•Vol. 51. - No. 1 / 2003/ 21 - 30 •UDC 338.482:338.486(495.9)

Problems faced by the Cretan tourism industry as perceived by the business people

Konstantinos Andriotis
Greek Open University and Technological Educational Institute of Crete, Heraklio, Greece

SUMMARY

*Demand for vacations in Crete has increased rapidly.
The subsequent expansion of tourism activities has resulted to many problems. However, there is a lack of studies investigating the opinions of tourism business people to these problems.
As a result, the current study was undertaken using as a sample 146 owners/managers of tourism enterprises with the aim of examining the problems faced by the Cretan tourism industry and to provide recommendations for their solution.
From the findings it is evident that the Cretan tourism enterprises face a variety of problems demanding immediate actions by the public and private sector for their solution.*

Key words:
problems, seasonality, dependence on tour operators, solutions, tourism industry, Crete

INTRODUCTION

The last decades an increasing number of tourists are visiting the island of Crete. It is estimated that in 1997, around 2.5 million tourists visited the island, creating incomes of approximately 500 billion Greek Drachma (HNTO 1998). The increasing demand has resulted in state intervention in tourism mainly aiming to "complement and stimulate activities of the private sector in order to achieve the priority objectives of the national tourism policy" (IUOTO 1974: 67). However, in the past State Intervention on Cretan tourism did not follow orthodox routes (Andriotis 2002a, 2003a, 2003b). For too long the focus of tourism policy was directed towards unlimited growth in an attempt to maximise economic benefits. Tourism development was directed to the increase of arrivals through the increase of the numbers of beds, rather than the attraction of better quality tourists and the provision of a better quality product (Anagnostopoulou et al. 1996, Andriotis 2002b). In addition, there was limited coordination of tourism activities, conventional planning and laissez faire tourism policies (Andriotis 2000, 2001). As a result, a number of problems emerged, demanding immediate intervention for their solution (Andriotis 2002c, Andriotis and Vaughan 2003).

A vital role for the tourism development of a destination is played by tourism enterprises that provide facilities and services to tourists. These enterprises embrace a wide range of activities capable of providing lodging services, entertainment and food services, and transportation and travel arrangement to the traveler. Tourism businesses are directly dependent on tourism arrivals, they provide employment for the local population and their developments affect the appearance and welfare of the community. Apparently people who work in the tourism industry and earn their living from tourism are more aware of the deficiencies of the tourism product. Therefore, public sector needs to pay attention to the suggestions of 'the experts group', the business people.

Despite the significance of tourism business people in being aware of the problems and deficiencies of the Cretan tourism industry, their opinions have been neglected in tourism development and planning. To complete past research, it is the aim of this paper to investigate the problems faced by Cretan tourism enterprises as perceived by the business people and to provide recommendations for their solution. This paper is divided into four sections. Following this introduction, section two presents the methodology of the study. Section three discusses the findings. The final section provides the recommendations and the conclusions of the study.

METHODOLOGY

Overall approach

The information about the problems faced by the tourism industry was obtained through a survey of three community groups: residents, tourism business people and local authority officials. This paper reports on the opinions of the tourism sector conducted in Crete during the summer of 1997. The tourism sector was represented by a broad cross-section of businesses related to serving the tourist including the owners or managers of accommodation establishments (AEs), travel agencies and car rentals (TA/CRs), restaurants/bars (labeled as catering establishments CEs)[1] and tourist shops.

The sample

A sample frame was selected through a three-stage sampling method.

Stage One. At this stage, establishments selected to form part of the survey were identified according to the main criteria of location and level of tourism development. The island has a large number of tourist businesses spread over myriad locations. Therefore, a selection of locations had to be undertaken. In terms of location, four areas were selected in each Prefecture of the island (Heraklio, Chania, Rethymno and Lassithi), a total of 16 areas on the island. These areas were selected because they exhibited extensive tourism development[2]. They included the capital city of each Prefecture and three major resorts.

Stage Two. After location was determined, the next step was to make a list of tourist enterprises in each area. There were various sources for the sampling lists of tourist enterprises. For AEs, a main source was the Hotel Directory of Greece 1997, produced by the Hotel Chamber of Greece. For TA/CRs the Hellenic National Tourism Organisation (HNTO) directorate of Heraklio provided a list. To enrich these lists, as well as to design sampling lists for tourist shops and CEs, additional sources were used, including Yellow Pages, Local and National Directories (e.g. Greek Travel Pages and the Hellenic Travelling Monthly Guides) and the Internet. The main weakness of using so many sources was the tendency towards repetition, necessitating cross-checking to ensure lack of duplication.

Stage Three. The next step was to select enterprises from the lists. For AEs, simple random or systematic sampling might produce misleading results since each accommodation unit does not carry identical weight. Therefore, a mix of AEs was considered appropriate in order to consider problems faced by different size and quality standards of AEs. The best indicator of size and quality standards was seen the category of the establishment[3]. Category is almost always related to size and specifies the facilities provided. Stratified random sampling was used to select the AEs, specifically one unit from each of the categories Lux', A', B' C', as well as one apartment from each area by using a random number[4].

Regarding other sectors, no information was available for stratification. Therefore, systematic sampling was used to select five enterprises from each area. This involved choosing a sampling interval by dividing the total number of enterprises in each sector and area by five, and selecting a random starting number within the sampling interval. This method was seen as appropriate because it gives every member of the population the same chance of being selected in the sample (Hoinville et al. 1977).

The questionnaire

The questionnaire included various questions, their number ranging for each type of enterprises. The findings section of this paper is based on 13 identical for each type of enterprises questions, concerned with owners' satisfaction from businesses' income, problems faced by the tourism industry of the island and each enterprises plans for expansion.

The interviews

320 tourist entrepreneurs/managers were approached at their place of work during working hours, so that respondents would feel comfortable in their natural surroundings. No pre-arranged appointment was made with any of the respondents, unless otherwise requested. Respondents were asked to participate in the survey under the condition that they had been working on the island for the two previous tourist seasons. If a respondent was absent, up to three subsequent attempts were made to meet him or her. If a business had moved away or closed, the interviewer selected the next business on the sampling frame.

At the beginning of the interview, all respondents were informed that the survey was a tourism study as part of a postgraduate studies programme. Furthermore, to increase the response rate, anonymity and confidentiality were assured, and a rapport was established, so that respondents felt motivated to complete the interview. To ensure freedom of responses, interviews were not recorded electronically. Instead the interviewer took hand-written notes and following each discussion, completed his notes in detail.

The overall response rate achieved in the survey was 45.6% (146 respondents). The sample was divided between the different sectors as follows: 52 interviews with owners/managers from AEs; 34 interviews with tourist shops, 32 with TAs/CRs; and 28 with CEs.

Data analysis

After the collection of data, the next step was to analyse them, by utilising the Statistical Package for the Social Sciences (SPSS) version 8.0. The results of the analysis are summarised in tables. Given that the sample size of the survey was small, it was considered more appropriate to express the results in the tables in terms of the number of respondents or responses rather than percentages.

FINDINGS

The survey asked respondents to mention problems faced by the island's tourism industry and their plans for expansion of their business. The following sections present their opinions in five categories: (i) financial problems; (ii) seasonality; (iii) dependency on tour operators; (iv) other problems; and (v) plans for expansion.

Financial problems of tourism enterprises

A major problem of the islands' tourism industry is the dominance of cheap mass tourism (Richards 1999), resulting in low profitability for entrepreneurs and the lack of investments to upgrade the tourist product (Andriotis 2000). One important measurement of profitability for an enterprise can be considered the owners' level of satisfaction with the establishment's income. Based on a five-point Likert Scale, ranking from very little (1) to very much (5), one question assessed owners' satisfaction with his enterprise's income. As Table 1 indicates, 57 respondents rated owners' satisfaction below average, 68 average, and only 19 above average.

Table 1
OWNERS' SATISFACTION FROM BUSINESSES' INCOME

	No of Respondents
Very little	33
Little	24
Average	68
Much	18
Very much	1
Total survey	144

From the above, it seems that satisfaction levels of owners with their enterprises' income are low, the reasons for which are shown in Table 2. The most common reason, mentioned by 23 owners/managers, was the low spending power of tourists visiting the island. As a result, the prices charged are low, reducing profit margins. As one shopkeeper commented:

> *"Because of the low spending power of tourists there are days where I do not sell anything. Tourists come in my shop, they look around and most of the time they leave without buying anything. Even when they buy, they ask for high discounts. Therefore, very often I have to markedly reduce my profit margins in order to sell some of my products. There are some months when I cannot even afford to pay my rent. After 25 years in the business, I am forced to close my shop and look for a job as a shop assistant."*

Table 2
REASONS FOR DISSATISFACTION

	No of Responses*
Low-spending power tourists	23
High competition	17
Low prices	13
Low demand	11
High costs	10
Small return on investment	10
Other	10
Total survey (N=36)	57

**Multiple response set*

A second reason for owners dissatisfaction was the fierce competition (17 respondents). Indeed, many new enterprises are established every year, increasing the competition for existing businesses. The informal sector (e.g. parahoteleria) and the emergence of many competitive destinations in the Mediterranean have increased competition (EIU 1990, HNTO 1997, Buhalis 1998). All these contribute to low demand for services/products offered by tourist enterprises, as 11 owners/managers revealed. Other financial reasons mentioned, contributing roughly equal proportions (10-13 respondents) included low prices, high costs and small return on investment.

There were also various other reasons mentioned by less than 10 respondents. Among them, the way the tourist trade operates and its commission structure were vexing issues for owners/managers, some were annoyed by the fact that they were obliged to pay high commission to someone else to sell their product and that they were powerless to change this. The tourism market is dominated by people selling purely on commission. As some owners/managers of tourist shops mentioned, tour guides direct the market to enterprises that pay commission to them. Entrepreneurs that refuse to pay commission are unable to attract customers, no matter how good their product is. As one owner of a goldsmith shop declared:

> *"Corruption in our sector is rampant and there is nothing we can do about it. As I cannot afford to pay a high commission to tour guides, I depend on passing trade and most of the time my products remain unsold. Only some large shopkeepers are able to give commission asked for by tour guides; the rest of us are forced to close our business."*

The case was similar for TA/CRs, many of which have to sell tours and/or rent cars through hotel desks and tour operators that very often ask them high commission in order to keep on selling their products.

Seasonality

The tourism industry in the Mediterranean faces a high seasonality problem (Jenner and Smith 1993), regarded as an obstacle to development of many regions (Lundtorp et al. 1999). In Crete, seasonality constitutes a major threat to physical and human systems, since during the summer season there is an over-utilisation of resources (Andriotis 2001; 2003c). Although respondents did not mention seasonality as a reason for owners' dissatisfaction with the economic returns from their investments, it is possible that the closure of properties during the winter will create major economic problems for enterprises, such as small return on investment and high operational costs. Therefore, owners/managers were asked if their enterprises face seasonality problems. The majority of owners/managers (96 out of 146) claimed that their enterprises face a seasonality problem. Among the reasons that some owners/managers of AEs did not mention seasonality as a problem was that they recognised their properties as resort seasonal hotels and therefore they had accepted seasonality as a fact of life, and not as a problem. The extent of the seasonality problem can be seen from the finding that only 36 out of the 146 properties used in the sample were open all year in 1996.

These properties were mostly located in cities, working during winter months with locals and businessmen. From May to October, all the properties in the sample were in operation, during April 129, and the remainder months less than 36.

Dependence on tour operators

In Crete, as in most Mediterranean islands, there are two major categories of clients, the independent tourists who make their own arrangements, and the inclusive tourists coming through tour operators. As independent tourists cannot provide sufficient demand, tour operators play an important role in the Cretan tourism industry, mainly for packaging the various elements of the tourism product and distributing it to consumers. Among the enterprises used in the sample only AEs and TA/CRs were asked about the dependence on tour operators problem, for the reason that these enterprises have to sell their products/services through them. In 1996, 61 out of 84 AEs and TA/CRs received customers direct from tour operators. The majority of enterprises without any contract with tour operators were TA/CRs. However, even the ones that did not have contracts with foreign tour operators, accepted that most of their customers had arrived through package holidays.

Although tourists coming through tour operators increase enterprises' income, not all managers/owners of AEs and TA/CRs were satisfied with this type of customers, as 15 out of 61 preferred individual tourists, due to the better quality of independent tourists, and their higher spending power. Independent tourists are charged higher room rates in the AEs, increasing the profit margins of hoteliers. Similarly, TA/CRs receive higher profits as they do not have to pay commission to an intermediate to sell their product. The higher profit margins that may be received when selling to individual tourists might enable providers of tourism services to finance higher levels of investment to improve product quality. However, demand from independent tourists is not stable, they can not guarantee high occupancy rates, and on average they stay fewer days. As a result, almost half owners/managers preferred the security of customers generated by tour operators, and only slightly more than one quarter did not make any choice between individual and organised tourists, but preferred both, for the reason that although the economic benefits are higher from independent tourists, they cannot guarantee increased sales or high occupancy rates.

The research went further by asking owners/managers if they faced problems in 1996, from tour operators. Slightly less than one third of AEs and two thirds of TA/CRs faced problems, mainly related to insolvency, as tour operators very often delay paying entrepreneurs. In addition, although enterprises have an allotment for a specific number of rooms, tour operators often do not send the pre-arranged number of tourists, leaving hotel rooms empty. Other problems include: loss of money because of tour operator bankruptcy and as a result in the past some AEs had to be sold due to lack of payment from a bankrupt tour operator, which meant owners could not afford to pay their debts. Finally, tour operators were blamed for paying low prices or charging high commission for the distribution of enterprise services/products.

Other problems faced by tourist enterprises

Apart from high seasonality, strong dependency on foreign tour operators and financial deficiencies, the island's tourism industry faces other serious problems. Therefore, owners/managers were asked to indicate further problems faced by their enterprises. Given the involvement of a wide range of public agencies in the development and planning of tourism in Crete, respondents were also asked to name a public agency that could offer a solution to each problem. The agencies considered were local authorities, HNTO and Greek Government, each having different responsibilities and activities for the development of the island.

The problems faced by enterprises needing a solution by local authorities are presented in Table 3. The most common problem, reported by 19 owners/managers, was the inadequacy/insufficiency of infrastructure. The majority noted the poor conditions of the road network (bad design, potholes and lack of signs), inadequate sewage network and treatment, insufficient water and electricity supply, and lack of car parking spaces and public toilets. As one restaurateur noted:

> *"The road where my restaurant is located is very narrow. Because of traffic, often the road is blocked. Sometimes it is difficult for me to find a parking space for my car or even to stop my car for a short time in order to unload supplies. "*

Lack of pedestrianisation was also seen as an obstacle to development. As one tourist shop owner complained:

"Because of heavy traffic, noise from the cars and the narrow pavements, many shoppers and tourists avoid walking through this street ... For residents and shop-owners, quality of life is poor in this area."

Table 3
PROBLEMS FACED FROM TOURISM ENTERPRISES NEEDING ATTENTION FROM LOCAL AUTHORITIES

	No of Responses*
Inadequacy/insufficiency infrastructure	19
Insufficient provision of services	12
High municipal taxes	8
Environmental problems	5
Insufficient control of enterprises	5
Other	3
Total (N = 44)	52

**Multiple response set*

Twelve respondents suggested that provision of services is inadequate during the peak summer months, namely police control, waste disposal, cleanliness, and provision of information to tourists. Five owners/managers believed that there is inadequate legislation for the control of tourism enterprises and that their enterprises pay very high municipal taxes (eight respondents), given the low standards of services provided by their municipalities. Other problems mentioned were the pollution and the degradation of the overall environment (five respondents). Environmental problems mentioned included: insufficient refuse collection and disposal, noise pollution, uncontrolled building, environmental aesthetics, e.g. traditional Cretan materials replaced by concrete structures, and ineffective use of Environmental Impact Assessments (EIAs) in tourist projects. Other problems reported by a minority of respondents were related to low return on investments, bureaucracy and a lack of organisation by local authorities.

From one point of view, it may be assumed that there was an overall satisfaction with the services provided by the HNTO as a substantial number of owners/managers did not mention any problem needing attention by the HNTO. However, many owners/managers suggested that the HNTO is totally controlled by the government, and as a result its power to solve their problems is limited. Of the 14 owners/managers that reported problems to be solved by the HNTO, eight mentioned insufficient control of enterprises, with a demand for control and inspection of tourist enterprises in order to prevent the rise of illegal enterprises and any actions that may tarnish the image of the island as a tourist destination and downgrade the tourist product. Conversely, three owners/managers blamed the HNTO for strict rules on licensing and operation of enterprises. Besides, three owner/managers complained about insufficient promotion and provision of information (Table 4), stating that there are limited information centres, that are staffed by unqualified employees who very often cannot satisfy tourist demand. Similarly, the promotional activities undertaken by the HNTO were criticised for limited co-ordination, low budgets and offhandedness.

Table 4
OPINIONS ON THE PROBLEMS FACED FROM TOURISM ENTERPRISES NEEDING ATTENTION FROM THE HNTO

	No of Responses
Insufficient control of enterprises	8
Strict rules for opening and operations	3
Insufficient information and promotion	3
Total	14

The most severe problems were reported for consideration by the Greek Government (Table 5). Twenty eight owners/managers complained about the high taxes paid to the government, e.g. the airport tax (spatosimo), VAT and income tax. Owners/managers reported as a second priority problem (15 respondents), the difficulties of obtaining funding from the Greek Government. Eleven owners/managers suggested that the Greek Government does not provide the necessary infrastructure for tourism development (problem mentioned above needing solution by local authorities). Infrastructural problems mentioned needing solution by the government included inadequate marinas, ports, hospitals and telecommunications. It was also claimed that the International Airport of Heraklio cannot keep up with peak summer demand. Many respondents showed high satisfaction with the improvements to the second largest airport of the island in Chania, which shows that, if there is proper allocation of resources and collaboration between public and private bodies, projects for the improvement of facilities for the island can be successful.

Excessive interest rates from banks were the fourth priority for eight owners/managers. Fifth priority problem was the insufficient provision of services to tourists, such as information, airport services, etc. In addition, five owners/managers reported as a problem the high employers' contribution increasing the operational costs of tourism enterprises. Further five respondents criticised the Greek government for unstable tourism policy, resulting in a lack of programming and planning. Some respondents highlighted the government's bureaucratic attitude towards the issuing of tourist visas to ex-Soviet Union citizens as a particular issue, resulting in a high spending market choosing alternative destinations. It was mentioned that although this problem has existed for many years, no significant attempts have been made by the government to overcome it.

In addition, a number of other problems were reported each of which attracted the support of less than two respondents, including: uncontrolled and unplanned building, environmental degradation and dependence on foreign tour operators. There were also complaints about the government's allowing to businesses that fail to comply with legislative requirements (e.g. parahoteleria) to compete with legitimately registered enterprises. In addition, owners/managers of TA/CRs complained about a governmental law that demands enterprises to own more than 25 cars in order to keep or receive a new license. As it was stated by one car rental owner:

> *"This measure illustrates the bad intentions of the Greek Government towards small enterprises. Instead of providing them with incentives for their survival, it attempts to obliterate them."*

Finally, a few owners/managers reported problems that require solution by all public sector bodies, mainly the lack of collaboration among different bodies of the public sector for the planning of tourism development, reflecting limited co-ordination of activities for tourism development and promotion of the island, and resulting many of the aforementioned problems, e.g. financial, environmental degradation, seasonality, and dependency on tour operators.

Table 5
OPINIONS ON THE PROBLEMS FACED FROM TOURISM ENTERPRISES NEEDING ATTENTION FROM THE GOVERNMENT

	No of Responses*
High Taxation	28
Insufficient incentives	15
Lack of infrastructure	11
High compound interest	8
Insufficient provision of services	6
Unstable tourism policy and planning/Bureaucracy	5
High employers' contribution	5
Other	6
Total (N = 76)	84

**Multiple response set*

PLANS BY TOURISM ENTERPRISES FOR EXPANSION

Another question asked owners/managers to reveal their future intentions for expansion or changes to their properties, in order to receive useful insights into the potential dynamism of the island's tourism industry. Almost half of the enterprises surveyed had plans for expansion or changes. The plans by enterprises for expansion have been grouped where possible as follows (Table 6): improvement/modernisation of the premises (27 businesses), increase in the number of units (21 businesses) and purchase of more vehicles for TA/CRs or changes in the number of rooms/apartments for AEs (18 businesses). Slightly over half of the enterprises used in the sample did not have any intentions for expansion, mainly for financial reasons, such as lack of capital and profitability (36 businesses), economic recession/insufficient help from the state (19 responses), extensions and/or changes made the previous years (7 businesses) and the low quality of tourists visiting the island (6 businesses) (Table 7).

Table 6
KIND OF ENTERPRISES' EXPANSION

	No of Responses*
Improvement /modernisation of premises	27
Increase in the number of units	21
Buy more vehicles/increase number of rooms	18
Expansion of activities	5
Other	6
Total survey (N = 68)	77

**Multiple response set*

Table 7
REASONS FOR LACK OF PLANS FOR EXPANSION OR CHANGES FROM ENTERPRISES

	No of Responses
No profitability/ capital	36
Economic recession/no funding from state	19
Extension/changes made last year(s)	7
Low quality tourism	6
Total survey (N = 68)	68

RECOMMENDATIONS AND CONCLUSIONS

From the findings of the survey it was evident that the island's tourism industry faces many problems. It is a common sense that due to the variety of the problems it is not an easy task to provide solutions for their amelioration. However, an attempt will be made to provide some recommendations emerging from the current study.

Many of the enterprises under review were facing serious financial problems. Therefore, entrepreneurs satisfaction with their enterprises' income was low and plans for expansion were limited. Even those businesses which had plans, they were mostly concerned with the increase of supply or modernisation of existing, rather than looking ahead through innovatory projects, e.g. the creation of off-season or special interest attractions, something that would add value to the destination's tourism product. However, deregulation in the tourism industry has increased competition suggesting the need for more aggressive planning if enterprises want to continue to prosper in the future.

There was evidence that the island attracts the low spending markets. To increase the economic benefits of foreign exchange, the island should attract higher-spending tourists. The spending power of tourists attracted to Crete is directly related to the quality of the services offered and advertising. Crete has to improve the quality of services and use better advertising in order to attract higher spending tourists. The rich cultural and environmental heritage of Crete properly promoted could lead to a competitive advantage in the battle of the Mediterranean destinations to achieve a high portion of the high-income tourist market. Entrepreneurs should be encouraged by the Greek Government through various incentives to improve the standards of the tourist services, upgrade amenities and construct a range of facilities that will bring distinct benefits to the island. In addition, infrastructural developments should be undertaken.

A major problem underlined by most of the respondents was related to seasonality, with job creation and return on investment limited to the summer season of less than seven months a year, and peak turnovers and occupancy rates severely restricted to the months of July, August and September. Consequently, the vast majority of enterprises are forced to close during winter. Given the importance of the tourism industry to the viability of the island's economy, the profitability of many enterprises and employment and income creation, efforts should be made to extend the season.

Nowadays, the number of older people going on holiday is increasing. This demographic change of future tourists means that the senior citizens segment represents an untapped opportunity for the island. Demand for conference/incentive travel is also increasing and efforts should be made for the attraction of these types of tourism. Appropriate incentives should be offered to attract conferences in winter and spring months, in particular in the existing large-scale AEs. Cultural and alternative forms of tourism should also be promoted. The rich environmental and cultural resources and the good weather (limited rainy days every year) can help in this end. For example, trekking holidays in the numerous forest trails of the island could reduce the seasonality characterised by the sun-seeking type of tourists. A target on four markets: senior citizens, conference/incentive travel, cultural and alternative tourism offers an opportunity to the island for a more even seasonal pattern of tourism activity.

However, seasonality depends on the availability of tourist attractions and services. Therefore, attractions and services outside the main summer season should be created or be available off-season. A significant opportunity for out-of-season tourism could be achieved in the largest cities of the island, where 'multi-season' attractions could be promoted through the organisation of cultural activities related to local circumstances (Andriotis 2003c). However, increased marketing activities are required from the authorities, such as promotional campaigns for off peak seasons, lower off peak prices, business and sporting events.

A further issue emerging from the survey is the dependence of Cretan tourism industry on foreign tour operators. The Cretan tourism industry is heavily dependent on tour operators, as they provide their customers with cheap flights and link the island with the major tourism generating Western European countries. Consequently, only a small number of tourists, mainly domestic, arrive on the island independently to visit friends and families, attend conferences, or for business purposes. Although tour operators provide the island with mass tourism, these tourists tend to be cost - rather than quality - orientated. Therefore, tour operators demand and achieve massive discounts on services and enterprises have low profit margins leaving most entrepreneurs incapable of investing in extension or modernisation of their properties.

One way to reduce the dependence on tour operators problem is to enable the transfer of information between bodies and individuals interested in the purchase of tourist services and products. In achieving this, the establishment of a central reservation system is necessary. This system can be available on computer terminals at the HNTO offices in Greece and abroad, as well as local offices. The Internet should be used for the provision of information to the travel market and to allow potential visitors to book accommodation, excursions, tourist attractions and events on-line.

For many of the problems faced by the Cretan tourism industry, owners/managers blamed the public sector, mainly the government and the local authorities, although not many problems to be solved by the HNTO were mentioned. Owners/managers recognised that the HNTO is not an autonomous organisation that can take independent action, as it is totally controlled by the government. However, the benefits from working together are much greater than pursuing individual objectives. Therefore, all public sector bodies, as well as the private sector, should work to design an integrated tourism policy for the island.

To conclude, the opinion survey presented in this paper was restricted to the business sector. However, there is a need to collect information from more community groups. Tourism development directly or indirectly involves the support of many community groups, such as residents, non tourism-related entrepreneurs and managers, tourism employees, consultants, national and local governments, whose opinions should be incorporated into future developments. Consultation mechanisms that empower a representative sample of Cretan community members to affect decision-making may help to provide solutions to the problems faced by the industry. This may requires discussions with representatives of both commercial and community interests and academics in order to establish a multi-disciplinary team of experts on the island, so that a co-ordinated master plan to be formulated. This plan should be directed towards the elimination of problems, better use of investment incentives and co-ordination of tourism activities.

Notes:

[1] *It is important to note that TA/CRs were grouped together, as were restaurants and bars, because of the difficulty of separating their activities. For example, during the survey it was evident that the vast majority of travel agencies rented cars and the majority of restaurants ran as bars at certain times.*

[2] *Areas with lower concentration of tourism enterprises would be useful to form part of the survey. However, this was not possible, because the survey would be spread throughout the island, something that would increase the costs, as well as the duration of the survey.*

[3] *The Greek hotel classification system is different from the international 'stars' system. Generally, hospitality firms can be classified in the following categories according to their standards:*

- *Category LUX'* — *5**
- *Category A'* — *4**
- *Category B' and C'* — *3**
- *Category D' and E'* — *2* and 1**
- *Furnished apartments* — *4*, 3*, 2* and 1*.*

[4] *Hotels D' and E' and rented rooms were excluded from the survey, as most of the times they are not well-organised, usually accommodate only domestic tourists and many of them were not included in the sources used to create the list.*

Bibliography

- *Anagnostopoulou K., Arapis T., Bouchy I. and Micha I. (1996) Tourism and the Structural Funds - The Case for Environmental Integration. Athens. RSPB.*
- *Andriotis K. (2000) Local Community Perceptions of Tourism as a Development Tool: The Island of Crete. Unpublished doctoral dissertation. Bournemouth University. Bournemouth.*
- *Andriotis K. (2001) Tourism Planning and Development in Crete. Recent Tourism Policies and their Efficacy. Journal of Sustainable Tourism. 9(4): 298-316.*

- *Andriotis K. (2002a) Residents' Satisfaction or Dissatisfaction with Public Sector Governance. The Cretan Case, Tourism and Hospitality Research: The Surrey Quarterly Review. 4(1): 53-68.*
- *Andriotis K. (2002b) Local Authorities in Crete and the Development of Tourism. The Journal of Tourism Studies. 13(2): 53-62.*
- *Andriotis K. (2002c) Scale of Hospitality Firms and Local Economic Development. Evidence from Crete. Tourism Management, 23(4): 333-341.*
- *Andriotis K. (2003a) Tourism in Crete. A Form of Modernisation. Current Issues In Tourism. (forthcoming).*
- *Andriotis K. (2003b) Coastal resorts morphology: The Cretan experience. Tourism Recreation Research. (forthcoming).*
- *Andriotis K. (2003c) Seasonality in Crete. Problem or a way of life? Tourism Economics. (forthcoming).*
- *Andriotis K. and Vaughan D. R. (2003) Urban residents' attitudes towards tourism development: The case of Crete. Journal of Travel Research. (forthcoming).*
- *Buhalis D. (1998) Tourism in Greece: Strategic Analysis and Challenges for the New Millennium. Series I, Vol. 18. Aix-en-Province: International Centre for Research and Studies in Tourism.*
- *EIU (1990) Greece. International Tourism Reports. 4, 56-62.*
- *HNTO (1997) Greek tourism: An industry in transition. An address by Nikos V. Skoulas, Secretary General HNTO at the 1997 Institute of Travel and Tourism Conference June 27th. Athens. HNTO.*
- *HNTO (1998) Statistics. Athens. Hellenic National Tourism Organisation.*
- *Hoinville G., Jowell R. and Associates (1977) Survey Research Practice. Aldershot. Gower.*
- *IUOTO (1974) The role of state in tourism. Annals of Tourism Research. 2(1): 66-72.*
- *Jenner P. and Smith C. (1993) Tourism in the Mediterranean. London. Economist Intelligence Unit.*
- *Lundtorp S., Rassing C.R., and Wanhill S. (1999) The off-season is 'no-season': the case of the Danish island of Bornholm. Tourism Economics. 5(1): 49-68.*
- *Richards G. (1999) Culture, crafts and tourism: a vital relationship. In: Richards, G. (ed). Developing and Marketing Crafts Tourism. Tilburg. Atlas, 10-35.*

Submitted: 02/25/2003
Accepted: 04/16/2003