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Baikuntha P. Acharya

PhD Candidate, University of Alberta, baikunth@ualberta.ca

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Applying the Tourism Area Life Cycle and Small Tourism Enterprises' Growth Cycle Models to Explain Communities' Sustainability

Submitted by:

Baikuntha Prasad Acharya, PhD Candidate (Email: baiku.acharya@ualberata.ca)

&

Elizabeth A. Halpenny, PhD (Email: Elizabeth.halpenny@ualberta.ca)

Faculty of Physical Education and Recreation

University of Alberta

University Hall, Van Vliet Complex

Edmonton, Alberta, T6G 2H9 Canada

Contribution of the paper to the conference theme

The TTRA-Canada Annual Conference this year has the theme of "Animating places: Making destinations come alive through research", and it expects to advance further insights that are instrumental to understand the development of tourism industry. This paper contributes to the conceptual aspect of the theme of 'product development'. Destination is also an integrated form of product, and this study is proposing two life cycle models to understand the progression of destinations in relation to sustainability. The paper will contribute to scholarly efforts to investigate the sustainability of community tourism development issues.

Key words: Tourism area life cycle, small tourism enterprises growth cycle, sustainability, rural communities, Nepal

Enquiries should be addressed to Baikuntha Prasad Acharya

Introduction

Butler's (1980) Tourism Area Life Cycle (TALC) model and an adapted version of the Small Tourism Enterprises Growth Cycle (STEGC) model are used to frame the examination of two rural community-based destinations. The models are being used to examine the sustainability of the communities. First, the TALC model is used to assess the progression phase of the destinations, whereas the STEGC is applied to identify the stages of the small businesses. The sustainability of the communities, including the small tourism enterprises (STEs), are examined using the indicators related to economic, cultural, environmental, and management related indicators (Choi & Sirakaya, 2006; Robert & Tribe, 2008; Park & Yoon, 2011). The explored sustainability features are later compared with the attributes of the assessed TALC and STEGC stages of both communities. This is a paper-in-progress based on the lead author's doctoral research conducted in two small destinations, Ghandruk and Ghalegaon, in the Nepalese Himalaya.

Literature Review

Key concepts focused on in this paper are the integration of the TALC and STEGC models to examine the sustainability of the destination communities and tourism enterprises therein. Additionally we explore whether one model can be used to inform the other and vice versa.

Sustainability in tourism literature is widely discussed yet a fluid topic. Choi and Sirakaya (2006) and Park and Yoon (2011) have examined economic, social, cultural, environmental, political, and technological dimensions to measure impacts of tourism on communities. Small tourism businesses' sustainability indicators have traditionally focused on management systems, service quality, facility characteristics, and outcome dimensions (Robert & Tribe, 2008). In the context of sustainable development, tourism's impacts on quality of life is also important because it determines economic, psychological, social, and political effects on communities (Budruk & Phillips, 2011; Perdue, Sirgy, & Uysal, 2012; Kim, Uysal, & Sirgy, 2013).

TALC (Butler, 1980) is one of the most widely discussed, accepted and applied (Lundtorp & Wanhill, 2001) conceptual and explanatory framework for analyzing the historical progression of tourism destinations (Buhalis, 2000). Cooper (1997) offered a guiding framework for the implementation of sustainable tourism at the destination by integrating strategic planning with the TALC. Butler (2006) himself discussed the predictive quality of TALC, and suggested that planners and managers can use TALC indicators to assess the sustainability of a destination and plan for its positive evolution. In a Malaysian context, Omar, Othman and Mohamed (2014) highlighted the use of TALC in planning so that positioning of a destination can be directed in sustainable and responsible ways.

There are ample studies and models suggested for describing the independent growth cycle of small enterprises. While these models differ in the number of stages and life cycle characteristics, there seems to be agreement that businesses at some point are born, grow and develop, and later die or renew (Lester, Parnell, Crandall, & Menefee, 2008). Miller and Friesen (1984) did a longitudinal study of organizations' life cycle and included revival and decline in the stages. Churchill and Lewis' (1983) model was more focused on financial aspects such as cash flow and revenue generation. Kazanjian and Drazin's (1988; 1989) model examined products innovation, development and market expansion. Scott and Bruce's (1987) model was focused on structure, organization and market channels development. Synthesizing from these, an adapted model is proposed selecting characteristics and stages that best fit to the Nepalese

context. The proposed STEs' growth cycle framework pattern fits with TALC's pattern of development which makes it feasible to compare TALC's and the STEGC's descriptions of a destination and its enterprises.

Methods

This is a conceptual paper that builds on empirical data collected from the two communities together with extensive literature review, and critical interpretive analysis of the attributes of the proposed models. A multi-case study conducted in Ghandruk and Ghalegoan, Nepal is reported on. These tourism-focused hamlets are inside but distant to each other in the Annapurna Conservation Area, Nepal. A mixed-method approach of data collection was used which included: 1) tourists' survey, 2) household survey, 3) in-depth interviews, 4) focus group discussions, 5) observations, and 6) document analysis. Three different field visits were done during October, 2014 to March, 2015 to each site.

SPSS version 21 is used for the quantitative data analysis. Detailed field-notes, audio-recordings, and transcripts were simultaneously analyzed by assigned codes, categories and themes (Mayan, 2009). The process of exploring how the TALC and STEGC inform each other and explain the sustainability of the respective communities is underway. For this, first, a thematic analysis that organizes and describes the data by identifying, analyzing and reporting patterns or themes within data will be conducted for the sustainability features and respective TALC and STEGC assessed stages of the communities. Once patterns and themes are identified they will be compared with each other.

Discussions and Findings

The relationship of TALC to sustainable development is implicit in the title of Butler's original article (1980) '*The concept of a tourist area cycle of evolution: Implications for **management of resources***'. The emphasis on 'management of resources' arguably hints for sustainability. However, the model is yet not clearly used as a paradigm to explain destination communities' sustainability. Tourism enterprises in a destination are considered the fundamental entities of tourism supply system. The STEGC framework also characterizes sustainability attributes, mainly related to management, operations and performances dynamics. Most tourism studies have used the notion of TALC and have examined the destination as a homogenous unit embedding the tourism enterprises within. The destination and the businesses in a destination may not necessarily follow the identical life cycle, and examining sustainability through the separate lenses the models will provide will contribute a more holistic understanding of community sustainability related to tourism. Additionally each models' findings will inform the others' utility. The data interpretation of this study is underway, and detailed results will be discussed at TTRA Canada 2016 in Edmonton.

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