

Destination Life Cycle of Beach Shacks and Profits earned in each Stage

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Abstract

The Destination Life Cycle concept explains how a destination, resort, or a product develops over time and the successive stages it passes through. It also identifies the present stage a destination, resort or a product lie in its life cycle. The paper aims at identifying the stage of the Destination Life Cycle beach shacks lie at present in the State of Goa based on five selected parameters. It also evaluates the profitability of shacks in each stage of the destination life cycle. Beach shacks in the State of Goa are seasonal restaurants, located on the beach, serving food and beverages to the tourists. The study is quantitative in nature, based on a random sample of 250 shacks from a population of 400, collected during the months of October 2018 to May 2019 using structured questionnaire. The statistical tools used are Additive Point's scoring technique and one-way ANOVA. The findings indicate that beach shacks lie in the Development Stage of the Destination Life Cycle and are earning the maximum profit in its Stagnation Stage.

Keywords: Beach shacks, destination life cycle, additive point's scoring technique, profitability, parameters

Introduction

Goa, a tiny State of India in terms of land area, is located on India's west coast in the Konkan region. It is bounded by Maharashtra to its north, Karnataka to its south and east and the Arabian Sea to its west. Spread over an area of 3702 square kilometers, the state has a population of 1458545, as per the 2011 population census. It has a vast coastline of 125 kilometers out of which 83 kilometers comprises of beautiful, clean and white sandy beaches of varying lengths and shapes. The state has an amazing hot and humid climate all through the year. Goa, a beautiful natural place, nature's gift to all, has a unique Portuguese-influenced culture and has all the ingredients to make the state a tourist paradise. Tourists are seen visiting Goa throughout the year.

Tourists visit Goa mostly for its beaches (**Dayanand, 2004, Fernandes, 2015, and Nadaf, 2020**) and to enjoy the pleasant weather throughout the year. There are forty-two clean, fabulous and white sandy beaches in Goa which are characteristically different and are preferred by the tourists (**Department of Tourism, Government of Goa, 2017**). Tourists also visit

Goa because of the water-sports facilities, dams, lakes, rivers, museums, forts, spice plantations, wildlife sanctuaries, world-famous churches, architectural temples, cuisines and most importantly the hospitable nature of its people. During the monsoon, tourists visit the state mostly to enjoy the green countryside and waterfalls.

Goa has one of the best tourism infrastructure facilities in the country to support the increasing number of tourists flocking to the State every year. It has one international airport at Dabolim known as the Goa International Airport where a number of international flights land with foreign tourists each year. The state also receives a large number of international charter flights from Europe with foreign tourists during each tourist season. During the years 2018-19 and 2019-20 Goa received 1599 and 813 charter flights with 420503 and 218776 tourists respectively (**Government of Goa, Department of Tourism - Statistics – 2020**).

The State has a well-developed and centrally located sea-port at Mormugao where cruise ships from foreign countries arrive with foreign tourists every year. During the year 2018-19,

forty cruise ships arrived in Goa, bringing in 70,000 rich and high spending foreign tourists (**Government of Goa, Department of Tourism – Statistics – 2019**). The State also has a well-developed rail and road network connecting it to each and every corner of the country, which encourages a large number of domestic tourists to visit the State throughout the year.

Another basic infrastructure facility tourist's need while on a tour is accommodation. Goa offers tourists various kinds of accommodation as per their budget, some of which provide their patrons with food as well. Tourists in Goa can stay in hotels, guest houses, villas, apartments, flats, cottages, resorts, and lodges. Tourists, depending upon their taste, preference, and budget can either book a simple and comfortable room at a guest house or a hotel or they can opt for a large, spacious and luxurious room or suite in a five-star hotel in Goa. However, most of the hotels and guest houses in Goa are located at a distance from the beach and are costly (**Routledge, 2000**). Also, some tourists find it difficult to get reasonable accommodation in hotels, especially during the peak tourist season, due to the increasing number of tourist arrivals in the State (**Barretto, 2021**). Therefore, as an alternative to hotels and guest houses, Goa offers tourists' beach shacks which are located close to the beach providing delicious, cheap and home-cooked food along with beverages. Further, to satisfy the accommodation needs of the tourists during the peak season, shacks located on private properties at a few specified locations in Goa have been allowed to provide reasonable accommodation to the tourists since the year 2010-11 by the Department of Tourism.

Shacks are vital for the economy of the State as a large number of Goans depends on the shack business for a living. Although they had closed down their business early in the year 2020 due to the COVID-19 pandemic they are all back in business from November 2021 in the state of Goa. Shacks provide employment to the people and revenue to the State Government in the form of taxes (**Sathish et al, 2018**). Therefore, there is a need to identify the present stage of the Destination Life Cycle beach shacks lies in the State of Goa so that sufficient precautions could be taken by the stakeholders to avoid the Decline Stage. It is in this environment the study is undertaken to identify the stage of the

Destination Life Cycle beach shacks in the State of Goa lie. The study also analyzes the profit earned by shacks in each stage of the Destination Life Cycle.

Meaning of Shack

A shack is a hut, cabin, shanty, room, or any similar enclosed structure for the use of a particular person. The simple dictionary meaning of a shack is "a small, poorly built room or a roughly built hut or cabin which can be used as a space for shelter". It is a simple house or a dwelling where a person can live with his family until his permanent residence is ready. The Collins English dictionary meaning of a shack is "a small and simple hut made from pieces of metal, tin, wood or other temporary materials". In Australian English, the term 'Shack' refers to "a tiny holiday home with limited amenities", in reference to the fact that it might not contain running water or power. The Oxford dictionary meaning of a shack is "a small cabin or house or shanty that is crudely built and furnished."

In many countries around the world and in a few states in India, Shacks are permanent restaurants providing food and accommodation to travellers throughout the year (**Nair, 2020**). In India, such shacks exist in the states of Assam, Gujarat, Himachal Pradesh, Kerala, Maharashtra, Orissa, and Tamil Nadu. Similar shacks also exist in many countries around the world like Australia, Canada, England, France, Germany, Holland, Maldives, Sri Lanka, and the U.S.A. However, in the State of Goa, shacks are unique and have a completely different meaning. According to **Ballavva T. Naik, (2016)**, a beach shack in Goa is "a temporary structure, located on the beach, just above the high tide line of the sea and serving food and beverages". The noted Goan environmentalist, **Antonio Mascarenhas, (2017)**, defines a beach shack as "a temporary structure, located on the dry beach, sea-ward of the dune and with a setback of three meters from the vegetation line". As per the **Department of Tourism, Government of Goa Beach Shack Policy 2019-22**, a Shack is "a seasonal structure, erected on the seashore, within a distance of zero to five hundred meters from the high tide line of the sea, using locally available eco-friendly materials and serving food and beverages".

Shacks in the State of Goa also provide accommodation to the tourists near the beach by erecting beach huts/rooms around their main structures on private properties, with permission from the local Panchayats, Goa Coastal Zone Management Authority (GCZMA), and the Department of Tourism since the year 2010-11 (Sathish et al, 2018).

Origin of Shacks in Goa

During the early sixties, when foreign tourists, backpackers, or hippies from western countries first started arriving in Goa and spending time along the beaches, hotels and guest houses did not exist anywhere in the State (Fernandes et al, 2016). During this time, local villagers such as fishermen, toddy-tappers and small traders living in the coastal areas of the State gave them shelter, shared meals with them and showed them important places in the state which included churches, temples, and forts. These foreign tourists preferred to live with the locals, where they could share their meals, absorb their lifestyles, learn their culture and then move on to other uninhabited beaches as adventurous travellers (Diniz et al, 2014). According to Fernandes (2016), whenever the local fishermen living in the coastal areas of North and South Goa spotted some foreign tourists on the beach, they used to interact with them and invite them to their hut. Some even used to offer them a room which they had specially erected next to their thatched hut if a situation arose where they needed to accommodate these tourists. Tourists along with the fishermen used to eat the same food cooked by the fishermen's wives because hotels, resorts, guest houses, travel agencies, and other tourism infrastructure did not exist anywhere in Goa at that time. The local fishermen, during their spare time, also used to take these tourists out into the sea for a boat ride or a fishing trip. Soon this hospitality of the coastal communities made Goa an attractive tourist destination all over the world.

In the seventies, some villagers from the coastal areas belonging to the fisherman community and toddy-tappers in Goa, to earn extra income, set up tea, soft drinks, and fresh juice stalls along with small eateries on the beach (Noronha, 1999). They did this by erecting a few small huts or sheds with a table and a few chairs every year as the tourist's season came around. Therefore,

small temporary restaurants, made up of thatched palm leaves and bamboos, selling local food emerged in Goa's coastal villages. Some locals also erected one or two small temporary rooms attached to or next to their houses to cater to the requirements of these tourists. The tourists and the locals mostly interacted on a one to one basis which enabled the locals to understand and meet the needs of the tourists in a better way.

During the eighties, due to promotion of mass tourism by the State Government, the number of tourists' arriving in Goa increased substantially which encouraged the locals to add more items to the menus of their temporary restaurants popularly known as 'Beach Shacks'. These restaurants on the beach then started serving locally prepared snacks, seafood, and other Goan delicacies along with beverages and refreshments.

Later in the nineties, there was a surge in the number of tourist arrivals in Goa which resulted in a higher demand for snacks, refreshments, and Goan food right on the beachfront. The tourists found this reasonable and convenient as they did not have to move away from the beach to refresh themselves. Many locals in the coastal areas of Goa saw a business opportunity in this situation and erected beach shacks and joined others in selling Goan food and drinks on the beach to the increasing number of tourists pouring in from different parts of the world and country.

However, to maintain discipline on the beach and to have control over the number of shacks in each village, the local Panchayats and Municipalities started regulating the shack business by charging a nominal fee to provide permission to erect a shack within their jurisdiction (Barretto, 2020). But, most of the Panchayats and municipal members favoured their own villagers to run this business which resulted in confusion and fights among the shack owners. Also, the number of shacks on the popular beaches of Goa increased tremendously due to higher footfalls. Therefore, to avoid congestion on the beach and to regulate the shack business, the State Government in collaboration with the Department of Tourism came out with a 'Beach Shack Policy' in the year 1997-98. This policy is still in existence today, certainly with few modifications, and requires interested people to file an application to the government for the erection of a particular beach shack. The government then allows the number

of shacks as agreed in its tourism policy to be erected for that particular year by a “Draw of Lots”.

Literature Survey

Each and every hotel, destination, as well as a product undergoes a series of cycles during its lifetime and the Destination Life Cycle concept explains how it has developed over time and the successive stages it passes through (McKercher and Wong, 2021). A considerable extent of research has already been conducted across the world on the concept of Destination Life Cycle. Also, various models have emerged to explain the process of destination life cycle developments over a period of time and the successive stages it undergoes during its lifespan.

In 1963, Walter Christaller, a German geographer observed that destinations develop and changes over time. He said that destinations go through a three-stage cycle of Discovery, Growth, and Decline. George Victor Doxey, in 1972, stated that destinations go through a four-stage cycle of Euphoria where visitors are welcomed, Apathy in which visitors are taken for granted, Annoyance or Saturation Stage where the maximum capacity of visitors is reached, and Antagonism or Decline Stage in which visitors number come down. In 1974, Stanley Plog proposed a Destination Life Cycle model which classifies tourists into three categories. The Allocentric who are self-confident, adventurous, curious and outgoing; the Mid-centric are less adventurous and look out for comforts; and the Psychocentrics are non-adventurous and prefer familiar destinations. He further said that the allocentric tourists first discover a destination, then it experiences growth due to the continuous arrival of allocentric and later mid-centric tourists but as the visitors profile shifts to psychocentric, there's enter the Decline Stage. He also relates the rise and fall of a destination to the psychology of tourists.

In 1980, Richard W. Butler, a geographer, observed that tourism products are delicate and should be handled in such a way that they are always within the limits of their carrying capacities. People generally don't like over-commercialized and congested resorts and

destinations. Butler then in 1980 proposed a theory based on the ideas of Christaller, Doxey, and Plog, which is related to the development of tourism and was adapted from the 1950 marketing concept of Product Life Cycle. The Product Life Cycle Theory has four stages of Inception, Growth, Maturity, and Decline. Butler applied the Product Life Cycle Theory to tourist destinations and observed that most tourist resorts and destinations go through an S-shaped six-stage model called the ‘Tourism Area Life Cycle Model’ (TALC). He further said that tourism resorts mostly start on a small scale and keep on expanding till stagnation occurs.

Butler's TALC Model is based on a single variable about the number of tourist arrivals and its growth and has six stages. It starts with the **Exploration Stage** where adventurous tourists start visiting a destination with no facilities for the public. In the **Involvement Stage**, there is limited interaction between the local population and the developing tourism industry which leads to the provision of only basic facilities. The **Development Stage** is where additional facilities for tourists are developing resulting in an increase in the number of tourists. In the **Consolidation Stage**, the number of tourist increases and more people are depending on tourism for a living. The **Stagnation Stage** is where tourism is at its peak and maximum capacity has been reached. In the **Decline or Rejuvenation Stage**, the number of visitors declines and new strategies are formulated to increase the tourist numbers.

Butler's Tourism Area Life Cycle Model has been cited by many researchers in the world from various disciplines including social science and is popular even today. In 1993, Benedetto et al observed that external factors like fuel shortage caused a temporary decline in the flow of tourists to Florida Cypress Gardens taking them to the decline stage of the Destination Life Cycle. Cooper in 2011 observed that resorts follow a pattern which most of the other products pass through called Life-Cycle. Park, (2006), observed that the island of Jeju in Seoul, South Korea has reached different stages of the TALC with respect to various segments such as Consolidation Stage based on the number of tourist arrivals and tourism income; Growth Stage for travel agencies; and Stagnation Stage for hotel accommodation. However, it is

difficult to determine the life cycle stage of a tourist destination with a number of tourist attractions because each attraction may be in a different stage of its life cycle. **Rodriguez et al, (2008)**, noticed that the island of Canary in Spain has reached the stagnation stage of the Tourism Area Life Cycle Model as it faces problems like overcrowded beaches, decrease in accommodation, traffic jams and damage to unique scenic areas. **Andriotis, (2005)**, observed that the island of Crete has reached the maturity stage of the life cycle model and to avoid the decline stage there is a need to promote an alternative form of tourism like golf courses and improvement of tourism infrastructure. In **2010, Smitha** applied the concept of Destination Life Cycle to Goa as a tourist destination and observed that Goa has not reached the Stagnation Stage of the Destination Life Cycle because the number of tourists visiting Goa increases every year. However, her study was based on secondary data and had two variables as tourist numbers and the average time spent by tourists in the State of Goa.

Butler's TALC model, although originated in the eighties, is popular even today. However, its main criticism is, it is based on the number of tourist arrivals, whose continuous growth at present is difficult to achieve at many tourist destinations around the World. Also, Butler's model has been criticized by researchers as **Breakey, in 2005** realize that destinations simply don't follow the S-shaped life-cycle pattern if different data variables are considered and its growth is not a simple and predictable process. **Zmyslony, (2011)**, observed that the Destination Life Cycle concept merely help us to find in which stage a particular destination lies in the DLC model. Rather, it should have been used to identify the areas of potential risk in the early stages so as to avoid the decline stage.

In all the studies mentioned above, it is observed that tourist destinations can be placed in a particular stage of the Destination Life Cycle based on some parameters or segments or variables. Also, a destination may be in a different stage of the life cycle based on each parameter selected (**Park, 2006 and McKecher et al, 2020**). The various parameters or variables generally used by researchers in their studies on Destination Life Cycle are the number of tourists visiting a destination (**Benedetto et al, 1993,**

Andriotis, 2005, Breakey, 2005, Park, 2006, Zhong et al, 2007, Krendzelak, 2008, Rodriguez et al, 2008, Smitha, 2010, and Omar et al, 2014), visitors spending habits and occupancy levels (**Breakey, 2005, and Park, 2006**), number of overnight stays in hotels (**Krendzelak, 2008, Smitha, 2010, and Zmyslony, 2011**), number of hotel beds available (**Krendzelak, 2008, and Zmyslony, 2011**) and tourism income (**Park, 2006, and Krendzelak, 2008**). Therefore, the Destination Life Cycle concept help to find the stage of the DLC tourism products and destinations lie based on the selected parameters. However, the present study is unique as it also evaluates the profit of beach shacks in each stage of the Destination Life Cycle in the State of Goa.

Scope of the Study

The scope of the study is limited to the State of Goa. Beach shacks located both on government as well as on private properties in the state have been included in the study. Shacks attract a large number of tourists to the state each year and majority of them are foreign nationals (**Sathish et al, 2018**). The present study is unique as it identifies the stage in which Goan beach shacks lie in the Destination Life Cycle, so that sufficient precautions could be taken in future by the stakeholders to avoid the Decline Stage. The study also evaluates the profit of shacks in each stage of the Destination Life Cycle which motivates the shack owners to perform better. The study is based on five parameters namely average numbers of tourist visits; the number of people employed at a shack; the amount spent by tourists per visit, per person at a shack; average monthly profits earned; and average monthly operating expenses of a shack.

Objectives of the Study

The main objective of the present study is to analyze the profit of beach shacks in each stage of the Destination Life Cycle. However, the other objectives of the study are as follows:

1. To identify the stage of the Destination Life Cycle beach shacks presently lie in the State of Goa.
2. To analyze the profits of beach shacks in each stage of the Destination Life Cycle.

Hypothesis

The hypothesis that is framed and tested to accomplish the objectives of the study is:

H₀₁: The destination life cycle stages have no influence over profits of shacks.

Research Methodology

The study is quantitative in nature, based on a random sample of 250 shacks from a population of 400 (**Department of Tourism, Government of Goa, Statistics, 2019**). The data was collected during the month of October 2018 to May 2019 by means of a structured questionnaire. The questionnaire was prepared in simple English language and administered to the respondents at the place of work. A total of 280 questionnaires were personally distributed among the respondents (shack owners). However, 250 completely filled questionnaires consisting of 89.29 percent of those distributed were returned back and accordingly used in the analysis.

The questionnaire was divided into two parts. The first part relates to the personal profile of the respondents and the second deal with the parameters used to measure the Destination Life Cycle for beach shacks. The reliability of the questionnaire was achieved by using Cronbach's alpha statistics and it was found to be 0.859 signifying that the scale used in the study is reliable as the Cronbach's alpha obtained was above the minimum acceptable limit of 0.70 (**Lee Cronbach, 1951**). The face validity of the questionnaire was completed by getting feedback from twelve shack owners (six from each of the two districts of the state), six expert statisticians, five academicians from Goa University, and four officers holding the position of Deputy Directors from the Department of Tourism representing the industry. The analytical tools used are Additive Points Scoring Technique and One-Way ANOVA.

As per the Additive Points Scoring Technique, each of the five parameters adopted in the study has been given point's values or weights from number one to number five. If the sum total of the scores of the weights for a shack based on all the parameters is five (one each) then it will lie

in the Exploration Stage of the Destination Life Cycle. Similarly, if the sum total of the scores of the weights for a shack based on all the parameters is between twenty-one and twenty-five then it will lie in the Stagnation Stage of the Destination Life Cycle. In other words, shacks having a score of one each based on all five parameters will lie in the Exploration Stage. Similarly, shacks having a score from six to ten will be placed in the Involvement Stage. Shacks with a score from eleven to fifteen will be positioned in the Development Stage. Shacks having a score from sixteen to twenty will be placed in the Consolidation Stage and shacks having a score from twenty-one to twenty-five will be positioned in the Stagnation Stage of the Destination Life Cycle. Therefore, the designed scoring technique will have a minimum score of five and a maximum score of twenty-five for each shack.

The parameters used in the study are quantified and expressed in terms of both rupees as well as dollars for each stage based on the literature survey undertaken and the personal experience of the researcher. Further, in this paper the exchange rate of one U. S. dollar is assumed to be equal to Rs. 70 and the dollar value is mentioned in brackets for simplicity and better understanding of each parameter as given below.

a) Exploration Stage. In this stage shacks have an average footfall of twenty tourists per day, employ up to five people, spent an average of below Rs. 40,000 (\$571) per month towards operating a shack, and earn a profit of below Rs. 10,000 (\$143) per month. Tourists in this stage spent an average amount of Rs. 500 (\$7) per visit, per person on food and drinks at the shacks as only basic facilities are being offered.

b) Involvement Stage. In this stage, the average footfalls at the shacks increase from twenty-one to forty per day and they employ from six to ten people, spent an average amount of above Rs. 40,000 (\$571) to below Rs. 80,000 (\$1142) per month towards operating the shack business, and earn a profit of Rs. 10,000 (\$143) to Rs. 25,000 (\$357) per month. Tourists in this stage spent on food and drink an amount from Rs. 500 (\$7) to less than Rs. 1,000 (\$14) per person, per visit as additional facilities are being offered to them.

c) Development Stage. Shacks at this juncture have a daily footfall of forty-one to hundred tourists, employ from eleven to twenty-five people, spent from Rs. 80,000 (\$1142) to less than Rs. 1,50,000 (\$2143)

towards operating the shack business, and earn an average monthly profit of Rs. 25,000 (\$357) to Rs. 1,00,000 (\$1429). Tourists in this stage spent on food and drink an amount of Rs. 1,000 (\$14) to less than Rs. 2,500 (\$36) per person, per visit as numerous facilities are being offered as compared to the previous stages. **d) Consolidation Stage.** In this stage shacks have a daily footfall from hundred and one to hundred and nineteen tourists, employ between twenty-six to twenty-nine people, spent Rs. 1,50,000 (\$2143) to below Rs. 2,00,000 (\$2857) per month towards operating the shack business, and earn an average monthly profit of Rs. 1,00,000 (\$1429) to below Rs. 1,50,000 (\$2143). Tourists in this stage spent an average amount of Rs. 2,500 (\$36) to Rs. 3,000 (\$43) per person, per visit on food and drinks as shacks have become a way of life to many and they enjoy their hospitality. **e) Stagnation Stage.** Shacks at this point have an average footfall of hundred and twenty tourists per day, employ an average thirty people, spent an average Rs. 2,00,000 (\$2857) per month towards operating the shack business, and earn an average monthly profit of Rs. 1,50,000 (\$2143). Tourists spent average Rs. 3,000 (\$43) per person, per visit on food and drinks in this stage as all the facilities provided by shacks are fully utilized.

Significance of the Study

The study is important as it analyzes the stage of the Destination Life Cycle beach shacks lies at present in the coastal State of Goa based on the selected parameters. It will encourage shacks placed in the lower stages of the DLC to focus on increasing the footfalls at the shacks and increase business. Further, it will compel shacks placed in the higher stages of the DLC to take precautionary measures in future to avoid the decline stage. The study also evaluates the profits of beach shacks in each stage of the Destination Life Cycle which enable the shack owners to identify the destination life cycle stage that gives highest profits. It also motivates the shack owners to improve their performance so as to earn maximum profits. The model could be simulated by other researchers in identifying the present stage tourist destinations and products lie around the world in the Destination Life Cycle.

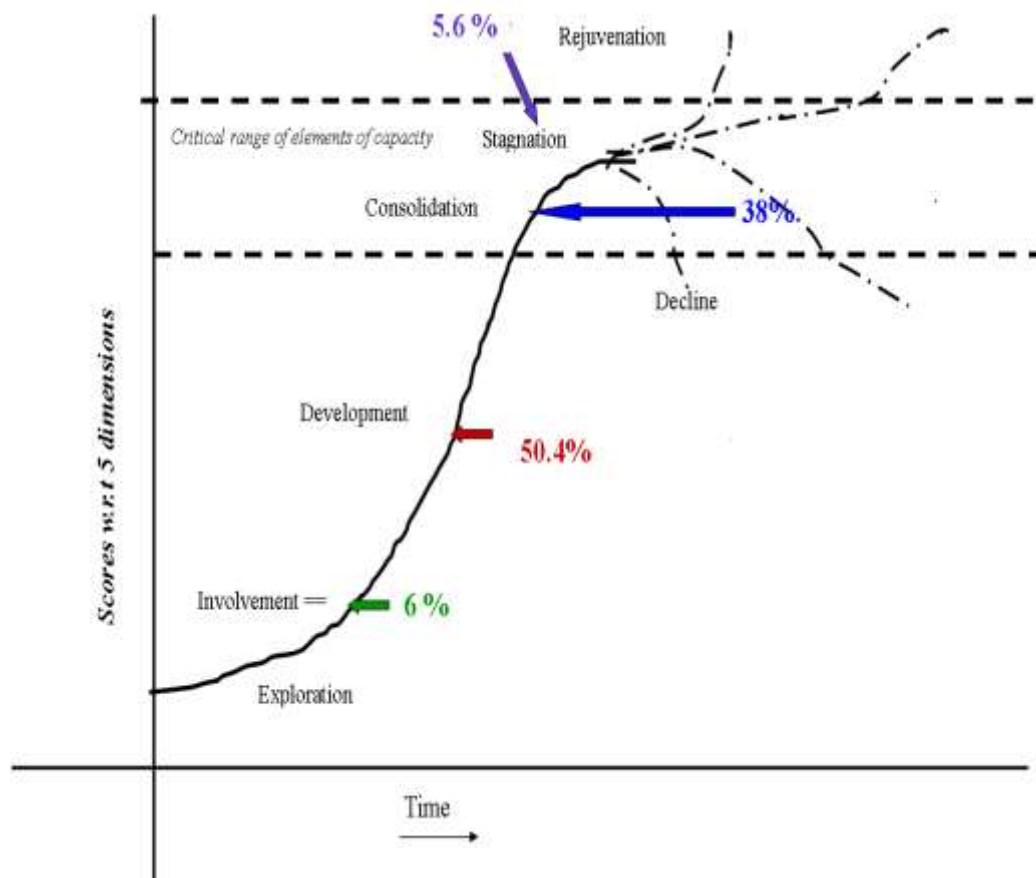
Analysis and Findings

The analysis and findings are divided into two parts. The first part deals with the identification of the Destination Life Cycle stage beach shacks lie in the State of Goa based on five selected parameters and using the scoring technique. The second part deals with the analysis of the Destination Life Cycle stage offering highest average profit to the shack owners in Goa.

Destination Life Cycle Based on all Five Parameters and Scoring Technique

Butler's TALC model is based on the number of tourists' arrivals. But, in the present study, the researcher has considered five parameters and used the 'Additive Points Scoring Technique' to determine the present stage of the Destination Life Cycle beach shacks presently lie in the State of Goa.

Figure No. 1: Stage of Destination Life Cycle for Beach Shacks in Goa With Respect to All Five Parameters



Source: Drawn from Primary Data

As seen in Figure 1, the beach shacks in the State of Goa presently lie in the **Development Stage** of the Destination Life Cycle based on all the five parameters considered in the study as 50.4 percent of the selected shacks are found to be in this stage. Further, it is observed in the above figure that 6 percent of the selected shacks lie in the Involvement Stage, 38 percent lies in the Consolidation Stage, and 5.6 percent lie in the Stagnation Stage of the Destination Life Cycle. However, none of the shacks were found to be in the Exploration Stage (initial stage) of the Destination Life Cycle based on the five parameters considered in the study.

Further, 56.4 percent of the selected shacks have not crossed the Development Stage of the Destination Life Cycle indicating that majority of the shacks in the State of Goa have an average

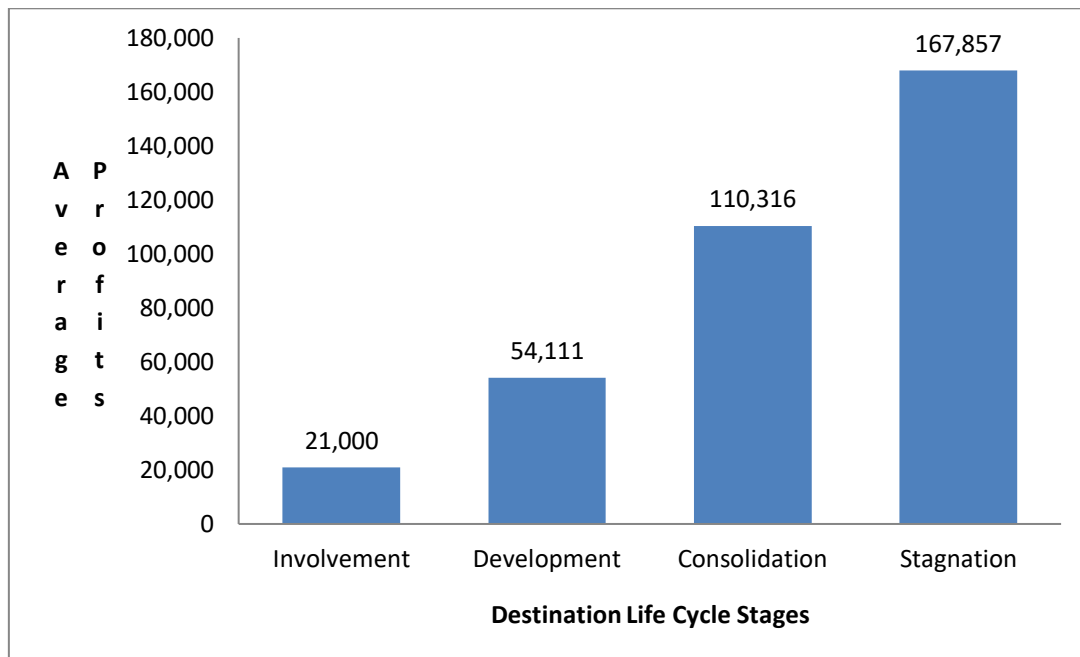
footfall between forty-one to hundred tourists per day, employ between eleven to twenty-five people, spent Rs. 80,000 (\$1142) to below Rs. 1,50,000 (\$2143) towards operating the shack business, and earn an average monthly profit of Rs. 25,000 (\$357) to below Rs. 1,00,000 (\$1429). It is also observed that tourists on average spent on food and drink an amount of Rs. 1,000 (\$14) to below Rs. 2,500 (\$36) per person, per visit, at the shack in the State of Goa.

However, it is noted that 43.6 percent of the selected shacks have already crossed the Development Stage of the Destination Life Cycle and are moving towards the Decline or Rejuvenation Stage which make the stakeholders in the shack business cautious.

Analysis of the DLC Stage Offering Highest Average Profits to the Shack Owners

The figure given below depicts the stage of the Destination Life Cycle that offers the highest average profits to the shack owners in the State of Goa.

Figure No. 2: Average Profits and Destination Life Cycle Stages



Source: Drawn from Primary Data

As seen in Figure 2, beach shacks in the State of Goa earn the highest average profits in the Stagnation Stage of the Destination Life Cycle, as in this stage shacks earn an average profit of Rs. 1,67,857 (\$2398) per month which is higher than the profit earned in any of the other stages of the Destination Life Cycle.

Moreover, beach shacks earn an average profit of Rs. 1,10,316 (\$1576) per month in the Consolidation Stage, Rs. 54,111 (\$773) per month in the Development Stage, and Rs. 21,000 (\$300) per month in the Involvement Stage of the Destination Life Cycle. It also means that the average profits of shacks lying in the Exploration Stage of the Destination Life Cycle should be far below Rs. 21,000 (\$300) per month. However, none of the shacks were found to be in the Exploration Stage of the Destination Life Cycle during the study period which indicates that shacks in the State of Goa earn an

average profit of above Rs. 21,000 (\$300) every month.

Destination Life Cycle Stages and Profit of Shacks

The analysis of profit earned by shacks in the Destination Life Cycle stages have been computed by using One-way ANOVA as given below.

The hypothesis that has been framed and tested for the purpose is as follows:

H₀: The destination life cycle stages have no influence over profits of shacks.

Table No. 1: Analysis of Destination Life Cycle Stages and Profits of Shacks

Destination Life Cycle Stages	N	Percentage	Mean (Average Monthly Profit)	SD	F-test Statistics
Involvement	15	6%	21000	5411.63	F(3,246)= 96.344, P= 0.001
Development	126	50.4%	54111.11	22295.19	
Consolidation	95	38%	110315.79	46829.31	
Stagnation	14	5.6%	167857.14	31666.18	
Total	250	100%	79852	49647.49	

Source: Drawn from Primary Data

The results obtained in Table 1 indicate that a maximum of 50.4 percent (126/250) shacks considered in the study lie in the Development Stage of the Destination Life Cycle in the State of Goa followed by the Consolidation Stage 38 percent (95/250), Involvement Stage 6 percent (15/250) and Stagnation Stage 5.6 percent (14/250) respectively. Further, the shacks that have reached the Stagnation Stage of the Destination Life Cycle are earning the highest average profit of Rs. 1,67,857 (\$2398) per month. The shacks that have reached the Development Stage of the Destination Life Cycle and are earning an average monthly profit of Rs. 54,111 (\$773) each. In the Consolidation Stage, there are 95 shacks earning an average monthly profit of Rs. 1,10,316 (\$1576) per shack and the remaining shacks are in the Involvement Stage of the Destination Life Cycle each earning an average monthly profit of Rs. 21,000 (\$300).

The F-statistics in Table 1 indicates that the profit of shacks in the State of Goa differs significantly across the various stages of the Destination Life Cycle as the p-value is found to be significant at a 5 percent level of significance ($p < 0.05$). Hence, H_0 : The destination life cycle stages have no influence over profits of shacks is rejected. It also means that, the destination life cycle stages have a significant influence over profits of beach shacks in the state of Goa.

Conclusions

The aim of the study is to identify the stage of the Destination Life Cycle beach shacks lie at

present in the coastal state of Goa. The findings indicate that beach shacks lie in the Development Stage of the Destination Life Cycle based on the five selected parameters as majority of 50.4 percent of the shacks considered in the study are found to be in the Stage. It is also realized that, in the near future, the risk for beach shacks in moving towards the Decline Stage is low as 5.6 percent of the selected shacks have not crossed the Development Stage of the DLC.

In Goa 50.4 percent of the selected shacks have an average footfall between forty-one to hundred tourists per day, employ from eleven to twenty-five people, spent from Rs. 80,000 (\$1142) to below Rs. 1,50,000 (\$2143) towards operating the shack business, and earn an average monthly profit of Rs. 25,000 (\$357) to below Rs. 1,00,000 (\$1429). It is also observed that majority (50.4%) of the tourists visiting shacks in Goa spent on food and drink an amount of Rs. 1,000 (\$14) to below Rs. 2,500 (\$36) per person, per visit at the shack.

The study further indicates that 38 percent of the shacks considered in the study are in the Consolidation Stage with an average footfall of hundred and one to hundred and nineteen tourists per day and employ between twenty-six to twenty-nine people. However, just 5.6 percent of the total shacks considered in the study are found to be in the Stagnation Stage. Therefore, the risk for beach shacks in moving towards the Decline Stage of the Destination Life Cycle is presently low. But, to avoid the Decline Stage shacks must control their daily operating expenses, increase sales revenue and maximize profits. Expenses could be controlled through proper accounting and budgeting (Klychova et

al, 2014). However, to increase sales revenue and profits, shacks should offer additional facilities to the tourists like free Wi-Fi, pick-up and drop services, live music at least in the evenings, and exchange of currency on favourable terms for foreign tourists, certainly with the required permissions from the government.

The study further reveals that beach shacks in Goa earn the highest average monthly profit in the Stagnation Stage of the Destination Life Cycle. However, only 5.6 percent of the total shacks considered in the study are found to be in the Stagnation Stage earning average monthly profit of Rs. 1,67,857 (\$2398) whereas, 50.4 percent of the shacks are in the Development Stage earning an average monthly profit of Rs. 54,111 (\$773), 38 percent are in the Consolidation Stage earning an average monthly profit of Rs. 1,10,316 (\$1576) and the remaining shacks lie in the Involvement Stage of the Destination Life Cycle earning the least amount of profit of Rs. 21,000 (\$300) per month. Therefore, beach shacks in the State of Goa earn a substantial amount of profit every year (**Sathish et al, 2017, and Nair, Smita 2020**). Hence, they should be protected as they create self-employment and also provide employment to families living in the coastal areas of the state.

Managerial Implications

Beach shacks in the State of Goa lie in the Development Stage of the Destination Life Cycle and earn the highest average profit in the Stagnation Stage. Therefore, the shack owners have to put in a lot of efforts to take their business from the present Development Stage to the Consolidation and Stagnation Stages of the Destination Life Cycle. In order to progress to the higher stages of the Destination Life Cycle from the present Development Stage, the shack owners should focus on increasing the footfalls at the shacks, encourage tourists to spend more money per visit at the shack, should include extra services, and must control their daily operating expenses. The State Government must also support the shack business by giving required permissions on time so that shacks don't lose business to their rivals.

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