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# Disaster not end of world for tourism

By GREG NINNESS

ALTHOUGH FEBRUARY'S earthquake will have had a severe impact on the value of many hospitality properties in Christchurch, the huge international media coverage which followed the quake could eventually help drive visitors back to the city, according to a New Zealand-based hotel consultant who has worked with hotels in many of the world's disaster zones.

Alex Sogno, the owner of Hamurana Lodge near Rotorua and a partner in Global Assets Solutions, a consulting company specialising in the hotel industry, provided consulting services to two New York hotels that were badly damaged by the 9/11 terrorist attacks on the World Trade Center.

He was also working with the Movenpick Hotel in Beirut when its



ALEX SOGNO

business was badly affected after Israeli warplanes bombed parts of the city in 2006.

Sogno said the immediate impact of such events was a dramatic fall in visitor

numbers, although hotels which were able to remain open could receive an initial boost in business as government officials, relief workers and media personnel pour into a city after a disaster.

Hotels that did not receive that

lift in business needed to take immediate steps to slash their costs, Sogno said.

That could include closing entire floors to save energy and servicing costs, closing all but essential food and beverage outlets and suspending other non-essential services.

Many hotels employed outside contractors for some work, and these could be let go with hotel staff taking on their duties.

A good example was gardening work, which was often contracted out, Sogno said.

"You want to keep your own staff if you can, because they might be hard to replace when things pick up. But they need to understand, if they want to stay on board, they need to do different things," he said.

The silver lining of such situations is that the intense media coverage a disaster receives, raises the city's profile as a tourist destination.

To capitalise on that, individual businesses and city and national authorities needed to promote the destination as heavily as possible once things started to return to normal.

Sogno said after the 9/11 attacks in New York, a big campaign was put in place to encourage visitors back to the city and that resulted in a big increase in tourists, particularly from the UK.

"If you look at third world destinations like Phuket [Thailand]

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after the tsunami and Bali after the bombings, those events really put them on the map internationally and made people more aware of them," he said.

"This [the earthquake] will have made people much more aware of Christchurch."

Marketing campaigns to promote Christchurch in Australia and during the Rugby World Cup needed to be put in place, he said.

"Even though they've lost games, they can still get visitors. It's a case of turning disaster to your advantage," he said.

Visitors would want to see the extent of the damage to the city, so that they could gauge for themselves how it had been affected after seeing the images of destruction on television. That was the case in New York, where visitors who went to the city in the aftermath of the 9/11 attacks, invariably wanted to visit the twin towers site.

However they would also want to see how well the city was recovering and gain an indication on what would rise up in place of demolished buildings, he said.

On the financial side, assuming there were no further major earthquakes, he expected almost no hotels in Christchurch to change hands in the short term, as buyers, sellers and lenders re-evaluated their situations, Sogno said.

If there were sales they would likely be at near liquidation prices.

In the medium term, hotel values would recover due to the loss of available rooms caused by earthquake damage.



**Shaky ground: The Grand Chancellor Hotel in Christchurch.**

Photo: Craig Simcox / Dominion Post