontar la crisis? ¿Podría pensar en otras estrategias más convenientes en esta situación?

- ¿Cuándo considera usted que el Gobierno español o balear comenzó a tomar a cabo medidas efectivas para paliar los efectos de la bancarrota? ¿Considera que las medidas que tomó el gobierno español/balear, fueron llevadas a cabo en tiempo correcto? ¿Por qué?
- ¿Cómo afectó la bancarrota a los ingresos de las organizaciones o a la forma en la que trabajaban? ¿Es diferente a como lo hacían antes de la quiebra? ¿Hay diferencias en el estilo de dirección? ¿Cuáles?

BLOQUE 4: Futuro del turismo en Mallorca

- ¿Podría encontrar aspectos positivos después de la bancarrota? ¿Cuáles?
 - ¿Podría considerarse la bancarrota de Thomas Cook como una llamada de atención en el destino? ¿Por qué? ¿Cómo?
- ¿Piensa usted que esta crisis marcará un antes y un después en el modelo turístico de la isla? ¿Por qué? ¿Podría darnos algún ejemplo?
- ¿Cómo ve el futuro en el turismo mallorquín?
- ¿Considera usted que las estrategias llevadas a cabo para paliar los efectos negativos de la bancarrota de Thomas Cook podrían ser aplicables a la crisis actual (COVID-19)? ¿Por qué?

Close-up

- Llegamos al final de la entrevista: ¿Hay algo que le gustaría añadir?

APPENDIX 2. Transcription interview Bartolomé Deyá Tortella

PRESENTACIÓN

Hola, mi nombre es Bartolomé Deyá, vicedecano de la Facultad de Turismo de la Universidad de las Islas Baleares.

En cuanto a la segunda pregunta, **cuál es el papel que jugué?** Pues sinceramente, soy profesor vicedecano, entonces no jugué ningún papel en esta quiebra.

BLOQUE 2: ANTES DE LA QUIEBRA

Respecto a la siguiente pregunta, **cuál describiría usted que es el modelo turístico en Mallorca antes de la quiebra de Thomas Cook?**

Bueno, tenemos que señalar que durante los últimos años en Baleares se ha producido un proceso de reducción de forma significativa del peso de los grandes turoperadores, como podía ser Thomas Cook, y como puede seguir siendo TUI o FTI, en favor de otros modelos de organización de viaje más fragmentados y desagregados, que consisten básicamente en que el paquete turístico del turoperador cada vez tiene menos importancia y el peso de los viajes diseñados particularmente por cada turista de forma individual, han ganado peso dentro de lo que es el turismo en las Islas Baleares y en Mallorca en concreto. Entonces, podemos señalar que antes de la quiebra de Thomas Cook y también después, la mayor parte de cadenas hoteleras y el sector turístico en general, digamos que vivía con un porfolio formado por un porcentaje de entre 50 y 60 por ciento de turistas que seguían viniendo con paquete turístico a través de Thomas Cook TUI FTI, como señalaba previamente y un 45 50 por ciento de personas que venían sin paquete turístico, siendo muy importante la evolución de este incremento de la evolución en forma de incremento de este número de personas que vienen en las Islas Baleares sin paquete turístico.

Thomas Cook, respondiendo a la siguiente **pregunta Thomas Cook era un importante turoperador**. Tenemos que pensar que TUI, FTI JET2 Holidays y Thomas Cook son los principales turoperadores que operan en Mallorca y sin duda alguna había hoteles que tenían contratos de garantía con este turoperador, básicamente en exclusiva, es decir, había hoteles que prácticamente tenían, no el cien por cien porque esto no sucedía en ningún hotel, pero un importante porcentaje de su contratación totalmente monopolizado por parte de este turoperador. Tenemos pensar que era un turoperador con amplia implantación, históricamente muy, muy arraigado en nuestra isla, hasta el punto de que el departamento financiero y una delegación importante de lo que era Thomas Cook fuera de su delegación de Londres la teníamos aquí en Palma de Mallorca, con casi más de 800 empleados.

Entonces, la quiebra de Thomas Cook afectó a un volumen importante de empleados, porque el nivel de arraigo que tenía Thomas Cook en estas islas era muy importante.

Qué opina usted que los paquetes de todo incluido? Bueno, los paquetes de todo incluido, sufrieron un boom en los años noventa, es verdad que durante los últimos años

la demanda de los turistas para este tipo de productos cada vez ha sido más pequeña, sin duda alguna, existen hoteles que siguen ofreciendo este producto porque existe y sigue habiendo demanda que exige este producto, sobre todo la británica. Las familias británicas les gusta el paquete, todo incluido, pero no tiene una presencia importante dentro de lo que es el portfolio de la industria turística en Mallorca. Sin duda alguna, el todo incluido ha generado muchas discusiones durante muchos años porque, como no podía ser de otra manera, perjudica a todo lo que podemos llamar oferta complementaria, que es básicamente restauración, bares y cafeterías. Entonces, si bien es cierto que para el turista es un producto interesante porque ya sabe a priori cuál va a ser su nivel de gasto en destino, para el hotelero también puede ser interesante porque el turista efectúa todo el gasto dentro del establecimiento para la oferta complementaria, como no podía ser de otra manera, es un modelo turístico, es un producto turístico que sin duda alguna no beneficia a la oferta turística.

Los paquetes de todo incluido. Como he señalado, no son una parte importante del modelo turístico de las Islas Baleares y de Mallorca en particular. Sin duda alguna existe porque tienen que dar respuesta a un tipo de cliente que lo pide, pero para nada pueden ser una estrategia a largo plazo, porque una estrategia a largo plazo tiene que ser basada, tiene que estar basada en un modelo de valor añadido y el turismo de todo incluido muchas veces no es un modelo de valor añadido, sino que es un modelo de volumen, entonces, para un destino turístico, concretamente para el Mallorca, la apuesta por el todo incluido no puede ser una estrategia de futuro, bajo mi punto de vista.

BLOQUE 3: DESPUÉS DE LA QUIEBRA

Pasando al bloque 3 después de la quiebra, desgraciadamente, con todo lo que está sucediendo es difícil porque no habrá temporada turística 2020, con lo cual no sabemos muy bien lo que ha sucedido, lo que sí es cierto es que la quiebra del turoperador Thomas Cook provocó que muchos hoteles que tienen una alta dependencia con Thomas Cook, con otros turoperadores, pues han visto las orejas al lobo.

Han visto que esta dependencia al turoperador que durante muchos años se consideraba como una apuesta segura o una apuesta sin riesgo, una apuesta que suponía muy poco trabajo porque los turoperadores garantizaban un porcentaje muy importante de las ventas de tu hotel, pues es una apuesta con mucho riesgo porque el turoperador, aunque sea muy grande, como es el caso de Thomas Cook, puede quebrar. Entonces hay un cierto trasvase, hay una cierta transformación digital en el sector, porque la gente se ha dado cuenta de que, si quieres reducir esta dependencia por los turoperadores, hay que apostar por un posicionamiento online, por una reputación online, por un SEO, por un SEM y por un posicionamiento que permita incrementar el número de ventas que se realiza de una forma digital.

En cuanto **al número de turistas**, pues obviamente al producirse en septiembre no fue lo que podemos llamar como la temporada alta, con lo cual el número de turistas que se quedaron colgados entrecomillas por culpa de la quiebra de Thomas Cook se pudo

gestionar fue gestionada directamente por el gobierno británico, obviamente, con la ayuda de los hoteles que ofrecieron alojamiento hasta que se pudo desalojar a estos clientes de Thomas que habían quedado colgados en los diferentes destinos turísticos y también por parte de las autoridades de los destinos, donde sin duda alguna también colaboraron en que estos turistas no fueran desatendidos en ningún momento.

En cuanto a las **estrategias**, una de las estrategias que han desarrollado sobre todos los destinos isleños, como son las Islas Canarias y las Islas Baleares, ha sido intentar garantizar la conectividad aérea. Tenemos que pensar que estos turoperadores tenían un importante número de vuelos. En el caso de la compañía Thomas Cook de Balearic Islands International Air Group, con base en Baleares concretamente, que ofrecía un importante número de vuelos con conexión entre Mallorca, Menorca e Ibiza con destino sobre todo emisores como son Alemania y Gran Bretaña en primer lugar.

La quiebra, además, provocó una reducción muy importante de esta conectividad, que para los destinos isleños es importantísima, porque si desaparece esta conectividad aérea, por mucho que tú tengas establecimientos hoteleros, por mucho que tú tengas infraestructuras, si no tenemos ninguna compañía que cubra ese déficit de plazas que dejó en el aire Thomas Cook, pues tendremos un problema y es que los turistas no van a poder llegar a las islas.

BLOQUE 4: FUTURO DEL TURISMO EN MALLORCA

Bueno, yo no sé si hay efectos positivos, simplemente la quiebra de Thomas Cook fue un suceso que sucedió, yo creo que no podemos calificarlo nunca como factor positivo o factor negativo, simplemente sucedió y lo que provocó es un reposicionamiento por parte de muchas compañías, donde se dieron cuenta que poner todos los huevos en una misma cesta es muy arriesgado y no es una buena estrategia a futuro, y se dieron cuenta de que el lema, el antiguo lema del “Too Big to fail”, demasiado grande para caer, tampoco en el sector turístico se cumple, igual que tampoco se cumplió en el 2008 en el sector financiero. Aunque tengamos un turoperador muy grande, no nos puede ofrecer total seguridad y incluso éste, por muy grande que sea, puede llegar a quebrar.

Entonces, la diversificación en los sistemas de comercialización de los canales de compraventa de producto turístico es la principal lección que nos ha podido dar esta situación, es decir, es importante no poner todos los huevos en la misma cesta, sino diversificar este portfolio de técnicas de canales de comercialización que permitan que esa dependencia con cualquier canal de comercialización sea pequeña y en el caso de que la quiebra de alguno de estos canales de comercialización sucediera, pues no afectara de forma significativa. No podemos depender de forma muy importante con una sola OTA, no podemos depender de forma muy importante con un solo banco de camas ni con un solo turoperador, sino que tenemos que tener un portfolio lo más diversificado posible.

APPENDIX 3. Analysis interview Bartolomé Deyá Tortella

N.	QUESTION	ANSWER	THEMES
1	PRESENTACIÓN	<p>Hola, mi nombre es Bartolome de Ya, vicedecano de la Facultad de Turismo de la Universidad de las Islas Baleares.</p> <p>En cuanto a la segunda pregunta, cuál es el papel que jugué? Pues sinceramente, soy profesor vicedecano, entonces no jugué ningún papel en esta quiebra.</p>	-For the selection of interviewees
2	¿Cómo describiría usted el turismo en Mallorca antes de la quiebra de Thomas Cook?	<p>Bueno, tenemos que señalar que durante los últimos años en Baleares se ha producido un proceso de reducción de forma significativa del peso de los grandes turoperadores, como podía ser Thomas Cook, y como puede seguir siendo TUI o FTI, en favor de otros modelos de organización de viaje más fragmentados y desagregados, que consisten básicamente en que el paquete turístico del turoperador cada vez tiene menos importancia y el peso de los viajes diseñados particularmente por cada turista de forma individual, han ganado peso dentro de lo que es el turismo en las Islas Baleares y en Mallorca en concreto. Entonces, podemos señalar que antes de la quiebra de Thomas Cook y también después, la mayor parte de cadenas hoteleras y el sector turístico en general, digamos que vivía con un porfolio formado por un porcentaje de entre 50 y 60 por ciento de turistas que seguían viniendo con paquete turístico a través de Thomas Cook TUI FTI, como señalaba previamente y un 45 50 por ciento de personas que venían sin paquete turístico, siendo muy importante la evolución de este incremento de la evolución en forma de incremento de este número de personas que vienen en las Islas Baleares sin paquete turístico.</p>	<p>-Significative reduction of big tour operators.</p> <p>-New travel organization models => more fragmented</p> <p>-More people travelling without all-inclusive tourist packages</p>

3	¿Cuál era la importancia del turoperador Thomas Cook en el turismo de Mallorca?	<p>Thomas Cook,respondiendo a la siguiente pregunta Thomas Cook era un importante turoperador. Tenemos que pensar que TUI, FTI JET2 Holidays y Thomas Cook son los principales turoperadores que operan en Mallorca y sin duda alguna había hoteles que tenían contratos de garantía con este turoperador, básicamente en exclusiva, es decir, había hoteles que prácticamente tenían, no el cien por cien porque esto no sucedía en ningún hotel, pero un importante porcentaje de su contratación totalmente monopolizado por parte de este turoperador. Tenemos pensar que era un turoperador con amplia implantación, históricamente muy, muy arraigado en nuestra isla, hasta el punto de que el departamento financiero y una delegación importante de lo que era Thomas Cook fuera de su delegación de Londres la teníamos aquí en Palma de Mallorca, con casi más de 800 empleados.</p> <p>Entonces, la quiebra de Thomas Cook afectó a un volumen importante de empleados, porque el nivel de arraigo que tenía Thomas Cook en estas islas era muy importante.</p>	<p>-Thomas Cook one of the principal tour operators in Majorca</p> <p>-Hotels very dependent of Thomas Cook → strong roots in Majorca</p> <p>-Thomas Cook central headquarters in Spain located in Majorca</p>
4	¿Qué opina usted de los paquetes todo incluido? ¿Cómo afectan a la economía local?	<p>Opina usted que los paquetes de todo incluido? Bueno, los paquetes de todo incluido, sufrieron un boom en los años noventa, es verdad que durante los últimos años la demanda de los turistas para este tipo de productos cada vez ha sido más pequeña, sin duda alguna, existen hoteles que siguen ofreciendo este producto porque existe y sigue habiendo demanda que exige este producto, sobre todo la británica. Las familias británicas les gusta el paquete, todo incluido, pero no tiene una presencia importante dentro de lo que es el portfolio de la industria turística en Mallorca. Sin duda alguna, el todo incluido ha generado muchas discusiones durante muchos años porque, como no podía ser de otra manera, perjudica a todo lo que podemos llamar oferta complementaria, que es básicamente restauración, bares y cafeterías. Entonces, si bien es cierto que para el turista es un producto interesante porque ya sabe a priori cuál va a ser su nivel de gasto en destino, para el hotelero también puede ser interesante porque el turista efectúa todo el gasto dentro del establecimiento para la oferta complementaria, como no podía ser de otra manera, es un modelo turístico, es un producto turístico que sin duda alguna no beneficia a la oferta turística.</p> <p>Los paquetes de todo incluido. Como he señalado, no son una parte importante del modelo turístico de las Islas Baleares y de Mallorca en particular. Sin duda alguna existe porque tienen que dar respuesta a un tipo de cliente que lo pide, pero para nada</p>	<p>-Boom in the 90s: all inclusive packages but less demand over the years.</p> <p>-Tourist packages: British tourists</p> <p>-Damage on the complementary offer of the island</p> <p>-No long-term strategy. Tourism model of volume but not added value</p>

		<p>pueden ser una estrategia a largo plazo, porque una estrategia a largo plazo tiene que ser basada, tiene que estar basada en un modelo de valor añadido y el turismo de todo incluido muchas veces no es un modelo de valor añadido, sino que es un modelo de volumen, entonces, para un destino turístico, concretamente para el Mallorca, la apuesta por el todo incluido no puede ser una estrategia de futuro, bajo mi punto de vista.</p>	
5	<p>¿Cómo describiría el turismo en Mallorca después de la quiebra de Thomas Cook? (Ejemplos de cambios entre el antes y el después de la quiebra)</p>	<p>pasando al bloque 3 después de la quiebra, desgraciadamente, con todo lo que está sucediendo es difícil porque no habrá temporada turística 2020, con lo cual no sabemos muy bien lo que ha sucedido, lo que sí es cierto es que la quiebra del touroperador Thomas Cook provocó que muchos hoteles que tienen una alta dependencia con Thomas Cook, con otros touroperadores, pues han visto las orejas al lobo.</p> <p>Han visto que esta dependencia al touroperador que durante muchos años se consideraba como una apuesta segura o una apuesta sin riesgo, una apuesta que suponía muy poco trabajo porque el touroperadores garantizaba un porcentaje muy importante de las ventas de tu hotel, pues es una apuesta con mucho riesgo porque el touroperador, aunque sea muy grande, como es el caso de Thomas Cook, puede quebrar. Entonces hay un cierto trasvase, hay una cierta transformación digital en el sector, porque la gente se ha dado cuenta de que si quieres reducir esta dependencia por los touroperadores, hay que apostar por un posicionamiento online, por una reputación online, por un SEO, por un SEM y por un posicionamiento que permita incrementar el número de ventas que se realiza de una forma digital.</p>	<ul style="list-style-type: none"> - Difficult to analyse → no tourist season 2020 - Tour operator dependence → not safe -Solution: Tourist sector digitalization

6	<p>¿Cómo reaccionaron los turistas a la crisis? ¿Ha afectado esta crisis al número de turistas que visitan Mallorca? ¿En qué porcentaje?</p>	<p>En cuanto al número de turistas, pues obviamente al producirse en septiembre no fue lo que podemos llamar como la temporada alta, con lo cual el número de turistas que se quedaron colgados entrecomillas por culpa de la quiebra de Thomas Cook se pudo gestionar fue gestionada directamente por el gobierno británico, obviamente, con la ayuda de los hoteles que ofrecieron alojamiento hasta que se pudo desalojar a estos clientes de Thomas que habían quedado colgados en los diferentes destinos turísticos y también por parte de las autoridades de los destinos, donde sin duda alguna también colaboraron en que estos turistas no fueran desatendidos en ningún momento.</p>	
7	<p>¿Cómo reaccionaron los principales actores de la industria del turismo a la crisis? o ¿Qué medidas fueron llevadas a cabo y qué impacto tuvieron?</p>	<p>En cuanto a las estrategias, una de las estrategias que han desarrollado sobre todos los destinos isleños, como son las Islas Canarias y las Islas Baleares, ha sido intentar garantizar la conectividad aérea. Tenemos que pensar que estos turoperadores tenían un importante número de vuelos. En el caso de la compañía Thomas Cook de balearic islands international air group, con base en Baleares concretamente, que ofrecía un importante número de vuelos con conexión entre Mallorca, Menorca e Ibiza con destino sobre todo emisores como son Alemania y Gran Bretaña en primer lugar. La quiebra, además, provocó una reducción muy importante de esta conectividad, que para los destinos isleños es importantísima, porque si desaparece esta conectividad aérea, por mucho que tú tengas establecimientos hoteleros, por mucho que tú tengas infraestructuras, si no tenemos ninguna compañía que cubra ese déficit de plazas que dejó en el aire Thomas Cook, pues tendremos un problema y es que los turistas no van a poder llegar a las islas.</p>	<p>-Guarantee air connectivity</p>

8	<p>¿Podría encontrar aspectos positivos después de la bancarrota?</p> <p>¿Cuáles?</p>	<p>Bueno, yo no sé si hay efectos positivos, simplemente la quiebra de Thomas Cook fue un suceso que sucedió, yo creo que no podemos calificarlo nunca como factor positivo o factor negativo, simplemente sucedió y lo que provocó es un reposicionamiento por parte de muchas compañías, donde se dieron cuenta que poner todos los huevos en una misma cesta es muy arriesgado y no es una buena estrategia a futuro, y se dieron cuenta de que el lema, el antiguo lema del too big to fail, demasiado grande para caer, tampoco en el sector turístico se cumple, igual que tampoco se cumplió en el 2008 en el sector financiero. Aunque tengamos un turoperador muy grande, no nos puede ofrecer total seguridad y incluso éste, por muy grande que sea, puede llegar a quebrar. Entonces, la diversificación en los sistemas de comercialización de los canales de compraventa de producto turístico es la principal lección que nos ha podido dar esta situación, es decir, es importante no poner todos los huevos en la misma cesta, sino diversificar este portfolio de técnicas de canales de comercialización que permitan que esa dependencia con cualquier canal de comercialización sea pequeña y en el caso de que la quiebra de alguno de estos canales de comercialización sucediera, pues no afectara de forma significativa. No podemos depender de forma muy importante con una sola ota, no podemos depender de forma muy importante con un solo banco de camas ni con un solo turoperador, sino que tenemos que tener un portfolio lo más diversificado posible.</p>	<p>-Avoid depending of big tour operators</p> <p>-Diversification on booking channels</p>
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