THE TOURISM LIFE CYCLE:
AN OVERVIEW OF THE CRETAN CASE

Dr Konstantinos Andriotis
Hellenic Open University, Greece.

Abstract:

The increasing demand of international tourists for holidays has resulted in a rapidly increase of the number of tourist destinations. To explain destinations development the life cycle approach has been widely adopted. According to Butler (1980) destinations pass through a predictable sequence of six stages. These stages are: exploration, involvement, development, consolidation, stagnation and decline or rejuvenation. In each life cycle stage there are changes in the morphology, the types of tourists visitation, and residents’ attitudes towards tourism. Through the presentation of historical data from the start of the 20th century up to now it is the aim of this paper to document these changes by providing evidence from the island of Crete. Five stages of tourism evolution are evident, namely: the era of ‘wealthy’ explorers, the era of cruisers, the Second World War and the Civil War, the reconstruction of the tourism industry, and the era of mass organised tourism. The findings confirm that today the island is on the maturity stage, tourism has resulted on substantial changes on the island’s coastal resorts and various attempts are required by the private and the public sectors to avoid decline. Keywords: Tourism, Tourism Destinations, Life Cycle

INTRODUCTION

Various studies (e.g. Gilbert, 1939; Defert, 1954; Stansfield, 1978; Young, 1983) have attempted to illustrate the various stages of resort evolution through the concept of the life cycle. However, up to date Butler’s (1980) hypothetical model of resort evolution is the most widely accepted model suggesting that “resorts become unattractive with the passage of time, as visitor numbers increase and their carrying capacities are exceeded, and are unable to compete with other newer resorts” (Smith, 1991:192). According to this model the stages of resort evolution are: exploration, involvement, development, consolidation, stagnation and decline or rejuvenation (Figure 1).

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1 Dr. Konstantinos Andriotis, Hellenic Open University (Ionia Street 14, 713 05 Heraklio Crete, Greece Telephone: +30 694447035 E-mail: andriotis@eap.gr)
Crete is a Greek island that has experienced significant levels of growth in tourism over the last 30 years. As a result, tourism is now the largest economic activity of the island and many coastal resorts have been developed. Although the island has undergone significant changes between the early arrivals of tourists and today, there is a remarkable negligence of research towards these changes. Despite the significance of tourism for the island, not many studies have been conducted to investigate whether Crete, as a tourist destination, has passed through the stages identified by Butler’s life cycle model. As a result, it is not known the stage of the life cycle that Crete is today, and what attempts are required to develop further its tourism industry and avoid negative effects in the future. To address this research negligence this study was undertaken with the aim to review Butler’s resort cycle of evolution and test this model in the case of Crete. This paper is divided into three sections. Section one reviews the stages of Butler’s model of resort evolution. Section two presents the life cycle stages of the island of Crete. The final section provides the conclusions of the study.
RESORTS CYCLE OF EVOLUTION

According to Butler (1980), resort areas undergo an evolutionary cycle of six stages. These stages are analysed below.

In the exploration stage the resort is isolated with a 'sleepy' appearance and with little or no development. Prior to the commencement of tourism development a settlement, perhaps a village, which is fishing and or agricultural orientated is present. A limited number of businesses exist. The provided facilities are used and owned by locals. The beachfront is not developed, and may consist of only one or two houses erected for the sea view and the proximity of the beach. Tourists are restricted by lack of access and facilities. There is only a road that connects the settlement with an urban centre and some smaller roads for access to farming land and the fishing port. Only small numbers of adventure tourists (explorers, allocentrics, poets and painters) discover the destination, making individual, non-institutionalised travel arrangements and having limited impacts on the area. These tourists are welcomed by the locals.

In the involvement stage visitors from the overcrowded urban centres are attracted by the relaxing and unspoiled landscape of the resort. Local entrepreneurs realise the economic significance of tourism and begin to provide facilities and services to tourists. The first hotel, built to higher-than-local standards, is constructed that according to Johnston (2001:16) can be termed a 'pioneer hotel' and its opening represents a critical event because it catalyses tourism development at the destination. This hotel draws a new sort of tourists to the destination, tourists’ numbers increase, as well as tourism impacts. Some jobs are created for locals and the demand of foreigners’ leads to the production of local handicraft, and art items for sale to tourists. Pressures may be placed on the public sector to provide infrastructure, and a seasonal pattern emerges. At this stage community begins to adapt to the tourist trade and advertising to attract tourists can be anticipated (Andriotis, 2001a). A coastal road is constructed for access to the hotel and the second houses on the shore.

Given the success of the first hotel in attracting tourists, there is a kind of “neighbourhood effect” with the increase in the construction of more accommodation, infrastructure, commercial, and recreational facilities and second homes facing the sea. As a result, the resort expands and reaches the stage of development. The number of tourists increases and at peak periods far outweigh the size of the local population. Many locals appear to tolerate tourism unwanted effects because of its substantial economic effects (Bramwell, 2003). The increase in tourist arrivals is helped by the
improvement of accessibility to the resort through the extension of the road network. It is more profitable for locals to sell their land for the construction of tourist enterprises than to continue traditional activities. Consequently, residences are displaced away from the beachfront in order to provide space for tourism development. The number of incoming workers increases and more residences are constructed to accommodate the imported workforce. Local agricultural and cattle production cannot provide the quantity and perhaps the quality of food demanded by enterprises and many foods are imported. Likewise the local handicraft production is not enough and imported souvenirs are sold in the shops of the resort. Large-scale investments are undertaken and local involvement and control of development declines rapidly and the tourist trade is taken over by outsiders. With the increase of tourist arrivals, most traditional houses are converted for business purposes.

In the consolidation stage a drastic reduction of beach width occurs because of the construction of more accommodation establishments and businesses. The indigenous population is being pushed further away from the beachfront. “A well delineated business district has taken place, some of the older deteriorating facilities are perceived as second rate”, and local efforts are made to extend the visitor season and market area (Agarwal, 1992:196). Building construction follows international standards of garish and conflicting architectural styles rather than the traditional local one. As the amount of capital for construction increases, buildings are getting greater and taller and high-rise hotels along and at back of the beach indicate the resort has reached the ‘international’ form” (Johnston, 2001:14). The road network expands further in order to provide access to the accommodation establishments, businesses and residences. Residential areas, displaced away from the beachfront, continue to increase in size in order to accommodate the incoming workforce. Some businesses directed to the passing trade are also constructed on the road leading to the beach. Many beaches become inaccessible for the locals because of the ribbon development of accommodation establishments, businesses and second homes along the shore. A major part of the local economy is tied to tourism, but native residents may find themselves excluded from major attractions. The resort expands in a contiguous manner, without satellite development (Smith, 1991:197). The rate of increase in the number of visitors declines, although total numbers are still on the rise and exceeds permanent residents. As a result of an oversupply of hotel rooms and other tourist
facilities, prices fall and the market attracted is the four S’s market (sun, sea, sand and sex) exclusively organised by foreign tour operators. The community perceives some negative effects and antitourist sentiment may emerge.

When the resort reaches the stagnation stage, the tourism landscape becomes dominant and little room is available for further expansion. As a result, accommodation establishments are constructed in inland areas. The resort has become urbanised and its capacity levels are reached or exceeded, to the extent that it loses the local quality that made it attractive in the first place. Tourism related developments along the beachfront and the inland areas, as well as the increasing tourist activities have led to the degradation of the resort complex and the tourist product has been seriously weakened or diminished (Young, 1983). Although the resort now has a well-established image, it is no longer in fashion and property turnover is high. Few new establishments open, facilities depreciate in value and local ownership of tourist facilities increases. “A direct result of the lack of direction and regulation of resort growth has been the proliferation of environmental and social problems, poor infrastructure provision and deteriorating resort ambience as these destinations sprawl in an uncontrolled manner” (Smith, 1992a:209).

The end of the cycle is marked by the post-stagnation phase, which may result in decline, if the tourist market continues to wane and the resort is not able to compete with newer resorts, or rejuvenation, through the development of an artificial attraction, e.g. the introduction of casinos, as Stansfield (1978) reported for Atlantic city.

Butler contended that most tourist destinations evolve in this pattern and cited Mexico as an example. Numerous other studies have suggested that Butler’s life cycle model applies to various destinations, such as Lancaster County (Hovinen, 1981), Laurentians, Quebec (Lundgren, 1982), the Grand Isle resort of Louisiana (Meyer-Arendt, 1985), Malta (Oglethorpe, 1984), Vancouver Island (Nelson and Wall, 1986) and Minorca (Williams, 1993).

Other researchers found Butler’s model incapable of explaining the tourism evolution of some resorts and proposed modifications or alternative models that better fitted the development process of particular resorts. Among these studies Haywood (1986) proposed a variety of possible tourist-area cycles of evolution that may occur as opposed to Butler’s model. Similarly, Choy (1992) suggested that it is better to treat each destination individually, as a unique entity, and taking the case of Pacific island destinations, proposed that different approaches may be required from those which
have been applied to other regions of the world. Exceptions to the process may also occur in case authorities decide to control development and limit the construction of tourist facilities before the destination reaches the stagnation stage. In this case the resort remains in the involvement, development or consolidation stage and is slow to reach the remaining stages of evolution. In addition, there is a possibility to jump stages (Prideaux, 2000). As Goncalves and Aguas (1997:13) state about more recently developed destinations; the first stage is being gradually reduced and sometimes even disappears, giving as example the Cancun of Mexico, where the resort has been transformed rapidly to a mass tourist destination without passing the first stages of resort cycle.

THE CRETAN RESORT CYCLE

Through the presentation of historical data from the start of the 20th century up to now the following stages are evident for the island of Crete, and more specifically, for the island’s tourism developed north coast.

The era of ‘wealthy’ explorers

The thirst of knowledge and the fascinating quest for and discovery of the ancient Greek world attracted the first travellers to Crete. As Greger (1988) notes: “small numbers of archaeologically or classically educated foreigners came on what amounted, for them, to a sacred pilgrimage” (p.112). The Minoan ruins, the environment, art, history and literature of Crete, and the Greek legends of ‘gods and heroes’ made the island famous abroad. As Kardasis (undated) states “for archaeologists, architects, painters, classicists and amateur historians, one of life’s goals was a journey to Greece: to locate ancient sites, to discover ancient monuments and churches, to meet and talk to the contemporary Greeks”. Enlightened by their trips to Crete, many wealthy artists and men of letters originating mainly from western European countries wrote books about the island (e.g. Pashley, 1837; Sieber, 1823; Spratt, 1865).

The small number of visitors was accommodated by locals, since there were no hotels to accommodate them. Private accommodation was available only in large cities and villages, mainly in the form of inns of an unacceptable quality. As Aetoudakis (1968) reports before 1900 only eight accommodation establishments with a total capacity of
173 beds were available in Crete. These establishments were mainly attracting peasants with their animals and passing-by traders (Ethniki Foni, 1971).

**The era of cruisers**

Improvements in the sea transport shortened the time required for journeys and reduced costs, “meaning that it could be made by larger numbers of people and indeed from social strata that had been excluded in the past” (Kardasis, undated). As a result, it became possible for Western societies to organise cruises to the Eastern Mediterranean with Crete one of their stopovers. The first organised tourists to Crete arrived in the early 20th century. They used to arrive at the capital city of Heraklion to visit a few antiquities, such as Knossos Palace and the Museum of Heraklion, and the same day departing to other Greek or Mediterranean destinations. Visitors’ consumption was very low (less than 2 to 3 dollars), mainly because of the short stays and the type of all-inclusive holidays offered by the cruisers. The limited amount of money spent by tourists on the island stayed within the local economy since imports were limited. For example, in 1932 a local newspaper reported a loss of foreign exchange from the French navy’s arrival, due to beer shortage, since beer was not produced or imported in Crete (Drasis, 1932).

Before the Second World War, tourists to Crete numbered only a few thousand. To increase tourist arrivals and length of stay, 17 hotels of a total capacity of 371 beds were established between 1920-1940. Although the share of local ownership within these hotels is not known, foreigners played a major role in developing the island’s hospitality industry. For example, the first to realise the need for hotels in the city of Heraklion and to take the initiative to construct the first hotel of the 19th century was the flour merchant Dimitrios Zeis who came from Konstantinoupolis in 1901. Likewise, many other foreigners invested in hotels, such as the hotel Anatoli in Heraklio that was owned by an Italian and the only hotel in Ierapetra, named the hotel of France, was owned by the French lady, Madam Gitar.

**The Second World War and the Civil War**

Attempts by the Greek authorities to increase the number of tourist arrivals, such as the opening of Heraklion airport in 1939, came to an end with the emergence of the Second World War. The fierce resistance of Cretans against German occupation from 1941 to 1944 resulted in the destruction of the modest infrastructural facilities of the island. For example, three of the best hotels of Heraklion (Knossos, Pallas and Minos)
and the airport of Heraklion were destroyed by bombing (Stavrinidis, 1983). Even after the end of World War II, a savage civil war between the Right and the Communist movements did not leave any opportunities for tourism development. As a result, between 1940 to 1950 only three new hotels of a total capacity of 82 beds were constructed in Crete.

**The reconstruction of the tourism industry**

After the end of the Civil War in 1949, Crete enjoyed political stability, and the island's infrastructure was partially restored. The Greek National Tourism Organisation played a significant role in increasing visitation to Crete by chartering cruisers that included Crete as one of their stopovers.

As a result of political and economic stability in the 1950s, nine new hotels enriched the island's hospitality industry. Statistics indicate that altogether 2,315 hotel beds were available in Crete during 1962. Most of them were for local traffic and only 950 were of an acceptable quality. Nearly 60% of the latter were in the city of Heraklion and its surroundings, 15% in Chania, 15% in Agios Nikolaos, and only 10% in Malia, Archanes, Souda, Ierapetra, Sitia and Paleochora. In 1963, visitors to Crete were originated from the USA (27.3%), the United Kingdom (19.4%), Germany (17.1%), and France (11.2%).

Through the spread out effect, small seaside villages, dispersed in close proximity to the urban centres of the island, started to attract the first excursionists. A large number of accommodation establishments were built during the 1960s in the northern coastal areas to take advantage of sandy bays and proximity to the main urban centres and the airports. As a result, between 1960 to 1967 41 hotels with modern facilities added 1615 beds in the existing capacity that totaled in 1968, 4,185 beds (Aetoudakis 1968). The expansion of the island's tourism industry has resulted in changes in local economic activity. As Kousis (1989) found in Drethia with the arrival of tourists, “the number of farmers decreased dramatically, while the number of small shopkeepers and wage earners increased considerably” (p.332). Likewise, once contact with tourists developed, the local population started to demand imported products, previously consumed only by tourists, and as a result, per capita consumption of local wine and raki (the local spirit) diminished and foreign/imported drinks, such as beer, whisky, and vodka have replaced them (Andriotis, 2003a; Moore, 1995; Wickens, 1994).
The era of mass organised tourism

When the airport of Heraklion became international in 1971, and charter flights started to land, the mass organised tourists started a new era of commercialisation for Cretan tourism. Tourism in Crete was characterised by a rapid growth of tourist arrivals, increasing from 211,000 in 1973 to 728,000 in 1980, and slightly more than 2.5 million tourists in 2003 (Figure 2). The upturn in arrivals encouraged further hotel construction (Figure 3), since the Government attempted to spread building activity towards underdeveloped regions which had seen little development in the 1960s.

Figure 2: Tourist arrivals in Crete (1954-2003)

Source: Basil (1964); HNTO (2004).

Figure 3: Hotel Beds in Crete (1963-2003)

Source: Basil (1964); HNTO (2004).

After Greece’s accession to the EU in 1981, significant amounts of funds started flowing to the island and pushed its economy forward (Briassoulis, 2003: 102). Many of these funds came from foreign companies. Although, the share of foreign ownership of the island’s tourism industry is not known, the local elite of oil-merchants and soap-
makers in Rethymno still owns five out of the six large hotel establishments and 25% of the hotel beds, although they own only 7.9% of the hotel units (Papadaki-Tzedaki, 1997).

The problem of foreign dominance in terms of tourist arrivals is evident in Crete. In 2003, 24.2% of the tourists who visited the island were from Germany, 18.9% from Britain and 15.7% from Scandinavian countries. On the other hand, the share of Greek nationals' bednights was only 7.2%. Although the island is a mixture of civilizations and cultures from the past, there is an increasing dominance of tour operators in the Cretan tourism industry, reflecting high external influence on the island's tourism industry (Andriotis, 2003b). In 1997, it is estimated that on average each tourist spent during his holidays in Crete 365,349 GRD, approximately €1,072 (TEI, 1998). Forty-two percent of this expenditure was paid to foreign tour operators for the purchase of the tourist package (transport and accommodation). Of the remaining 58%, 24% was spent on shopping, 17% on catering, 12% on local transportation and five percent on services (TEI, 1998). As a result, foreign tour operators keep a high share of tourist consumption, and, metropolitan tourism companies play a crucial role in the island's tourism industry because they determine tourists’ choice through advertising and promotion and due to the trend toward inclusive tour packages organised exclusively in origin countries (Andriotis 2000; 2003b; 2003c). Briassoulis (2003) estimates that foreign tour operators control 70% of tourist beds through various arrangements. This weakens self-reliance and local control of development, and there is high leakage of money out of the local economy, seriously reducing the industry's potential for generating net financial advantages and growth of the local economy.

CONCLUSIONS

This paper has tried to outline the evolution of Cretan coastal resorts by applying Butler’s model in the case of Crete through the presentation of historical data from the start of the 20th century up to now. Despite the constrain of data availability for the island of Crete, it is evident that the most important change in Crete since World War II has been the development of tourism, at first slowly, then at increasing pace under the dictatorship of Colonels from 1967 to 1973 (Hopkins, 1977:235). Although the discussion undertaken in this paper formed a basis for the understanding of Cretan tourism, it was not clear enough the identification of life cycle stages and their turning points. In reality, Butler’s model application in the case of Crete was constrained by data availability. In
addition, the plethora of resorts in Crete, each of which may vary in terms of timing of foundation and rate of development, made difficult the detailed determination of the turning points that the island's coastal resorts passed through each stage of the resort cycle. For example, many locations of the Southern coast are in the early stages of the life cycle mainly due to access difficulties.

Nevertheless, the exploration stage, characterized by farming and traditional activities, was very long, not only because of the lack of infrastructure, but also because of the Second World War and the subsequent Civil War. The mid 1960s was the time that most resorts started to reach the involvement stage and there has been a fast growth of tourism places by the construction of tourist accommodation, businesses and other types of buildings frequently functioning as second home areas for the population of the island’s urban centres. During early 80’s most of the island’s coastal resorts started to reach the development stage and tourism started to be a dominant economic activity for the island.

Today, most Cretan resorts are at the point of maximum touristic impact and have either reached consolidation, or leading towards stagnation. The Greek government has recognised many areas of the island as saturated and no further construction of accommodation establishments is allowed. Concurrently, local authorities seek to increase the product appeal and tourist spending by promoting alternative forms of tourism, the environmental and cultural resources of the island and attempting to diversify the tourist product through construction of golf courses and the improvement or construction of infrastructure (Anagnostopoulou et al., 1996; Region of Crete, 1995; 1998). By doing this, an attempt is made to forestall the decline stage of the island’s tourism industry.

However, current attempts are not sufficient. Future tourism development of the island should directed towards economic, social and environmental sustainability by increasing economic benefits and involve residents in the decision making process, preserve culture and environment and provide a diversified product to the tourist traffic. In order to avoid negative impacts, there is a need to draw a master plan with listed priorities and strategies for the future development of the island (Andriotis, 2001b). Tourism should be seen as a development strategy that uses local resources, but, if carefully managed, and residents maintain sufficient control of the development process, it can remain in place for future generations for the local population, as well as incoming tourism.
To conclude, despite the negative consequences of unplanned evolution of tourism in Crete the island has some of the limited unspoiled beaches in the Mediterranean. Many coastal areas, mainly in the underdeveloped southern part, have kept their natural beauty. The economic significance of coastal resorts for the local communities suggests that their number will increase in the future. Therefore, there is a need for careful planning, financing, and policy implementation if the problems of past unplanned resorts development are to be avoided or at least minimised (Smith, 1992b:319).
Bibliography


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