CHAPTER SEVEN: KEY CHARACTERISTICS OF THE SAMPLE

7.0 INTRODUCTION

Before a detailed analysis of the research findings takes place, it is imperative to proceed to a presentation of the key characteristics of the sample. The examination of enterprise characteristics may demonstrate differential patterns of development and the characteristics of owners/managers and residents may provide an insight into differences in attitudes. Therefore, the aim of this chapter is to present the key characteristics of the sample in order to help the better understanding of respondents' attitudes and the development patterns of tourist enterprises. The chapter is divided into three sections: the key characteristics of (i) enterprises, (ii) owners/managers and (iii) residents.

7.1 KEY CHARACTERISTICS OF ENTERPRISES

Although as mentioned in the literature tourist enterprises present differences because of their characteristics, (e.g. size, location etc.), it is still the case that little attention has been given to the understanding of these differences in characteristics as explanatory of development patterns and owners/managers attitudes. Therefore, enterprises in this study are divided into sub-groups. The intention is to classify firms in order to explore whether different types of firm, location and size relate to various aspects of development. The sub-groups used as independent variables in the analysis of the enterprises and owners/managers findings are:

1. Prefecture of location: namely Chania (N=38), Heraklio (N=34), Lassithi (N=38) and Rethymno (N=36);
2. Sectors: accommodation (N=52), travel agencies/car rentals (N=32), catering (N=28) and tourist shops (N=34);

3. Size of accommodation establishments (AEs): 40 rooms or less labelled as small (N=19), 41-100 rooms labelled as medium (N=16) and more than 100 labelled as large (N=17).

In the business survey, to identify statistically significant relationships between two variables where one was nominal and the other nominal or ordinal, χ^2 tests were performed. Cramer's V was calculated in order to identify the strength of the relationship. Alternatively, when both independent and dependent variables were ordinal, Spearman's ρ correlation coefficient was used to assess not only the strength of the relationship but also the direction. The results of the χ^2 and Cramer's V are shown in Appendix K and the results of Spearman's ρ in Appendix L.

To compare the statistical significance between an independent and an interval dependent variable ANOVA tests were used. Tables M1 to M4 in Appendix M, show the results of the ANOVA tests related to the variance of monthly turnover of enterprises and monthly occupancy rates of AEs. Figures M1 to M4 in Appendix M, illustrate diagrammatically the mean scores of the enterprises turnover and AEs occupancy rates. The horizontal axis indicates the 12 months of the year.

7.1.1 Ownership and number of outlets

Type, size and ownership of enterprises are often closely interrelated. Therefore, owners/managers were asked to indicate the type of their enterprises' ownership in order to see if variations in type or size of enterprises present differences in their ownership. Half of the enterprises used in the sample were in individual ownership, while slightly over 40 percent were Societe Anonyme (S.A.) and just nine percent limited (Table 7.1). The majority of enterprises in S.A. ownership were found in the accommodation sector (86%) and only one third of small AEs was in individual ownership (Cramer's V = .368). There was a quite strong association (Cramer's V = .773) for sectors with 82 percent of the tourist shops, 79 percent of the catering establishments (CEs) and more than half of the travel agencies/car rentals (TA/CRs) in individual ownership. It is interesting that the CEs show a remarkable similarity in the type of ownership with tourist shops. Since the vast majority was in individual ownership it can be used as an indicator of the small size of enterprises in both sectors.

Table 7.1: Type of ownership

	Individual %	S.A. %	Co-operative %
Sectors:			
Accommodation	12	86	2
TA/CRs	53	44	3
CEs	79		21
Tourist shops	82	3	15
Total survey (N = 146)	50	41	9
Size of AEs:			
Small	32	63	5
Medium		100	
Large		100	
Total accommodation sector (N =52)	12	86	2

As far as the number of outlets operated by the same enterprise is concerned, 71 percent of tourist enterprises had only one outlet, 11 percent two and only 17 percent more than two (Table 7.2). Only one moderate positive relationship (Spearman's $\rho = .528$) was found between the number of units and the size of AEs. 90 percent of small AEs and 88 percent of medium-sized had only one unit, although 12 percent of the large AEs had two units and 53 percent three units or more. As a result, the larger the accommodation unit, the higher the possibility of belonging to a group.

Table 7.2: Number of outlets

	1 Unit %	2 Units %	3 Units + %
Size of AEs:			
Small	90	10	
Medium	88	12	
Large	35	12	53
Total accommodation sector (N = 52)	71	11	17

7.1.2 Capacity and category of AEs

The capacity of the AEs used in the sample varies between 20 and 860 beds (10 and 425 rooms). As Table 7.3 demonstrates, 33 percent of the AEs had 75 beds or fewer, 34 percent from 76-200 beds and 33 percent over 200 beds. The average bed capacity was 194.1 beds and the room capacity 92.9. No statistically significant association was found between bed capacity and location.

Table 7.3: Bed capacity

	N	%
1-75 beds	17	33
76-200 beds	18	35
201+ beds	17	33
Total accommodation sector	52	100

Not surprisingly, there is a quite strong relationship between size of AEs and their category (Cramer's V = .639), with all the Lux' category AEs and 89 percent of the A' category belonging to the large size group, although the higher share (58%) of B' category AEs belonged to the medium and 73 percent of the C' category and 55 percent of the apartments in the small group (Table 7.4).

Table 7.4: Category awarded to AEs

	Lux' %	A' %	B' %	C' %	Apartments %
Size of AEs:					
Small			17	73	55
Medium		11	58	20	45
Large	100	89	25	7	
Total Accommodation sector (N = 52)	10	17	23	29	21

7.1.3 Enterprises year of foundation

To investigate the maturity of the island's tourism industry the business survey asked owners/managers to indicate the start-up year of their enterprise. The enterprises used in the sample had a wide range of start-up years with the first tourism enterprise having been established in 1963. From 1963 to 1986, only 32 percent of tourism businesses came into existence, from 1987 to 1992 an additional 43 percent, and after 1993, 24 percent. As a result, the development of the tourism industry in the areas under concern before 1987 was slow, whereas it expanded rapidly between the years 1987 to 1992. The establishment of new enterprises after 1987 can be attributed to the Investment Incentive Law 1262/1982, which became operational after 1986, as well as the expanding demand for travel through the evolution of mass tourism.

As shown in Table 7.5, there was an indication of regional differences in the year of foundation of enterprises, with enterprises in the Prefecture of Heraklio, followed by Lassithi, having the highest number of properties established before 1987 (50% and 43% respectively) (Cramer's V = .308). Undoubtedly, the Prefectures of Heraklio and Lassithi appear to have an older and perhaps more mature tourism industry, compared to the other two Prefectures. This was not unexpected since, as already noted, the existence of the basic infrastructure in the areas of Lassithi and Heraklio and their close proximity to the main airport of the island helped them to play a leading role in the development of the island's tourism industry. As in many islands around the world, e.g. Dominica (Weaver, 1991), so in Crete, development in some areas close to the capital of the island comes at the expense of other areas in the periphery. The other two Prefectures established their tourism industry later and therefore 55 percent of properties in Chania and 47 percent in Rethymno were established between 1987-1992.

If the start-up year of enterprises is cross-tabulated with enterprises' activity (Cramer's V = .236), it can be seen that 42 percent of AEs and 35 percent of TA/CRs were established before 1986, although the vast majority of the CEs and tourist shops (86% and 71% respectively) were established after 1987 (Table 7.5). This was not unexpected since for the tourism development of a destination, accommodation units and travel agencies are established first to provide lodging and travel services to tourists, followed by support businesses. Size of AEs did not present any significant statistical association.

Table 7.5: Enterprises' year of foundation

	Before 1986 %	1987-1992 %	After 1993 %
Prefecture			
Chania	16	55	29
Heraklio	50	35	15
Lassithi	43	35	22
Rethymno	22	47	31
Sectors:			
Accommodation	42	44	14
TA/CRs	35	52	13
CEs	14	39	47
Tourist shops	29	38	33
Total survey (N = 145)	32	43	24

7.1.4 Demand for services and prices charged

To obtain an insight into the demand for services, owners/managers were asked to indicate the number of clients served by their enterprises in 1996. Unfortunately, only the AEs could provide such information, since all other sectors did not keep any customer records and it was difficult for owners/managers to make any estimation. Even the accommodation sector had a difficulty in providing comprehensive information on the number of guests accommodated and only a portion of the sample (33 out of 52) indicated that their establishments accommodated a range of 250 to 43,000 guests. On average each accommodation establishment accommodated 5,659 incoming tourists. However, this figure was distorted by establishments with relatively high figures, since the median was only 2,500. More specifically, 36 percent of AEs accommodated 1,500 incoming tourists or less, 30 percent from 1,500 to 4,000, and 33 percent over 4,000 (Table 7.6). There was no statistically significant association with location.

Table 7.6: Number of incoming tourists accommodated at the AEs

	N	%
Less than 1,500	12	37
1,501-4,000	10	30
4,001+	11	33
Total accommodation sector	33	100

It is difficult to construct an accurate indicator of direct income from foreign tourists, as well as to examine the demand aspects for services, since enterprises may serve domestic tourists, local residents and international tourists. As Murphy (1985) states, "certain industries which sell a large proportion of their output to tourists, such as transport, accommodation and entertainment, are not exclusively tourism industries, for they sell these services to local residents as well" (p.9). Therefore, owners/managers were asked to indicate the percentage of international tourists among their clientele. As Table 7.7 demonstrates, 44 percent of the enterprises received 91 percent and over of their turnover from international tourism and only 18 percent received 60 percent or less (Mean = 83.1). The only quite strong association (Cramer's V = .644) found was among different sectors. AEs were the most dependent on international tourists, since 63 percent of them received 91 percent or over of their turnover through international tourists, although CEs were the least dependent with 33 percent having received less than 60 percent and only 19 percent having received 91 percent and over. This confirms that the most tourist enterprises in the sample areas, with a small exception some CEs, were highly dependent on international tourism for their turnover.

Table 7.7: Proportion of turnover coming from international tourism

	Less than 60% %	61-90% %	91+ %
Sectors:			
AEs	8	29	63
TA/CRs	19	36	45
CEs	33	48	19
Tourist shops	19	47	34
Total survey (N = 142)	18	38	44

Another salient feature of tourism demand is the length of stay. It is essential for the tourist authorities to be aware of the length of tourists stay, as it can indicate, to some extent, tourist expenditure (Papadopoulos, 1985a; 1985b). Therefore, hoteliers were asked to estimate their guests' average length of stay. 35 percent of AEs had an average length of stay seven days or less, 38 percent, 10 days, and 27 percent from 11-14 days (Mean = 9.2). It is evident that AEs have a quite high average length of stay since their clientele is mainly international tourists coming to the island for one or two weeks package holidays. No significant difference was found among average length of stay within location and different size AEs.

Price of the product offered can be considered an essential factor of tourists' choice. A small variation in price may enormously influence tourist demand for a destination, because of the high elasticity of demand found in the tourism sector (Mathieson and Wall, 1982; Truett and Truett, 1987; Pearce, 1989; Cooper et al., 1998). In Greece, the Hellenic National Organisation (HNTO) specifies regulations for minimum prices charged for rooms or apartments by AEs according to the category to which they belong. In the case of an establishment wanting to charge higher prices than the minimum shown in Appendix N, these prices should be declared to the HNTO. Hoteliers may offer up to a 30 percent discount on their declared prices for individual clients and up to a 50 percent discount for organised groups and allotment contracts, under the condition that the offered prices will not be lower than the minimum, prices set by the HNTO (Papadimitris, 1994; Hellenic Hotel Chamber, 1996). However, research on 'actual pricing policies' in the Greek hotel sector is enormously difficult, because hoteliers, in an attempt to reduce the lost revenue accruing from rooms remaining unsold, are very often forced to reduce prices by offering discounts to tour operators (Buhalis, 1995). This policy is in contravention of Law 642/1977, which imposes measures, such as fines, removal of operational licence and reduction of category on law-breakers.

In Crete the pricing policy of AEs is characterised by a system of three periods - high, medium and low - with different prices for each of them. Therefore, hoteliers were asked to indicate the lowest and highest prices for a double room, in 1996 without any extra arrangements during the low and high season by independent and organised tourists. Unfortunately, approximately 20 percent of owners/managers questioned were reluctant to indicate the real prices charged, regarding them as 'strictly confidential'. As Table 7.8 shows, during the high-season, 27 percent of units charged on independent tourists less than 11,000 Greek Drachma (GRD) and 44 percent from 11,001-17,000 GRD for a double room. On the other hand, prices for the same season were on average 34 percent lower for organised tourists, with 30 percent of AEs charging less than 7,600 GRD and 40 percent from 7,601-10,000 GRD. Prices were lower during the low season for independent and organised tourists (on average 27% and 31% respectively). As a result, 31 percent of independent tourists paid less than 8,000 GRD, and 41 percent from 8,001-14,000 GRD. On average, organised tourists paid 38 percent less than independent tourists during the low season. 32 percent of units were charging less than 5,000 GRD and 36 percent from 5,001-8,000 GRD. However, although independent tourists bring higher economic benefits to the AEs, their share in bednights is very low, due mainly to the inability of the Cretan tourism industry in creating mechanisms that would increase their demand, e.g. promotional campaigns, cultural activities and festivals.

Table 7.8: Variance in AEs' room rates

HIGH SEASON				LOW SEASON			
Independent tourists		Organised tourists		Independent tourists		Organised tourists	
Prices (GRD)	%	Prices (GRD)	%	Prices (GRD)	%	Prices (GRD)	%
Less than 11,000	27	Less than 7,600	30	Less than 8,000	31	Less than 5,000	32
11,001-17,000	44	7,601-10,000	40	8,001-14,000	41	5,001-8,000	36
17,001 +	29	10,001 +	30	14,001 +	24	8,001 +	32
Mean = 17,515		Mean = 11,503		Mean = 12,774		Mean = 7,973	
N = 41		N = 40		N = 42		N = 41	

7.1.5 Sources of capital

It is evident that for the expansion of the tourism industry a significant role is played by the public sector through the provision of incentives for the establishment of tourist enterprises. To identify if the public sector has provided financial help to the establishment of tourist enterprises in Crete (e.g. through bank loans), respondents from the business sector were asked to indicate the source(s) of capital used by their enterprises for setting up. More than one third of the entrepreneurs have been reliant on more than one source of capital in setting up their properties. These sources included: personal and family savings (85%), bank lending (39%) and inheritance (14%) (Table 7.9). The predominance of private capital used by entrepreneurs in setting up their business is a further indication of the relatively low conditions of entry in some types of enterprises of the tourism industry and the lack of financial help from the public sector. More than 80 percent of entrepreneurs in all sectors, apart from accommodation, used their own savings as the main source of capital, and a smaller share (ranging from 4% to 26%) used bank loans and inheritance. In the accommodation sector, private capital was used by 80 percent of hoteliers, although finance was also commonly provided through a bank (82%). As a result, it can be assumed that financial help has been provided for the construction of AEs, while the other types of enterprises have not received any significant help. This might be attributed to the need for high capital investment for the construction of AEs that most of the time is not easy to obtain without support from the state, whereas the capital required for the establishment of the other types of enterprises is much lower that can be invested individually.

Table 7.9: Source of capital by sector

	AEs %	TA/CRs %	CEs %	Tourist Shops %	Total %
Own Savings	80	84	86	94	85
Inheritance	20	16	4	12	14
Bank Loan	82	26	18	9	39
Private Loan	2	3	4	0	2
Total (N = 141)	184	129	112	115	140

Note: responses do not add up to 100%, due to multiple answers.

7.2 KEY CHARACTERSISTICS OF OWNERS/MANAGERS

Before any presentation of the key characteristics of owners/managers takes place, it is necessary to refer to the statistical measures used to identify differences in their characteristics and perceptions. As previously, to identify enterprise characteristics, three independent variables were used: location, sector and size of AEs, the same variables will be used to identify differences in owners'/managers' perceptions and characteristics. As statistical measures between one nominal and one ordinal or nominal variable χ^2 tests and Cramer's V were used, and for two ordinal Spearman's ρ correlation coeficient. The results of these tests are shown in Appendices O and P.

To compare statistical significance between an independent (ordinal or nominnal) and an interval variable ANOVA tests were used. Tables Q1 to Q3, in Appendix Q, show the results of the ANOVA tests. The Figures Q1 to Q3, in Appendix Q, illustrate diagrammatically the mean scores of the three independent variables. The numbers on the horizontal axis are the statement numbers. The Figures are divided into sections (I-IV) which correspond to role of tour operators, impacts of tourism, development options and satisfaction from business income. There is a corridor of uncertainty between 2.5 and 3.5 as respondents may tend not to want to provide answers at the extreme ends of the scales.

7.2.1 Position of respondents

The business survey was addressed to the managers or owners of enterprises. As Koufopoulos and Morgan (1994) suggest, in most private enterprises in Greece, management consists of family members who both own and manage the company. Moreover, in this survey, the proportion of owners among the respondents was higher (69%) compared to managers (31%). As Table 7.10 indicates the tourist shops and the CEs had higher percentages of owners within the respondents (approximately 89%), although the percentage of owners was lower (56%) for the AEs, with the lowest (53%) for the TA/CRs (Cramer's V = .364). There was also a quite strong positive association (Cramer's V = .749) between position of respondents and size of AEs, with 95 percent of respondents from small AEs being the owners, although the percentage was lower (62%) for medium-sized AEs and the lowest (6%) for the largest ones (Table 7.10). As previously Buhalis (1995) suggested the management of small tourist enterprises in Greece is undertaken by the owner and his family, although larger enterprises tend to employ experienced managers. The accommodation sector has been influenced by legislation, since AEs of greater than C' category and more than 200 rooms, are required by law to employ a qualified manager, when the owner does not have the educational background to manage the unit.

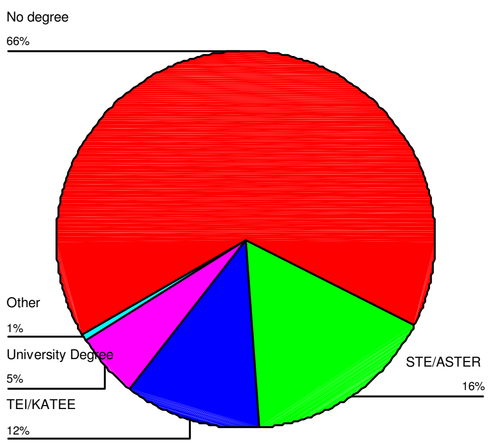
Table 7.10: Position of respondents

	Owner %	Manager %
Sectors:		
Accommodation	56	44
TA/CRs	53	47
CEs	89	11
Tourist shops	88	12
Total survey (N =146)	69	31
Size of AEs:		
Small	95	5
Medium	62	38
Large	6	94
Total AEs (N = 52)	56	44

7.2.2 Tourism education and work experience

The survey has also given attention to the educational background of owners/managers and as the results indicate, tourism education was not an important pre-condition for entry into the tourism industry, since 66 percent of owners/managers did not have any tourism-related education (Figure 7.1). Among owners/managers with a degree in tourism, 16 percent had studied for a minimum of six months to a maximum of three years at a School of Tourism Enterprises (STE/ASTER) run by the HNTO, 12 percent at a Technological Educational Institute (TEI/KATEE) for 3.5 years and only five percent had obtained a university degree.

Figure 7.1: Tourism education



A cross-tabulation of educational background with sectors (Cramer's V = .357) indicates a higher proportion of owners/managers (56%) within the accommodation sector having tourism-related education, while only 31 percent or fewer of owners/managers within the other sectors having received a degree in tourism, with the lowest (15%) for the tourist shops (Table 7.11). Obviously small enterprises do not require an educated manager or owner to run the business. This is evident in the accommodation sector, where a moderate positive relationship exits (Spearman's ρ = .470), with owners/managers of larger establishments being more likely to have a degree in tourism, compared with owners/managers from smaller establishments. Testing to location did not reveal any relationship.

Table 7.11: Owners/managers with tourism education

	No degree %	Tourism Degree %
Sectors:		
Accommodation	44	56
TA/CRs	69	31
CEs	79	21
Tourist shops	85	15
Total survey (N = 146)	66	34
Size of AEs:		
Small	68	32
Medium	50	50
Large	12	88
Total accommodation sector (N = 52)	44	56

Another question concerned the years worked by owners/managers within the business. The majority (71%) of owners/managers joined the business from 1988 onward. As shown in Table 7.12, significant associations (quite weak) were found between the year that owners/managers joined the business with location of enterprise (Cramer's V = .245) and size of AEs (Spearman's ρ = .297). Approximately 40 percent of owners/managers from enterprises in Heraklio and Lassithi had joined the business before 1987, although the percentage was lower for owners/managers from the enterprises located in Chania and Rethymno (10% and 19% respectively). This can be explained in conjunction with the finding that the majority of enterprises located in the Prefectures of Heraklio and Lassithi were established earlier compared to the other two Prefectures. On the other hand, 47 percent of owners/managers of small establishments joined the business before

1987, although the percentage was lower (23%) for owners/managers from larger establishments. Obviously, since the vast majority of respondents from small units were the owners they may be the founders of the unit, although many of the respondents, mainly managers, from the larger establishments, might have moved from another business. Type of enterprise did not show any significant statistical association.

Table 7.12: Working years within the business

	Before 1987 %	1988-1992 %	After 1993 %
Prefecture:			
Chania	10	45	45
Heraklio	41	29	29
Lassithi	40	18	42
Rethymno	19	50	31
Total survey (N = 146)	27	36	33
Size of AEs:			
Small	47	33	20
Medium	40	40	20
Large	23	18	59
Total accommodation sector (N = 52)	36	31	33

Although one third of respondents joined the business after 1993, they might have acquired relevant skills through previous work experience, since 34 percent had been working in the tourism industry for between 7-12 years and 23 percent over 19 years. Only 23 percent have been working for less than six years. Industry experience amongst those responding ranged from one to 34 years, with an average of 12.1 years. No statistically significant association exists between years working in the tourism industry and any of the three groups.

7.2.3 Length of residence

The literature suggests that expatriate management, workforce and ownership of tourist enterprises increase the leakage of money out of the local economy. Therefore, a main concern of the business survey was to investigate the geographical mobility of owners/managers in order to identify the degree to which the tourism industry attracted investors and/or workforce from outside the island. The percentage of in-migrants in the business survey was 35 percent.

Owners/managers moved to the island on average 15.8 years ago, with the longest 35 years ago. Almost half of the owners/managers had moved to Crete from Athens indicating that the largest city of Greece has played a significant role in the ownership/management of the tourism industry in the study areas. However, slightly over 20 percent of owners/managers have moved to the island from other Greek regions, and the remainder from abroad, mainly Germany and USA. This influx of in-migrants can be attributed to the Greek government's development policy since 1960, which used tourism as a tool for re-habitation, and encouraged the return of emigrants who migrated between 1961 and 1971 to other large urban cities of Greece and abroad (Kousis, 1984; Eurostat, 1994).

As Table 7.13 shows, there is only one significant association between Prefecture and owners/managers life-long residence (Cramer's V = .249), with Heraklio having the highest proportion (82%) of life-long residents among owners/managers, followed by Chania (71%). The Prefectures of Lassithi and Rethymno had a smaller share (55% and 53% respectively). It was evident that because the Prefectures of Heraklio and Chania have a higher population size, there was a higher availability of entrepreneurs to invest and managers to work in the tourism industry, compared to the other two Prefectures, where the population density was lower. As a result, the Prefectures of Lassithi and Rethymno had to attract a higher proportion of expatriate management and outside investors to their tourism industry. Sector of activity and size of AEs did not represent any significant statistical association with length of residence.

Table 7.13: Owners/managers life-long residence in Crete

	Yes %	No %
Prefecture:		
Chania	71	19
Heraklio	82	18
Lassithi	55	45
Rethymno	53	47
Total survey (N = 146)	65	35

The business survey reveals that the tourism industry has acted as a magnet for the attraction of a significant number of owners/managers, since the most frequent reason given by owners/managers for their choice to live in Crete was business creation and/or employment opportunities (43%). Additional reasons mentioned were repatriation/in-migration (31%), family reasons (16%) and other reasons (10%), such as ‘I liked Crete’, ‘Cretan weather’ and ‘Cretan way of life’.

Length of residence is negatively correlated with AEs size (ρ = -.310). As establishment size increases, the proportion of owners/managers who had lived longer on the island decreases. More specifically, the smaller sized AEs had a higher percentage of respondents (79%) having lived all their life in Crete, although the percentage was 50 percent and 47 percent respectively of respondents from medium and large AEs (Table 7.14). Since the vast majority of respondents from large AEs were managers and small businesses owners, it can be assumed that large AEs have attracted expatriate management, although smaller AEs are usually owned by life-long residents (locals). These findings are similar to the findings of studies in Bali, Indonesia (Cukier, 1996) and in Samui, Thailand (Kontogeropoulos, 1998). Location and sector did not represent any significant association with length of residence.

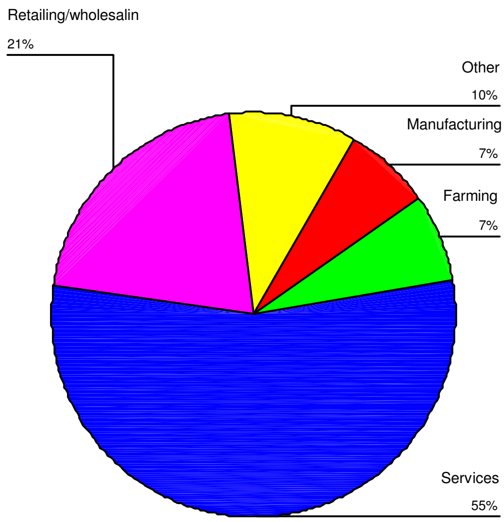
Table 7.14: Length of residence

	15 years or less %	16 years + %	All life %
Size of AEs:			
Small	10	10	79
Medium	12	38	50
Large	41	12	47
Total accommodation sector (N = 52)	21	19	60

7.2.4 Employment background

As earlier studies have shown, (e.g. Peppelenbosch and Tempelman, 1989; Kontogeropoulos, 1998), very often residents leave their traditional occupations for employment in the tourist industry, since tourism employment is perceived as more glamorous. As a result, rural areas are being abandoned and the coastal tourist areas are becoming overcrowded. In order to investigate the level of workforce attracted from other industries, Figure 7.2 summarises the occupations of owners/managers before starting work in the tourism industry. Most residents (60%) had never worked in any other industry or they were housewives or students in full-time education before being employed in tourism. As a result, since the majority of owners/managers were not involved in any other activity before being employed in tourism, it can be assumed that, if the tourism industry of the island had not expanded, many owners/managers would be unemployed, given that employment in any other sector is limited on the island. Among the owners/managers who had left their previous occupation for employment in tourism, the tourist sector drew workforce from services (55%), retailing/wholesaling (21%), manufacturing (7%) and farming (7%).

Figure 7.2: Previous occupation of owners/managers



From a series of cross-tabulations between previous occupation of owners/managers and the three groups, only one significant statistical association was recorded with size of AEs (Cramer's V = .347). The majority of small AEs have attracted their workforce from services (47%), although the vast majority of respondents from medium and large AEs did not have any other profession (Table 7.15). It might be assumed that respondents from small AEs (who were mostly owners) were stimulated by the low barriers of entry in the tourism industry (Shaw and Williams, 1988), since the establishment of some types of tourist enterprises does not demand high capital investment to create employment

(Mings, 1969; Brown, 1985; Culpan, 1987; Hall, 1994), and experience and education are not pre-conditions for ownership in the tourism sector (Shaw and Williams, 1988). Consequently, since the tourist sector in Crete is considered an easy source of income (Herzfeld, 1991), they might have decided to leave their employment in services, or after retirement to invest in a small accommodation unit.

Table 7.15: Previous occupation

	None %	Services %	Other %
Size of AEs:			
Small	26	47	26
Medium	81	13	6
Large	71	18	12
Total accommodation sector (N = 52)	58	27	15

7.3 KEY CHARACTERISTICS OF RESIDENTS

Table 7.16 presents the socio-demographic characteristics of the residents who participated in the survey and the socio-demographic characteristics of the Cretan population taken from the last census. As Table 7.16 suggests, it is difficult to make any comparisons for the representativeness of the sample because of limited official data. Even when data exist they are too old, dating from the 1991 census, or they are concerned with the whole island and not only the areas under investigation.

Table 7.16: Socio-demographic characteristics of the sample

	N	Sample %	Census 1991 %
Gender:			
Male	114	59	50
Female	80	41	50
Age:			
18-24 years (for census 16-24)	35	18	17
25-34 years	55	29	26
35-44 years	40	21	23
45-54 years	36	19	17
55+ years	24	13	16
***Education*:**			
No formal education	2	1	16
Elementary school	22	11	44
Middle School	19	10	11
High School	76	39	17
TEI/KATEE	23	12	2
University degree	36	19	5
Postgraduate degree	5	3	*
Other	11	7	5
***Income*:**			
Less than 3,000,000 GRD	103	53	
3,000,001-6,000,000 GRD	72	37	
6,000,001-9,000,000 GRD	11	6	N/A
9,000,001-12,000,000 GRD	4	2	
Over 12,000,000 GRD	4	2	
Employment Status			
Employed	150	78	
Retired	16	8	
Unemployed	7	4	N/A
Homemaker	8	4	
Student	12	6	
Type of Employment			
Professional/technical	21	13	11
Managerial/administrative	15	9	1
Services	34	21	12
Clerical	21	13	9
Sales	29	18	9
Manual trades	30	19	55
Other	9	6	3
Length of Residence			
Life-long	141	73	
16 or over	31	16	N/A
15 or less	22	11	

* **Less than 1%.**

Note: Percentages do not always total 100% due to rounding

Gender: The sample obtained in this survey over-represented the male segment (59%) of the total population, proportionally to the last census. This may have been influenced by the higher freedom of Cretan males to open their doors and talk to a foreigner compared to females.

Age: The majority (29%) of residents belonged in the 25-34 age group, followed by 21 percent in the age group 35-44 and 19 percent in the group 45-54. The group over 55 had the lowest proportion of respondents (13%). There is a difficulty for comparisons, because the census has an age group of 16-19, although the questionnaire was addressed to residents of 18 years or above. However, it can be said that the younger age segments are slightly over-represented and the older slightly under-represented, possibly as older aged Cretans do not respond to interviews and younger population has a higher interest in tourism.

Educational background: The resident survey enquired as to the highest level of education achieved. The population was quite well educated, with approximately more than one third of residents having a TEI/KATEE or university degree and almost four out of 10 having finished high school (12 years in education). Only one percent of residents had no formal education, 11 percent had completed elementary school (six years in education) and 10 percent had completed middle school (nine years in education). When this distribution is compared with that of the census data, it is seen that the sample under-represents the less-educated groups (no formal education and elementary school) while over-representing those with a degree. This was not unexpected for the reason that the survey was undertaken in the urban centres of the island where the most educated people live. Therefore, if the rural areas of the island had been included in the survey, the results may have approximated the census.

Income. The population was low-income since more than half of respondents had an income of less than 3,000,000 GRD and 37 percent an income of 3,000,001 to 6,000,000 GRD. On the other hand, only one respondent out of 10 had an income of over 6,000,000 GRD. No comparison with official statistics is possible because of a lack of data.

Employment: 78 percent of respondents were employed, eight percent retired, six percent students, four percent homemakers and four percent unemployed. NSSG (1999) estimated the unemployment rate as a percentage of the total workforce for 1997 to 4.8, identical to the results of the survey, when unemployment rates are calculated as a percentage of employed respondents. Among the employed, 26 percent were engaged in the tourism industry, 12 percent in hotels and 14 percent in other tourism-related organisations. Regarding employment in non-tourism organisations, 26 percent were employed in a service organisation, 20 percent in a government/public organisation, 16 percent in retailing/wholesaling and 11 percent in construction/manufacturing/farming. Of those actively employed, 21 percent listed their jobs as services, 19 percent manual trade, 18 percent sales, 13 percent clerical, 13 percent professional/technical and nine percent managerial/administrative. No reliable comparison of respondents' employment with official data is applicable, since the most recent data again dates from 1991 census. However, since then the island's service sector and mainly the tourism industry, has been expanded rapidly, (e.g. from 1991 to 1997 arrivals on charter flights have increased by 51%), and consequently the number of tourist employees has increased. Additionally, as mentioned above, the census data relate to the entire island, although the residents' survey was undertaken in the four major urban centres. As a result, residents engaged in services and sales are over-represented and employment in manual trades is under-represented.

Length of residence. The largest single concentration of individuals (73%) had lived all their life on the island. In the life-long residence category are included respondents with absence from the island for military service or studies, due to the short duration and compulsory character of the movement. On the other hand, 11 percent had resided on the island for 15 years ago or less and 16 percent over 15 years. On average, they moved 19.2 years ago with the longest 48 years ago. As previously the majority of owners/managers had moved to the island from Athens, so was with residents that 60 percent were living in Athens before coming to the island. The remainder (25%) came from other Greek regions and 15 percent from abroad. The major reasons mentioned for moving to the island included: family reasons (40%), repatriation/in-migration (26%) and employment/business opportunities (23%). The percentage of residents in the four cities that came to the island for employment/business opportunities was lower compared to owners/managers, indicating that on average the tourism industry attracted more in-migrants compared to the other sectors.

As Chapter Three highlights, different socio-demographic and other related groups of the population perceive differently tourism impacts. In an attempt to examine differences in perceptions among residents belonging to groups with different demographic and socio-economic characteristics, respondents were divided into the following seven sub-groups (independent variables):

1. City of residence: namely Heraklio (N=55), Chania (N=50), Rethymno (N=50) and Agios Nikolaos (N=36);
2. Length of residence life-long residents (N=141) and newcomers (those who moved to the island from another region) (N=53);
3. Gender: males (N=114) and females (N=80);
4. Age: from 18 to 30 years old labelled as young-aged (N=70), from 31 to 44 labelled as middle-aged (N=60), and over 45 labelled as old-aged (N=60);
5. Educational achievement: those with 11 years or less education, labelled as less-educated (N=43), those with 12 years education labelled as medium-educated (N=81) and those with over 12 years education, labelled as highly-educated (N=70);
6. Employment reliance on tourism: residents that their job has not been affected at all by tourism, labelled as non-reliant (N=87), and those that their job has been affected from very little to very much, labelled as reliant (N=106);
7. Income: those with an income of 3,000,000 GRD or less, labelled as low-income (N=103), and those with an income of over 3,000,000 GRD labelled as high-income (N=91).

Using the above subgroups as independent variables, χ^2 together with Cramer's V tests were performed for one nominal and one nominal or ordinal variable. The results of the χ^2 and Cramer's V are shown in Appendix R. To compare statistical significance between one of the above independent variables and one interval variable t-tests (when the independent had 2 groups), and ANOVA tests (when the independent had more than 2 groups) were performed. Tables S1 to S7 in Appendix S show the results of the t and ANOVA tests. The Figures S1 to S7 in Appendix S illustrate diagrammatically the mean scores of the groups. The numbers on the horizontal axis are the statement numbers. The Figures are divided into sections (I-V) which correspond to social, economic, environmental, overall impacts of tourism and development options.

7.4 CONCLUSION

The findings of the survey suggest that tourism enterprises in Crete are small or medium-sized, independent and they do not belong to any group. Exception to this, were some of the large AEs. The majority of entrepreneurs established their business after 1986, perhaps due to incentives given by the law 1262/1982 and the evolution of mass tourism. However, regional differences were found with almost half of the enterprises in the Prefecture of Heraklio and Lassithi having been established before 1986, indicating that these areas have an older tourism industry. The vast majority of enterprises received more than 60 percent of their turnover from international tourism, indicating their dependence on foreign markets. The entrepreneurs relied heavily on personal rather than institutional capital, a process facilitated by low entry requirements in terms of capital, in the tourism industry. In contrast, quite a high number of AEs and a lower number of TA/CRs relied apart from personal savings, on bank loans. Finally, AEs charged higher prices for independent tourists for all seasons, although prices were higher during the high-season for both organised and independent tourists.

The majority of respondents within the business survey were owners. An exception was the accommodation sector, mainly the large establishments and slightly more than half of travel agencies/car rentals, where the respondents were the managers. Most owners/managers did not have any tourism-related education, although they had work experience, since almost 80 percent had worked in the tourism industry for more than seven years and 67 percent had joined the business before 1992. The majority of owners/managers were locals with the exception of approximately half of the respondents in the large and medium sized AEs. Undoubtedly, tourism in Crete has eliminated the migratory patterns of the past and attracted in-migrants from other Greek areas and abroad. Among the owners/managers who were previously employed in another industry, the majority were drawn from services.

On average, the majority of residents were well-educated and of a low-income, had lived on the island all their life and slightly more that half had a reliance on tourism employment. Attempts to test the representativeness of the sample were unsuccessful because of a lack of official data for the study areas.

After the presentation of the key characteristics of enterprises, owners/managers, and residents, the next two chapters further investigate the outputs and outcomes of tourism development on the island and the perceptions of the local community of tourism development.