10.0 INTRODUCTION

As mentioned in the introductory chapter, for tourism to be used as a development tool, it should be accepted by the local community; in particular by three groups of people: business people who desire commercial viability, residents who live with, and perhaps on, tourism and the local authorities which develop the industry. Acceptability of the above three groups of tourism is based on their perceptions. However, perceptions may not be accurate. In order to decide whether the perceptions of the sample interviewed in this study were true, an investigation of the tourism development and planning process of the island was undertaken. The logic for this was that by investigating:

- What happens in development terms?
- What happens in planning terms?
- What people perceive about the development process?
- What people perceive about the planning process?

it may be possible to identify whether the reality matches the perceptions of the community. In other words, is what exists on the ground from the development and planning process what people think?

Based on secondary data (journal articles, policy documents, conference papers etc), this chapter initially presents a framework for the past tourism development and planning process options for Crete (Figure 10.1). This chapter then reviews the components of the tourism development and planning process to highlight what has taken place in Crete. This is followed by a discussion of the findings of the three community surveys in order to identify if reality corresponds with what is perceived by the three study groups. By doing this, a basis is provided for the
final chapter to recommend appropriate strategies for the matching of what is true with what is perceived true.

10.1 THE TOURISM DEVELOPMENT PROCESS

For many decades, governments, planners, developers, communities and international agencies have seen tourism as a panacea for the development of the peripheral regions of the world (Christaller, 1964; Ioannides, 1995a). However, tourism evolves in stages. The review of Crete’s development patterns in Chapter Four showed that the island has undergone a number of stages of tourism growth.

At the pre-tourism stage, the population was declining and employment and income were primarily agricultural. The unspoilt environment, the archaeological and cultural resources and the Cretan hospitality attracted the first explorer tourists. However, expansion of the tourism industry was slow due to accessibility problems and the low level of infrastructure and communication. Although it is not easy to identify when the island passed through each stage of the resort cycle, because of the plethora of resorts found on the island, each of which may have its own particular cycle, it is estimated that in the early 1960s, many of the island’s
resorts started to reach the *involvement stage*, when a significant role for the expansion of the industry was played by the local community.

Later the government realised the potential of tourism and provided incentives for the *development* of the industry. Although tourism development has brought many economic benefits to the host population, some problems have been created. Today, many resorts of the island have reached the *maturity stage* of the life-cycle. Tourist activity has seen the transformation of many coastal areas into urban and suburban environments through the construction of many tourist enterprises and uncontrolled building, as reported by Kousis (1984) in Drethia and AHTE (1995) in Chersonisos. The ribbon-like construction of resort development is further evidence of this trend. Moreover, development on the island has much in common with Britton’s (1982) enclave model, as tourism is organised in the generating tourism countries, where metropolitan corporations dominate major facets of the industry and organise the package tour. Consequently, there is increased control of tourist movements to the island and the only uncontrolled facet of the Cretan industry are some of the consumption patterns of tourists during their vacation.

From the above review it is evident that tourism in Crete has resulted in a process of change for many of the island’s communities. Through the introduction of tourism, technological advances have occurred, many locals are better off than their ancestors and there has been a natural path of economic growth from a traditional agrarian economy to a modern tourism-oriented one. Thus, development in the island has been in line with the diffusionism paradigm, as there has been diffusion of development from place to place, a spread of ideas and a subsequent alteration in the social structure, by borrowing or adopting the cultural traits of incoming tourists. In-migration and repatriation have taken place and the rural population has moved to the resorts and the urban centres where the tourist attractions are located (Tsartas et al., 1995), contributing to the conversion of many areas from a rural to a more urban-oriented society. Thus, tourism has taken a form of ‘modernisation’. However, although there have been changes in lifestyles and culture over the decades in Crete, there is not enough evidence to
confirm that these changes are due only to tourism development and not to any other catalysts of modernisation.

The diffusion of development in Crete has not followed Miossec’s (1977) model of tourism space dynamics, since tourism has been developed close to the urban centres with proximity to international airports. As a result, many areas of the island (mainly the southern coast and the hinterland) lag behind in development, their economy has remained agrarian and they witness serious depopulation and other underdevelopment problems, although their unspoilt environment has been preserved. Consequently, there is an unequal geographical distribution of tourism activity in the northern coast of the island and the Prefecture of Heraklio (OANAK, 1995; HNTO, 1998).

The high agricultural production of the island allowed the agricultural sector to supply the expanding tourism industry with the bulk of fresh food for consumption by foreign tourists (Papadaki-Tzedaki, 1997). Through the survey of the outcomes of tourism development, it is evident that many of the enterprises used in the sample purchase their supplies within the island (notable exceptions being the tourist shops and the larger AEs). However, since the island has almost no manufacturing production a high import content exists for the supply of many products consumed by the tourism industry, such as stationery, kitchenware and china, linen, other food products, as well as alcoholic drinks and some types of building materials.

Nevertheless, tourism still brings substantial benefits to the economy through employment and income generation to the host population. One quarter of residents interviewed were employed in tourism or considered themselves tourism employees, as the enterprises in which they worked in, provided a high proportion of services/products to the tourism industry. In addition, approximately one quarter of owners had multiple business ownership and employment activity, with many working in agriculture during the winter and in the tourism industry during the summer, confirming the findings of the studies by Papaioanou (1987) in Heraklio and Papadaki-Tzedaki (1997) in Rethymno. As a result, although there
are signs that the two main sectors of the island, farming and tourism compete for land and workforce, very often there is evidence of joint development. Consequently, the problems of seasonal unemployment and lack of supply or demand of agricultural production, which could emerge through the isolated development of either sector, have been resolved (Mourdoukoutas, 1988).

The expansion of the island’s tourism industry has been used as a means of replacing traditional full-time employment lost by other sectors of the Cretan economy and has contributed to the reduction of unemployment rates. However, the tourism sector on Crete displays characteristics that have been criticised elsewhere, in particular seasonality (as also Shaw and Williams, 1988; Ball, 1989; Ashworth and Thomas, 1999 found elsewhere) and a high proportion of females in the workforce (Vaughan and Long, 1982; Purcell, 1996). The seasonality of tourism has created a beneficial pluriactivity with a seasonal balance in incomes, as well as pluriactivity based on combining tourism and agriculture, reported also by Papadaki-Tzedaki (1997). The pre-conception that the tourism industry creates part-time employment (found by Robinson and Wallace, 1983; Heerschap, 1999) was not confirmed.

Different types of tourism enterprise have different workforce characteristics in respect of the gender of their employees. Specifically, accommodation establishments have higher share of female and non-family employees, although travel agencies/car rentals the higher share of male. Additionally, small and medium sized accommodation establishments require higher numbers of family ownership/management and employees and, since most of them are locally-based, they require a higher proportion of local labour compared to the larger ones, as also found by Kontogeorgopoulos (1998, p.337) in Samui, Thailand.

10.2 THE TOURISM PLANNING PROCESS

During the early stages of tourism evolution, the Greek Government did not realise the significance of tourism activity for the island and therefore it did not set any specific objectives for tourism development. As a result, tourism was not
planned, it just evolved (Kousis, 1984). The potential of tourism was realised by the private sector, mainly the local elite (Kousis, 1984; Papadaki-Tzedaki, 1997), which provided some facilities for the attraction of tourists.

When the interest of foreign tourists started to increase, a significant role in the development of the island’s tourism product in the coastal areas was played by the incentives given by the military government (1967-1974) (Kousis, 1984). The government started to set some mostly market-led objectives, directed at increased bed spaces and the construction of facilities demanded by the tourist market, through various incentives given by Development Laws (e.g. Law 1262/82).

Through tourism jobs, income and public revenue increased tremendously as Chapter Five reports. However, due to insufficient planning and the limited cooperation between public and private sector, many problems emerged. Since, the government provided incentives for tourism expansion even in congested areas, some areas’ carrying capacities have been exceeded and the natural ecosystem is threatened (Greger, 1988; Nikolakakis, 1998b). The Greek government has recognised many areas of the island as being saturated and no further construction of accommodation establishments (AEs) is allowed. However, in some places on the island, the tourist product has already lost its appeal and often attracts low-spending markets (Anagnostopoulou et al., 1996). This was also encouraged by past tourism strategies aimed mostly at cost leadership (e.g. through frequent devaluations of the Greek Drachma).

Although, one of the major prerequisite of sustainable development is the involvement of host groups in the development and planning process, past examples have shown that many tourism areas have neglected local community involvement in tourism as being too troublesome and expensive for government or business to support (Haywood, 1988; Godfrey, 1993; WTO, 1994) or because they may believe that planners are the experts. This is also evident in Crete, where a top-down and highly centralised tourism planning system has been adopted by many governments. While many plans were formulated, most were not, or were only partially, implemented (Komilis, 1987). The EC (2000b) explains this by
saying that the host community had little input into the planning process. As a result, plans did not reflect the local community’s needs and desires and there was limited (if any) support during their implementation (Komilis, 1987).

In Crete, promotion and assistance for tourism development are concentrated in the hands of national agencies, while local authorities only have the responsibility for providing essential infrastructure and services. Administration is not well established, and there are formidable bureaucracies, as well as insufficient communication among public sector bodies. To date Cretan residents, businessmen and governments have all acted according to their own priorities. Residents and businessmen care mainly about their short-term personal advantage. Governments have allowed development to be uncontrolled, on the assumption that strict legislation will impede development and residents will thereby lose employment and income, something that will reduce votes in elections (Kousis, 1994). Therefore, there is a need for planning in order to eliminate the negative impacts of tourism and reinforce the benefits.

The limited diversification of the Cretan tourist product, the transportation weaknesses faced by Crete as an island destination and the limited resources of the island’s tourism enterprises led to a high dependence on transnational companies, in the form of overseas tour operators controlling accessibility, marketing, selection and attraction of tourists. Tour operators have the power to control the number and type of tourists with no regard to the implications for the island’s resources and the host population’s welfare. As a result, tourism has a high exogenous dependency for the distribution of the tourist product to the tourist generating countries.

Small-scale development on the island has led to problems of over-supply of small tourist enterprises. As a result, during the last decade, Cretan tourism policy has moved towards the construction of large-scale developments and the establishment of integrated development areas, in the hope of achieving more control over tourist enterprises and the attracting of high-spending tourists. In addition, in order to avoid economic disaster and decline, the authorities recognise
the need for tourism planning and management, through the adoption of sustainable policies and attempts to diversify the product and improve the image, through the exploitation of resources and the construction of artificial attractions (e.g. golf courses), by promoting alternative forms of tourism and environmental and cultural resources and improvement or construction of infrastructure (Anagnostopoulou et al., 1996; Region of Crete, 1995b; 1998).

10.3 PERCEPTIONS OF THE OUTCOMES OF THE DEVELOPMENT AND PLANNING PROCESS

The aforementioned review of the tourism development and planning processes has contributed to identifying the real situation of the island in terms of development and planning. However, the question is: does reality match the perceptions of the community? To answer this question, the section below presents the perceptions of the study groups of the tourism development and planning process.

Brown (1990) believes that investigations emphasising similarities and differences between places are important in order to gain a better understanding of the development process. Before discussing the study groups perceptions of the tourism development process, a question arises: Do Cretan community perceptions of tourism impacts differ compared with the perceptions of communities from elsewhere? To reply this question, the findings of the current study were compared with studies of other communities. In order to see if tourism development has increased the perceived benefits or costs over the passage of time a comparison of the findings of this study with those of past studies undertaken in Crete would be useful. However, most of the times limited past research prevents such a comparison.

10.3.1 Positive and negative outcomes

From the study of the three community groups perceptions, it is evident that tourism in Crete is perceived as having both positive and negative outcomes.
10.3.1.1 Positive outcomes

Examination of the advantages of tourism cited by the three study groups reveals that the economic benefits dominate their perceptions. The study groups described tourism as good for the economy, which is consistent with past research elsewhere (Murphy, 1980b; Ritchie, 1992; Lankford, 1991; Ryan and Montgomery, 1994; Faulkner and Tideswell, 1997; Ryan et al., 1998; Chen, 2000). Similarly, employment opportunities have been created (as reported also for other communities by Ritchie, 1988; King et al., 1993; Haralambopoulos and Pizam, 1996; Faulkner and Tideswell, 1997) and income for the local population has been increased (found also by Pizam, 1978; Milman and Pizam, 1988; Korca, 1998). When the present study is compared with the study of Ritchie (1988), it can be seen that 94 percent of Alberta residents saw tourism as important to the economy and 87 percent as important for employment generation, although in this study the percentages of the three study groups finding tourism advantageous for the economy and employment were higher (96% and over). Perhaps this is due to the fact that many of the communities used in the sample do not have many alternatives for employment compared to Alberta where tourism is the third most important industry in the province (after petroleum and agriculture).

Local authority officials praised tourism for its positive impacts on the regional balance of payments, attributing three positive effects: the foreign exchange earnings from tourists, the linkages that tourism creates with other sectors of the economy, mainly agriculture, construction and the handicraft industry, and the increasing exportation of local agricultural and cattle production through familiarisation of tourists with local production. As a result, officials were able to identify many less obvious effects of tourism on the balance of payments. Likewise, residents praised tourism because it attracts more spending and investment in the region (found also by Sheldon and Var, 1984; McCool and Martin, 1994; Akis et al., 1996; Chen, 2000 in other communities).

The economic advantages of tourism development were also evident in the factor analysis, where the most important dimension for residents was the economic
impacts of tourism. The findings of the factor analysis undertaken in this study give credence to the findings of Liu et al. (1987); Brayley et al. (1990); Ap et al. (1991); Faulkner and Tideswell (1997); Yoon et al. (1999), where economic impacts were found to be the most important issue of tourism development. Therefore, future plans and policies should emphasise the significance of the economic outcomes of tourism development in order to ensure that the Cretan community will continue to appreciate the economic impacts of tourism and there will be an increase in awareness of tourism economic benefits to any ‘Economic Sceptics” segment of the population.

Residents also praised tourism for an increase in infrastructure and cultural activities (found also by Sethna, 1980; Sheldon and Var, 1984; McCool and Martin, 1994; Korca, 1998; Ryan et al., 1998), as was also evident in the factor analysis where the second factor dealt with the positive effects of tourism on culture and infrastructure. The highest levels of agreement regarding the positive impacts of tourism were with regard to the maintenance of historical buildings and archaeological sites (found also in other areas of the world by Korca, 1996; Ryan et al., 1998) and standard of living (Pizam, 1978; Milman and Pizam, 1988; King et al., 1990; Akis et al., 1996). Additionally, 54 percent of residents suggested that tourism provides an incentive for the conservation of natural resources, something that was suggested by only 39 percent of Gold Coast (Australia) residents (Faulkner and Tideswell, 1997).

10.3.1.2 Negative outcomes / problems of the tourism industry

While respondents appreciated certain aspects of tourism development, they also recognised the existence of some negative impacts. First, it was suggested that, because of tourism, the prices of many goods and services in the region have increased (reported also by Belisle and Hoy, 1980; Akis et al., 1996; Korca, 1998 elsewhere). Secondly, a concern was expressed by some respondents over the environmental impacts of tourism, consistent with the surveys of Liu et al. (1987) and Kavallinis and Pizam (1994). Thirdly, it was suggested that the construction of hotels and other tourist facilities has damaged the natural environment (found
also by Akis et al., 1996 for the residents of Cyprus). It is clear that environmental resources are the nucleus of tourism development and that by destroying these resources there will be a degradation of the island’s tourism product, something that will have implications for the tourism industry and consequently for the economy of the island. Therefore, the opinion was expressed that physical resources of the island should be preserved for the empowerment of the offered tourist product and community welfare. Additionally, a minority of respondents reported some negative social impacts, mostly related to the commercialisation of relations, as Ahmed (1987) and Berno (1999) found in other communities, and the weakening of social values, reported also by Tsartas et al. (1995) for the residents of Lassithi Prefecture.

The island’s tourism industry faces some serious problems. Due to high competition, the very marked seasonality experienced by the island and the increasing supply of tourist enterprises, there is an under-utilisation of tourism enterprises. Seasonal decreases in demand lead to closure of the vast majority of tourism enterprises for five months of the year. Even enterprises that remain open run at low occupancy rates or turnovers. Although it was extremely difficult to obtain financial data from the businesses, many owners/managers mentioned that their enterprises faced financial problems and many respondents suggested that owners were dissatisfied with their enterprises’ income. Lack of capital, low profitability, high taxes paid, high compound interest rates, low spending power tourists, low return on investments and difficulty of obtaining finance were of particular concern.

However, the three study groups recognised as a major drawback for tourism development the lack of infrastructure and the low quality of services, problems identified also by Tsartas et al. (1995) in a survey of Lassithi residents, as the major deficiencies of the areas’ tourism industry. Problems identified in the current study included bad quality roads/airports/ports; lack of information/signs; and insufficient sport/leisure/recreation activities. Complaints were also expressed about the provision of services, such as police control, waste disposal, cleanliness, airport services and provision of information to tourists.
For all these problems the study groups blamed various public sector bodies. Dissatisfaction was expressed mainly with the Greek Government. However, residents’ opinions to the role of public sector bodies were mixed, as some recognised the contribution of some public sector bodies to tourism development and others attributed to the public sector various deficiencies. For example, some residents recognised the significant role of public sector bodies in the tourism industry through promotion of the destination, financial help and provision of infrastructure and services, although others blamed public sector bodies for irresponsibility, disorganisation, bureaucracy, wrong tourism policy, insufficient promotion and provision of infrastructure and services.

The data presented in this study clearly show that part of the Cretan community is not aware of the role played by the public sector in planning the tourism industry, which suggests that more work is needed by the public sector to inform the local community of their achievements. It was suggested that local authorities, the Hellenic National Tourism Organisation (HNTO) and the Greek Government do not contribute equally to tourism development in the sample areas. It may be that public sector bodies have paid differing attention to the tourism development of some areas of the island or some local public sector bodies were more successful in informing the locals of their achievements.

10.3.2 Major discriminators of community perceptions of tourism development

From the above discussion the following question emerges: Do community members perceive tourism development the same or do their opinions differ because of various factors? Since the findings of past research, e.g. Davies et al. (1988); Evans (1993); Madrigal (1995); Ryan et al. (1998); Ryan and Montgomery (1994); Andriotis et al. (1999) suggest that communities are not homogenous, and that within host communities, segments can be identified based on the residents’ perceptions of, and attitudes towards tourism development, this
study attempted to identify whether there are factors within the sample that may be used as explanatory of the locals’ perceptions.

To identify differences within the sample that can explain the support of some segments for tourism, several variables were set in the survey and tested as key determinants of local opinion. In the residents’ survey, these were: city, length of residence, age, gender, income, education and employment reliance on tourism. Although there is a range of opinions between certain socio-demographic groups, it is very difficult to conclude that one group or another feels dramatically different about tourism in Crete. In particular, most of the seven socio-demographic variables of the residents’ survey have played little role in explaining attitudes, as their predictive ability in the regression analyses was very low, explaining from 3.3 to 13.6 percent of the variance in the factors. However, in most past attitudinal studies the prediction measured by the coefficient of determination ($r^2$) was also low, e.g. regression models in the studies of Pizam (1978) and Sneith and Haley (1999) predicted nine percent of the variance. As Keane (1994) indicates “good explanatory power is not always a feature of statistical models in this area of research” (p.163).

The hypotheses that length of residence, gender, age and income can explain attitudes towards tourism development were rejected by the findings. In contrast with past research where long-term residents were found to have more negative perceptions of tourism (Allen et al., 1988; Lankford, 1991; Lawson et al., 1998), this was not evident here. Gender was also not a significant discriminator of attitudes, as has been found in many other studies (e.g. Pearce, 1980; Kim, 1986; Davis et al., 1988; Ritchie, 1988; Harvey et al., 1995; Korca, 1996). Notable exceptions to the study findings were the studies by Milman and Pizam (1988) and Chen (2000) which found that gender influences residents support for the tourism industry. Moreover, in contrast with the studies of Brougham and Butler (1981) and Chen (2000) which found that age can explain residents attitudes towards tourism, the findings of this study suggest that age is not a determinant of residents attitudes (as found also by Allen et al., 1993; Seid, 1994; Ryan et al., 1998). Finally, the hypothesis that income is significantly related to tourism
attitudes, was not supported by the data (as Seid, 1994; Ryan et al., 1998 found elsewhere).

The most significant variable affecting residents’ perceptions within the sample was education, as previously found by Kim (1986); Allen et al. (1988); Husbands (1989); Caneday and Zeiger (1991); Jones et al. (2000). The highly-educated segment was more concerned with the environmental costs of tourism, something that was evident in the regression and cluster analyses. These findings are consistent with Caneday and Zeiger (1991) study which found that residents of Deadwood, South Dakota with higher education were more sensitive to the impacts caused by the tourism industry.

A second variable affecting favourable attitudes towards tourism development and impacts in this study was employment reliance on tourism. As many past studies have found elsewhere (Thomason et al., 1979; Milman and Pizam, 1988; Glasson et al., 1992; Lankford and Howard, 1994; Haralambopoulos and Pizam, 1996; Korca, 1998; Snaith and Haley, 1999), residents employed in the tourism industry have more positive opinions of tourism.

Unlike previous studies (Doxey, 1975; Madrigal, 1993; Ritchie, 1998), this study has not shown that residents of a city with extensive tourism development would view tourism less favourably, since citizens of Agios Nikolaos with higher levels of tourism dependence were very positive towards tourism issues and were highly favourable towards further expansion of the tourism industry. These differences in the perceptions of Agios Nikolaos residents, when compared to the residents of the other three cities, while not extreme, should attract the interest of tourism planners and developers. Specifically, residents of Agios Nikolaos who have a clear dependence on tourism for jobs and income (Tsartas et al., 1995) perceive tourism more positively, whereas perceptions of residents of the other cities (Heraklio and Chania) with alternative sectors for income and employment, were not so positive.
In the business survey, three independent variables (location, sector and size of AEs) were tested as key determinants of owners’/managers’ attitudes and differences in the enterprises’ development patterns and characteristics. For enterprise characteristics, the best two significant discriminators were size of AEs and sector, whereas location did not provide much explanatory value. However, some of the statistical results of the $\chi^2$ tests were unreliable due to low cell counts and the correlations between independent and dependent variables, identified by Cramér’s V and Spearman’s $\rho$, were, in most cases, at low to moderate levels, showing that there were not extreme differences within the sample. On the other hand, ANOVA tests have shown some differences in perceptions, with owners/managers of larger AEs being more positive about various impacts of tourism compared to owners/managers of smaller establishments, although location and sector were not significant discriminators of attitudes.

Due to the small sample size of the local authorities’ survey, no independent variables were set to explain officials’ attitudes to tourism development. However, it was clear that there was little variation in the perceptions of the officials’ to tourism development since the standard deviations of the attitudinal statements were at low to moderate levels. Moreover, officials’ perceptions most of the time were positive indicating a consensus of their opinions of the importance of tourism to the island.

One objective of this study was to investigate if the study groups (residents, owners/managers and officials) presented any differences in their perceptions. An interesting issue emerging from this study is the generally positive nature of the study groups responses and the low variation in their opinions. In summary, the three study groups expressed the same opinions towards tourism impacts, reported almost the same problems faced by the tourism industry and proposed similar suggestions for their amelioration. However, there were some different priorities in relation to these problems. Specifically, the demand for the attraction of higher spending tourists and for more outdoor and indoor sport/leisure/recreation facilities was more frequently suggested by owners/managers compared to residents. Apparently, the representatives of the tourism industry are more aware
of the deficiencies of the island’s tourism product. On the other hand, officials were more frequently concerned about environmental problems, although owners/managers considered the provision of better quality services to be a higher priority. It may be the case that people dealing with planning are more aware of the environmental costs of tourism, although people working in the tourism industry are more concerned about the quality of existing services.

10.3.3 Actions / suggestions of the study groups for the solution of the problems and the strengthening of positive outcomes

This research was undertaken not only to identify the perceptions of the study groups of tourism impacts but also to use these perceptions as a guide for the future tourism development of the island. Moreover, to identify if the activities of the public and private sector correspond to the suggestions made by the study groups, the local authority and the business surveys asked respondents to provide information on actions undertaken for tourism development.

As was evident from the findings of the primary research, the sample of this study was able not only to identify various issues facing the local tourism industry but also to propose solutions to problems and provide suggestions for the strengthening of positive outcomes. The majority of respondents complained about the limited diversification of the product offered by the island and the insufficient provision of infrastructure, facilities and services. As a result, there were calls for the provision of more outdoor and indoor sport/leisure/recreation facilities, more infrastructure and better provision of services in the attempt to increase the competitiveness of the Cretan tourism product and to attract higher spending tourists. However, local authorities were more concerned with the promotion of the island rather than enhancement of the tourist product.

The Cretan tourism industry at present attracts many low-spending power segments. This was evident in the business survey findings where among the 59 owners/managers who reported dissatisfaction of the owner with his enterprise
income 40 percent gave as a reason the low spending power of tourists. As a result, the three study groups asked for higher income tourists to visit the island in the future. The business sector wants to increase tourist spending, as it will be the main beneficiary of increased spending and local authorities want to increase tourist spending in order to receive more taxes and ensure welfare for the local community. However, it seems that both do not contribute financially to this end. It should not go unnoticed that respondents from the business sector and local authorities showed few attempts to become more innovative in the services and facilities offered. Similarly, although the three study groups identified the extension of the tourism season, as being vital for the future expansion of the island’s tourism industry, only a limited number of authorities and enterprises shared a common interest in promoting tourism as a year-round activity. However, increased competition from other destinations offering similar products suggests the need for more aggressive competitive strategies in order for enterprises to possess a leadership based on the quality and diversification of the offered product.

Many of the owners/managers identified a high level of control over the island’s tourism industry exercised by foreign tour operators. Therefore, although many recognised the significant role of tour operators in the attraction of tourists, they acknowledged as a vital disadvantage their role in the determination of prices, through their demand for discounts on services that leave low profit margins for most entrepreneurs. As the findings suggest not many attempts have been made by the enterprises used in the sample to overcome the problem, because owners/managers believed they were powerless to do anything and conferred responsibility to the public sector. However, local authorities did not necessarily identify a central role for themselves in the solution of this problem. Perhaps the local authorities lack motivation, staff, funding or time, or they believe there is nothing they can do.

There were only a few signs that the negative impacts of tourism are beginning to be reflected in the tourism activities of some local authorities which have adopted a more quality-orientated approach, e.g. through attention to alternative tourism
and culture. It may be that some authorities have realised that demand is rapidly changing, and that consumers are increasingly turning towards quality and “environmentally friendly” products. To meet these new requirements, quality in tourism is starting to become decisive for a limited number of local authorities. According to their opinions it requires improved tourism supply, environmental protection, preservation and fostering of historical and cultural resources, better services, broader distribution of tourism flows in time and attraction of new types of tourism. However, despite the interest shown in the promotion of alternative forms of tourism in less developed areas of the island, little emphasis was placed on ensuring the flow of tourism spending to areas other than the northern coastal strip. As a result, the unequal distribution of tourist spending within the communities of the island will possible continue in the future.

Although, currently the focus of local authority activities seems to be on advertising and promotion, the majority of owners/managers and local authority officials believed that even more efforts should be made for the improvement and upgrading of promotional activities. Promotion was viewed as a desirable vehicle for enhancing the island’s image. Increased promotional budgets and better promotional campaigns were assumed to bolster the island’s tourism industry. Also, some respondents asked for a refocusing of promotional activities on culture, tradition and the attraction of alternative forms of tourism in order to upgrade the quality of tourists visiting the island.

The island has a large number of enterprises that generate a wide range of tourist products. However, there were complaints that many enterprises are beyond the influence and control of the public sector (mainly the HNTO) regarding volume, pricing and quality of products and services. The insufficient control of enterprises may compromise that the standards promised or implied may not be matched by the reality of visitor experiences during their stay. Concern was also expressed about uncontrolled building, the number of illegal tourist enterprises and the degradation of environmental and cultural resources through uncontrolled tourist activities. Therefore, a proposition to develop tourism involved more
control over the industry and protection of environmental resources, so as to eliminate the costs attributed to tourism development.

Many respondents asked for more involvement in tourism development by public sector bodies and for the government to offer more economic incentives. Due to limited funding, the small size of many enterprises and the associated lack of economies of scale, most entrepreneurs did not have any plans for expansion or change to their business and even when they had plans, they were concerned mostly with the supply of more facilities or the modernisation of existing facilities. Some owners/managers of small tourist enterprises complained that the government neglects their enterprises and gives incentives only to large tourist enterprises. Therefore, they asked for a higher interest and government help for small enterprises. However, it seems that tourism policy neglects small enterprises since the last Development Laws provide incentives only to large-scale investments.

Simply providing more funding as requested by some respondents will not produce long term benefits for tourism development if research is not undertaken. Although the importance of research into the tourism industry, e.g. perceptions of incoming tourists of the island’s image and the quality of the tourist product, and the identification of industry problems for effective tourism management, there was little evidence that the local authorities have undertaken or plan to undertake any kind of research. Research therefore probably plays a minor role in management planning. Similarly, it can be assumed that for many (if not all) firms incorporated in the sample, market research is non-existent. While some entrepreneurs may have developed good products, the inability to undertake research on demand, in order to investigate consumers’ needs, has resulted in a ‘product-focused’ rather than a ‘consumer-focused’ orientation. However, “businesses which understand and identify the needs and wishes of current and potential customers can best develop suitable products and services” (DCMS, 1999, p.35).
Concerns were expressed about the limited co-operation and co-ordination of the people involved in tourism activities and the lack of organisation of the public sector in tourism initiatives, as well as bureaucratic obstacles and a range of related public sector shortcomings. All of these have resulted in delays of plan implementation and limited co-ordination of activities, as other studies have found for Crete (Komilis, 1987; Anagnostopoulou et al., 1996). Therefore, it was suggested that there is a need to create appropriate mechanisms that will help the co-ordination of public sector activities.

10.3.4 Support for further development

Since the success of the tourism industry depends on the acceptability/support of the local community, one aim of this study was to investigate the desire of the study groups for the growth of the tourism industry.

The data presented in this study clearly shows that although respondents were aware and worried about some negative impacts of tourism, the majority did not oppose the expansion of the tourism industry which lends credence to studies undertaken in central Florida by Milman and Pizam (1988) and the Greek island of Samos by Haralambopoulos and Pizam (1996). As Haralambopoulos and Pizam (1996, p.522) suggest, awareness of tourism’s costs does not necessarily mean opposition to further development.

Community members declared that tourists were welcome on the island and that an increase in their number is desirable (expressed by 59% of officials, 63% of owners/managers and 69% of residents). In Alberta, Ritchie (1988) and in Colorado, Long et al. (1990) found a higher proportion of residents (92% and 87% respectively) supporting an increase in the number of tourist visitation. One reason for this may be the better quality of the tourists visiting their areas resulting in more benefits to the destination compared to Crete. Keogh (1990) in Canada and Lankford and Howard (1994) in USA state that many attempts are being made to reach a consensus policy formulation, and community opinions and
desires are incorporated in the planning and development process, although in Crete incorporation of the local community in the development and planning process is almost non-existent.

The community members asked from the Greek Government to offer more incentives to stimulate tourism development in their areas, as Belisle and Hoy (1980) found for the residents of Santa Marta, Colombia. Residents were against further taxation of tourists (as found also by Murphy, 1983; Liu et al., 1987; Lankford, 1991). On the other hand, only 32 percent of residents suggested that tourism benefits a small group of people in the region, a percentage almost identical with the findings by Faulkner and Tideswell (1997) in Gold Coast, Australia. Slightly more than half of residents believed that the establishment of tourist enterprises by foreigners should be encouraged in order to offer more benefits to the destination. This finding is consistent with the study of Long et al. (1990) where 48 percent of residents suggested the attraction of foreigners for establishing tourist enterprises. However, a comparison with the study of Long et al. (1990) may be misleading, due to the fact that in this study respondent attitudes were based on a four-point scale, with no neutral option. In the present study as in other attitudinal studies (e.g. Mason and Cheyne, 2000), there was a problem with the Likert scale questions (exception was many economic impact statements) because of the tendency of results to cluster in the corridor of uncertainty. As Ryan (1995) asserts, this tendency can attract people with ‘no opinion’ instead of a neutral position, and it may be that the mid-point is chosen by respondents who are not aware of the issue. Therefore, these responses could influence the results of the survey. Further research is necessary to redress this situation.

The findings of this study do not confirm the results of previous studies by Davies et al. (1988), Evans (1993) and Madrigal (1995), where anti-tourist segments were identified within host communities. In contrast, the findings follow those in the study by Ryan et al. (1998) in Rangitikei, where residents were found to support tourism, although to different extents. As Ryan et al. (1998) found in their study, “even those scoring low relative to other groups within the Rangitikei are shown to have high scores when compared to other places” (p.127). The findings of
Ryan’s et al. (1998) study apply equally to the case of Crete. However, Ryan et al. (1998) attributed the strong support of Rangitikei’s residents for tourism to the ‘euphoria’ or ‘early involvement’ stage of its life-cycle, although another study by Ryan and Montgomery (1994) found lower levels of support for tourism because of the destination’s maturity. The Cretan cities used in the sample can be located towards the maturity stage of the resort cycle, but still residents expressed strong support for tourism development without significant anti-tourist signs, although some concern was expressed. These findings lend credence to the studies by Ap and Crompton (1993); Faulkner and Tideswell (1997); Mason and Cheyne (2000) which suggested that the opposite of Doxey’s findings may be the case.

Approximately one fifth of the residents and owners/managers did not want further tourism development because of possible negative effects on the environment and society. As a result, a high share of residents suggested that the community should control tourism development. Long et al. (1990) in his study of 28 rural communities in Colorado found the percentage of residents wanting further control of the industry to be less than half of the percentage found in this study, possibly because in the Colorado communities surveyed by Long et al. (1990) tourism is more controlled than in Crete, where laissez-faire development policies existed in the past.

10.4 CONCLUSION

From the above discussion, it can be concluded that tourism is seen in the study areas as an important activity. The community exhibited a great deal of confidence regarding the ability of the island to become a more successful tourism destination and suggested that overall the benefits of tourism are perceived to be greater than the costs, as many other attitudinal studies have found (e.g. Getz, 1994; McCool and Martin, 1994; Akis et al., 1996; Chen, 2000).

The reason for providing a review of the tourism development and planning process at the beginning of this chapter was to identify if reality matches the perceptions of the community, which as the above discussion suggests, it does. In
addition, the opinions of the study groups were sufficiently close and an overall interest in the community’s future was expressed, with the study groups proposing almost the same solutions to the problems faced by the industry. Thus, there is a possibility to design a tourism product for the island as desired by its host community as the next chapter suggests. Finally, a comparison of this study with past studies revealed many similarities with communities in other parts of the world.