

Artículos

**Lifestyle entrepreneurs, hostels and backpacker tourism development:  
the case of San Cristóbal de las Casas, Mexico**

**Empresarios de estilo de vida, hostales, y desarrollo de turismo mochilero: el caso de  
San Cristóbal de las Casas, México**

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**Abstract:**

Drawing on the analytical framework of lifestyle entrepreneurs, this paper analyzes their motivation, objectives and business strategies in relation to the management of "hostels" in an effort to shed light on key agents of (scarcely investigated) backpacker-driven tourism development at San Cristóbal de las Casas. Based on 27 in-depth interviews with owners and managers, we conclude that lifestyle entrepreneurs strive to meet the demands of contemporary backpackers by providing a specific ambience and outpacing more profit-oriented competitors. In addition, business owners work to sustain an explicitly hedonistic way of life to perpetuate their status as "senior" backpackers who offer customized, hard-to-imitate services. However, lifestyle entrepreneurs have also developed strategies to cope with increasing competition and recent demand-related trends.

**Keywords:** lifestyle entrepreneurs, backpackers, hostels, Mexico

## **Resumen:**

Partiendo del concepto del empresario de estilo de vida (*lifestlye entrepreneur*), este artículo analiza los motivos, objetivos y estrategias comerciales de este grupo para establecer y gestionar "hostales mochileros" en San Cristóbal de las Casas. Así, tratamos caracterizar y analizar a actores claves que impulsan el desarrollo de esta forma de turismo poco investigada hasta la fecha. Con base en 27 entrevistas a profundidad con propietarios y gerentes, se concluye que los empresarios de estilo de vida tratan de satisfacer la demanda de los mochileros contemporáneos, creando un ambiente específico y marcando distancias con competidores orientados principalmente hacia el lucro. Asimismo, los propietarios aspiran a sostener un estilo de vida claramente hedonístico y perpetuar su estatus de mochileros "sénior", ofreciendo servicios especiales y difíciles de imitar. Al mismo tiempo, los empresarios de estilo de vida han desarrollado estrategias para lidiar con la creciente competencia y con las preferencias cambiantes de sus clientes.

**Palabras clave:** empresarios de estilo de vida, mochileros, hostales, México

## **Hostels as nodes of backpacker tourism**

In the early 21<sup>st</sup> century people of all ages, especially those in their twenties, are travelling the globe following circuits with no fixed itinerary that generally entail using public transportation and staying at relatively inexpensive 'hostels'. Their trademark is the backpack they carry, thus the reference to 'backpackers'. Although there is no broadly-accepted definition, most authors consider the following to be among the defining criteria of this sector: low average age (Murphy, 2001; Riley, 1988), independence from tour-operators, itinerary flexibility (Hottola, 2005; Scheyvens, 2002), extended travel periods (Loker-Murphy & Pearce, 1995; Sørensen, 2003), and low travel budgets, which together explain both their demand for inexpensive accommodations and related tourist services (Murphy, 2001; Spreitzhofer, 1995), and why they make use of locally-available infrastructure (Hampton, 1998; Westerhausen & Macbeth, 2003).

The antecedents of modern-day backpacking are to be found among the hippie travelers – often referred to as 'drifters' or 'wanderers' – who roamed through Latin America, North Africa, the Middle East and India in the 1960s and 1970s (Cohen, 1972). By the late 1980s, backpacker tourism had spread to more remote regions (such as Southeast Asia, Australia and New Zealand). In addition, most of those travelers no longer adhered to the hippie lifestyle. Instead of drifting aimlessly and consuming drugs, those budget-wary travelers were primarily middle-class, well-educated, often professional people seeking to escape from their everyday routine and ready to set aside certain personal or professional obligations.

Compared to the earlier drifters, present-day backpackers also appear to be more attracted by the differences of other cultures than alienated from their own (Richards & Wilson, 2004).

More recently, the diversification of the backpacker market into a segment of older backpackers, sometimes referred to as 'greypackers' (Sullivan, 2009), has received increasing attention from the academic community (Hecht & Martin, 2006; Thyne and Davis, 2004), while the more affluent short-term 'flashpackers', usually in their early 30s and often with well-paid jobs to return to, have been less well-studied, though they are receiving considerable attention from facility owners who are anxious to tap into this segment of the backpacker market (Hammond, 2007).

There is no reliable data on the size of the international backpacker market, but a study from Australia suggests that no less than 10 per cent of all incoming international tourists to that country could be considered 'backpackers' (Government of Australia, 1995). Hampton (2013) applies this percentage to the total number of international tourists to Thailand, which would add up to around one million backpackers in Southeast Asia in 2010. No systematic research has yet been conducted on the factors that drive, or the general features of, backpacker tourism in Mexico (Fricke, 2013), but there are good reasons to believe that the demand of backpackers, though in no way comparable to traditional sun-and-sand tourism in terms of its socioeconomic impact, has triggered local development at some now fashionable destinations, such as San Cristóbal de las Casas (hereinafter San Cristóbal; see Anderskov, 2002; Fricke, 2013) and Zipolite (Brenner & Fricke, 2007).

Among the services that cater to backpackers, budget accommodation facilities, especially so-called 'hostels', remain the most important link in the infrastructural network that facilitates the backpacker phenomenon worldwide. Hostels have long formed an integral part of backpacking culture, as they provide a (meta)space within which travel information and personal experiences are exchanged, and where communication with other backpackers and hostel owners can create and validate their identity (Fricke, 2013; Howard, 2005; Howard, 2007). While other services may serve similar purposes, the simple fact that many backpackers spend extended periods of time in and around their lodgings makes the hostel the most important link in the backpacker system (Pearce et al., 2009). Some of these places have acquired an almost legendary status since the 1970s, such as the Viengtai in Bangkok (Howard, 2005) and the Na-Bolom in San Cristóbal, Mexico (Fricke, 2013).

The fact that in those days backpackers demanded only basic tourist services (Riley, 1988) meant that local people and outsiders with little capital at their disposal could start up businesses and make a living by attending to backpacker tourism (Brenner & Fricke, 2007; Oppermann, 1993; Scheyvens, 2002; Welk, 2004;), thereby entering into processes of globalization (O'Regan, 2010). With the increasing massification of the backpacker

phenomenon towards the end of the 1980s, small-scale backpacker lodging facilities mushroomed, as case studies from Australia and New Zealand show (Markward, 2008). Along with guidebooks which began to appear in the 1970s catering especially to backpackers –such as the *Lonely Planet* and, more recently, the Internet– this triggered a growth of backpacker tourism and accommodation facilities (Welk, 2004). By the 1990s, hostels had come to form an integral part of the backpacker travel network infrastructure. Businesses that cater to backpackers strive to produce a local and global ‘feel’ (Ateljevic & Doorne, 2005) by offering a ‘metaspace’ (Howard, 2005; Howard, 2007) that provides not only accommodation and other essential tourist facilities, but also a “site where backpacker interactions are played out and where backpacker experiences can happen” (Johnson, 2010:103). In order to provide insight into the dynamics of backpacker tourism in Mexico and elsewhere, a deeper understanding of the interrelations between the demand for, and supply of, customized tourist services is crucial. As elaborated below, the concept of “lifestyle entrepreneurs” is particularly useful, as they are crucial, though little-known, agents who provide these metaspaces, and so may become key actors at backpacker destinations.

Therefore, the objectives of this paper are to: a) present, briefly, the analytical framework of “lifestyle entrepreneurs” as basic service providers to contemporary backpackers; b) analyze the motivation and business strategies of “lifestyle entrepreneurs”; and, c) identify the role of lifestyle entrepreneurs as agents of backpacker-driven local tourism development based on the example of San Cristóbal, a well-established backpacker destination in southern Mexico. The article is divided into four parts. After this introductory section, part two highlights the main features of lifestyle entrepreneurs -a subgroup of lifestyle migrants- in the context of backpacker tourism. Section three summarizes the evolution of backpacker tourism in San Cristóbal and presents the methodology and results of our fieldwork, while section four discusses the role of lifestyle entrepreneurs in the context of backpacker-driven local tourist development.

## **Lifestyle entrepreneurs**

Recent studies on *lifestyle migrants* from the Global North in Mexico, Costa Rica and Ecuador have focused on their motives, characteristics, spatial patterns of relocation, and socioeconomic impacts on host communities (Claussen 2015; Hayes 2014a; 2015b; Janoschka 2009). However, they are, in contrast to *lifestyle entrepreneurs*, generally not economically active and often retired (Hayes 2014b; Janoschka 2009). In addition, their prime motives of relocation to Latin America are dissatisfaction with the living condition in their home countries, as well as taking advantage of a considerable increase of purchasing power in the Global South (Hayes 2014b; 2015a). Lifestyle entrepreneurs, on the other hand, are individuals who relocate to Latin American and other countries in order to make a living, capitalizing their professional skills and striving for more meaningful experiences of life at

the same time (Lardies 1999). They also take actively part in local businesses. Below, we focus on lifestyle entrepreneurs who provide services to backpackers in San Cristóbal de las Casas, Mexico.

Because of their small size, their location at attractive sites, their close connection with lifestyle preferences, and the few barriers that block their entry into markets, backpacker-oriented business holds particular appeal for “lifestyle entrepreneurs”. Both Ateljevic (2000) and Getz & Carlsen (2005) stress that the motivation to start up a small-scale business at a tourism destination is often more related to lifestyle preferences than profit. Likewise, Kuratko and Hodgetts (2004:362) state that independence, autonomy and control are the prime driving forces behind lifestyle entrepreneurs: “Neither large sales nor profits are deemed important beyond providing a sufficient and comfortable living for the entrepreneur.” Dewhurst and Dewhurst (2006:13), therefore, argue that lifestyle entrepreneurs “are likely to be concerned with survival and maintaining sufficient income to ensure that the business provides them and their family with a satisfactory level of funds to enable enjoyment of their chosen lifestyle”. In their pioneering research in Cornwall (United Kingdom), Williams and Shaw (1989:1650) define lifestyle entrepreneurs as actors for whom involvement in business “is as much a form of consumption as it is of production” as it allows them “to be able to ‘consume’ its landscape and life-style.” As a result, they might refrain from upgrading their facilities since this would require investments that could only be achieved by intensifying business activities that would clash with their lifestyle aspirations (ibid.).

Regarding the lifestyle entrepreneurs’ specific motivations, Lardies (1999:489) argues that they must be seen as a question of consumption and not production: “Rather than employment and a concern for profit maximization, they are driven by lifestyle dictates”. These entrepreneurs frequently decide to leave behind metropolitan work structures, consumption patterns and urban lifestyles, and so could be situated between consumers and producers. In addition, their experience as tourists –and, often, prior entrepreneurial experience– could help them become key actors in developing tourist services in some areas (Williams & Shaw, 1989).

In this context, Ateljevic and Doorne (2000:386) state that lifestyle entrepreneurs involved in backpacker tourism are often “individuals who previously visited the area [...] and make this move to seek opportunity to engage in extended lifestyle experiences, which reflect the traditional motivations of backpackers”. This enables them to successfully tap into niche

tourist markets, as they are able to create the aforementioned ‘metaspaces’ (*i.e.*, hostels) that, in turn, might trigger backpacker-driven local tourism development.

As an example, Brenner and Fricke (2007) show that in Zipolite (Oaxaca, southern Mexico), a tourist destination that has remained a backpacker “enclave” for over 30 years, lifestyle entrepreneurs have indeed become key actors in local tourism development. Their prior experience as backpacker tourists provided them with the knowledge needed to offer the kind of services that contemporary backpackers are looking for. With the increasing popularity and commercialization of backpacker travel (Hannam & Diekmann, 2010; Paris, 2010), many entrepreneurs began to invest in and improve their businesses in the 1980s in order to position their destination on the backpacker travel circuit.

A theoretical framework that allows a deeper understanding of the socioeconomic environment in which these lifestyle entrepreneurs operate has been offered by Oppermann (1993), who points out that two different types of (international) tourism may develop simultaneously and co-exist –though separated in spatial and socioeconomic terms– in the same regions and even at the same sites: a) “upper circuit” tourism, based on large-scale, mostly international, investment and characterized by high linkages and a low level of local participation; and, b) “lower circuit” tourism, marked by small-scale investment, local participation and few market entry barriers. As this author observes, lower circuit tourism depends, at least partly, on backpacker demand, and tends to foster the involvement of lifestyle entrepreneurs in tourism businesses, thus leading to specific production and consumption structures. Oppermann’s approach deserves consideration because, first, it could be strengthened by paying greater attention to the connections between (changing) demand patterns and local entrepreneurship and, second, it may prove worthwhile to consider more explicitly the social dimension (eg. the stakeholders involved) of lower circuit, tourism-driven growth.

## **Backpacker tourism in San Cristóbal de las Casas**

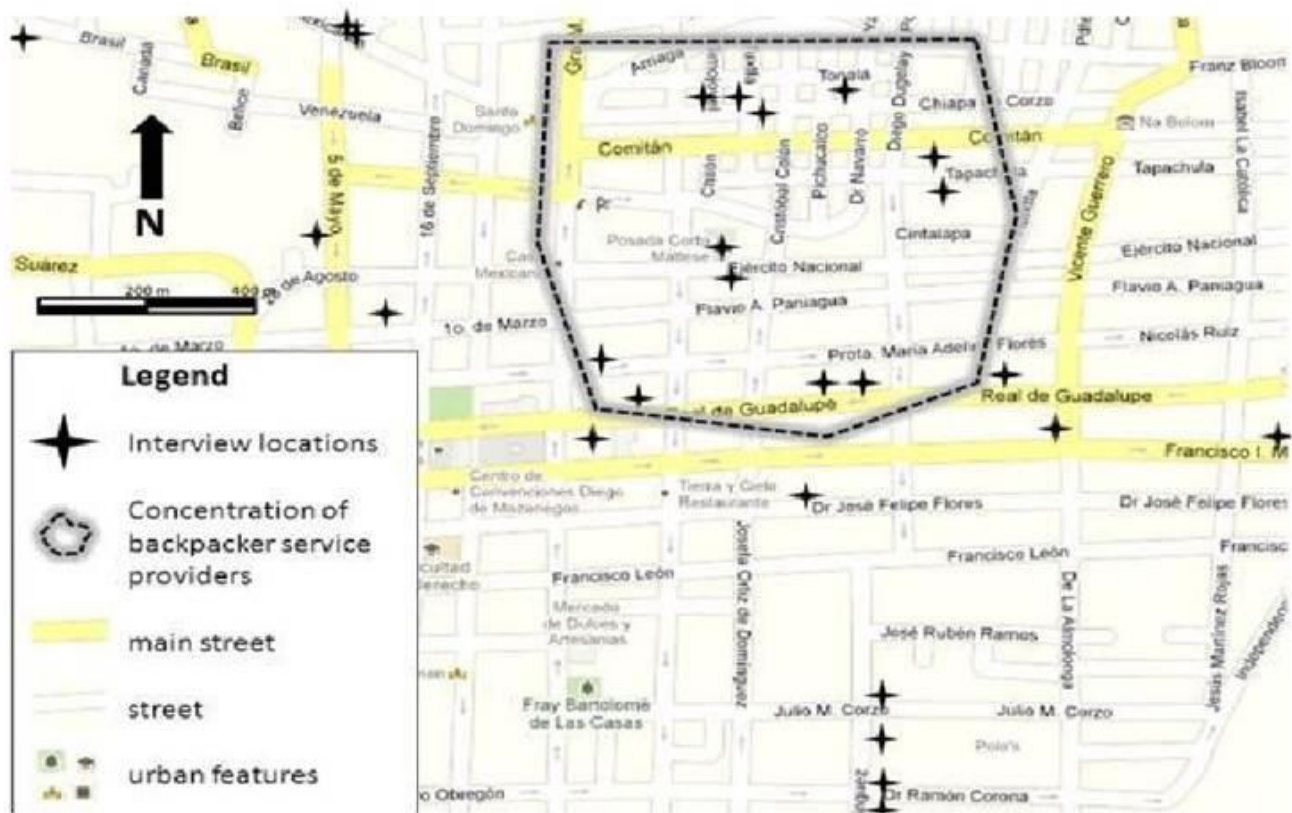
### ***Study methodology***

With no prior knowledge of the role of lifestyle entrepreneurs in relation to backpacker tourism, we decided to conduct semi-structured, in-depth interviews with owners and managers of exclusively, or mainly, backpacker-oriented tourism businesses such as hostels, restaurants, cafés, etc. Lacking any official data on backpacker-related business, a purposive sampling method<sup>[1]</sup> was applied through which we sought to obtain a maximum spectrum of key local informants to be interviewed (mostly hostel owners, but also other service providers for backpackers and one local governmental official). We made use of a variety of sources to identify backpacker hostels and potential informants (*i. e.* owners or managers): a) recent

editions of guidebooks such as the *Lonely Planet*, were consulted to locate the most frequently-recommended accommodation facilities; b) online resources such as [hostelbookers.com](http://hostelbookers.com) and [hostelworld.com](http://hostelworld.com) to identify backpacker accommodations not mentioned in the guidebooks; c) additional backpacker services that were discovered during fieldwork; and, d) unlicensed backpacker accommodation facilities identified by “snowballing”; *i.e.*, mentioned by some of the business owners we interviewed. All identified hostels were carefully registered and mapped (see Figure 1). Thus, the sample is of the convenience type, though I did attempt to interview representatives of specific groups, focusing on locally- and non-locally-owned, owner-operated and staffed accommodation businesses, enterprises both new and well-established, as well as various price ranges. However, the study is not statistically representative as the total number and location of backpacker-oriented hostels were unknown. Despite of intensive field research it cannot be ruled out that one or more businesses were missed.

During November 2009 and June-July 2010, a total of 27 in-depth interviews with Mexican and foreign hostel (22), restaurant (1), camp site (1), travel agency (1), and bike rental (1) owners or managers (catering exclusively or primarily to backpackers)<sup>[21]</sup>, were conducted in Spanish at their premises in San Cristobal’s backpacker area (see Figure 1). In addition, a representative of the local government was interviewed. Most of the interviewees were Mexicans (17) or Mexicans with foreign spouses (6), though we also identified and interviewed foreign owners and managers (2 Italians, 1 Japanese, and 1 Guatemalan). Topic lists turned out to be more convenient than closed questions in terms of focusing on the following issues: a) socio-demographic data; b) business-related issues such as personal background, work experience, and motivation to work in backpacker tourism; c) knowledge and experience in backpacker tourism; d) social, communication and exchange networks; and, e) lifestyle orientation. The average interview time was about 45 minutes, with a total interview time that amounted to around 1,100 minutes. All interviews were translated into English, transcribed, entered into the *NVivo* analysis software, systematically coded, and grouped into coded families according to the aforementioned topics. Subsequently, a ‘free-coding’ technique for creating case nodes that displayed the great variety of answer categories was applied. After finishing the node-creating process, we returned to the previously coded interviews and re-coded or added new codes if necessary. When querying the data, we made use of both coding queries and text search queries. Casual conversations with hostel owners and observations during the fieldwork provided additional information.

**Figure 1: Location of the facilities where interviews took place in San Cristóbal's backpacker area**



**Source:** Authors' fieldwork (2010/&2011)

### *Evolution of backpacker tourism in San Cristóbal*

Although tourism research in Mexico has clearly focused on sites associated with organized, luxury tourism (Brenner & Aguilar, 2002; Clancy, 2001; Picazo Peral & Moreno Gil, 2013), it is important to point out that a wide variety of heterogeneous destinations have developed throughout the country. And, as in Southeast Asia, India and Australia, some of these places stand out as sites for backpacker tourism, which displays its own spatial, economic and social patterns of development (Brenner & Fricke, 2007; van den Berghe, 1994, 1995). But research centered on backpacker tourism in Mexico is limited to very few case studies: two anthropological papers on tourism development in San Cristóbal (van den Berghe, 1994, 1995), a study on backpacker culture in Mexico and Central America (Anderskov, 2002), and an article on the socio-spatial evolution of Zipolite (Brenner & Fricke, 2007). To the best of our knowledge, no recent research on backpacker tourism has been conducted in San Cristóbal.



The picturesque colonial city of San Cristóbal is located in the state of Chiapas (southeastern Mexico) at an altitude of 2,210 meters (7,250 ft) above sea level. The dry, winter temperate climate is highly-suitable for tourism development. Up to the mid-20<sup>th</sup> century, however, economic development in San Cristóbal remained limited due to its geographical isolation. After 1971, the road network was extended beyond the Pan-American Highway and into the city's hinterland, triggering tourism activities. Additionally, rural-urban migration from indigenous communities (Aubry, 1991) led to a considerable population increase with a total of 185,917 people in 2010.

Initial tourism development in San Cristóbal was connected to the arrival of foreign archaeologists and anthropologists. In 1950, Frans Blom, a Danish archaeologist, and his wife, Gertrude Blum, settled in San Cristóbal and bought a large property called *Nabalom* (Mayan for 'House of the Jaguar'), which was turned into a meeting place in San Cristóbal that attracted the first relatively wealthy tourists who were interested in ancient and contemporary Mayan culture in the mid-1960s. Shortly afterwards, hippie travelers began to discover San Cristóbal because of its strategic location on the route to Central America (Schawinski, 1973).

Throughout the 1980s and into the early 1990s, San Cristóbal received increasing numbers of more affluent (mostly European<sup>[31]</sup>) backpackers, and several businesses opened to cater to their specific needs. Back then, most hostel owners went to the main bus stop to pick up backpackers. Guidebooks mentioned budget accommodation in the early 1980s, but increasing commercialization during that decade is reflected in the changing vocabulary that such publications used to describe San Cristóbal de las Casas, from "one of the unspoiled jewels among Mexican cities" (Richmond 1982:159) to the fact that "the town has changed a bit since the first foreigners 'discovered' it a few decades ago" (Noble & Spitzer, 1989:381).

Before the uprising of indigenous *Zapatista* guerrillas in January 1994 – covered intensely by the international media– tourism had experienced considerable growth, and several locales had opened to offer budget accommodation to tap the demand of increasing numbers of backpackers on their way from Mexico to Central America. However, tourist arrivals dropped significantly in the mid-1990s, mostly due to the perception of rampant insecurity in Chiapas. Even so, tourism businesses temporarily took advantage of the situation by offering their services to reporters, students, politicians, and even the police and armed forces (hostel owners #3, 6 and 27). Since then, the *Zapatistas* themselves (along with contemporary Mayan culture) have become a major attraction, especially to backpackers

(Interview respondents #20 and 24). With the recovery of tourism since 1996, a foreigner who often stayed in San Cristóbal for extended periods opened the first non-locally-run hostel, specifically adapted to backpackers' needs. In the late 1990s, hostels began to pop up in several places around town, especially in the relatively well-conserved –though not particularly picturesque– *El Cerrillo* (“Little Hill”) neighborhood, located northeast of the city's main square within walking distance of the main bus station and most tourist attractions. During our research, 14 of the 26 backpacker facilities identified (mostly hostels) were concentrated in *El Cerrillo* or adjacent streets (see Figure 1). In contrast, up-market hotels and restaurants cluster around the main square with its impressive colonial buildings. Therefore, *El Cerrillo* should be considered a functional backpacker area that visitors use “for inexpensive accommodation, to relax from travel, socialize with other backpackers, collect travel information, see local attractions and make further travel arrangements” (Howard 2005:358). According to this author, backpackers are most likely attracted by *El Cerrillo*'s “more familiar Western trappings as a ‘meta world’ to recover from culture shock (or) suspension from the rigors of traveling in an unfamiliar nation” (ibid.). In this sense, this neighborhood serves as a ‘refueling station’ which helps to maintain backpacker subculture” (Richards & Wilson 2004, cited in Howard, 2005:358).

However, this fast growth of budget hostels has led to a competitive environment in which new hostels find it increasingly difficult to prosper (Interview respondent #23), given the somewhat stagnant demand for backpacker-specific tourism services:

It was competition, fierce competition, so whoever got more customers would make it, would have everyone. Whoever didn't, well, they lost it, lost it all. And you could never get back up on your feet. It's a fierce market! Getting in is quite easy, anybody can, but sustaining your business is very difficult (Interview respondent #21, San Cristóbal de las Casas).

Recently, several Mexican *telenovelas* (soap operas) have been filmed at different locations in the city, bringing an increase in domestic tourism (Interview respondent #5). Today, 82 per cent of all registered overnight tourists coming to San Cristóbal (742,000 in 2011) are Mexican citizens (SECTUR 2013). Therefore, backpackers should be considered a significant segment of international tourism in San Cristóbal.<sup>[4]</sup>

### *Motivation and objectives of lifestyle entrepreneurs*

Among the 26 hostel owners and managers interviewed, only four were considering an expansion of their businesses in the near future as a way to increase income. When asked why most hostels were not run in a more profit-driven way, several interviewees mentioned that many owners, citing the budget orientation of their customers, would not be able to raise rates significantly due to increasing competitive pressure. Others stressed unequal initial positions<sup>[5]</sup> along with faltering demand for backpacker-oriented services. But more importantly, fully half of these entrepreneurs stressed the special convivial ambience of hostels (not profit orientation) as the main motivation for opening and running a business. As one hostel owner put it:

What I wanted to make was a house, a house for everyone. I don't like hotels, because they're closed, and people don't share anything. They don't share experiences, exchange information. Let's say this is a house where people come in, talk, have a drink, and then get to know each other and share all kinds of moments during the day (Interview respondent #23).

When asked about his business concept, another interviewee stated:

I don't want to change my concept. Because my concept has to be like *this*, I identify myself with it. And if you think about what people will recommend, it will be that: people will recommend a place where they had a good time, where they met people... and being able to have a drink at your hostel makes people relax, they start to talk, they get to know each other. So that's what I'm going for! (Interview respondent #27).

Due to either lifestyle motivations or market-related constraints, a profit-motivated approach is not considered an aim by most of these interviewees. Some owners, especially those who had lived through the backpacking experience in the past, even considered that more sophisticated commercialization would be incompatible with their business philosophy, and empathetically rejected advertising in the most important international guidebook, the *Lonely Planet*, as they worried that it might bring more demanding and less sociable clients to their hostel (Interview respondent #23). Therefore, word-of-mouth promotion based on personal referrals and contacts is generally considered the best way to attract "eligible" clients

(Interview respondent #11). The Japanese and Israeli-run hostels, especially, stressed that they preferred personal recommendations to guidebooks, for the latter would bring too many “flashpackers” to the hostel, thereby disturbing the special ambience that develops in spaces where long-term backpackers spend extended periods. Thus, not being mentioned in the guidebooks was explicitly considered an asset by several hostel owners (Interview respondents #12 and 23).

On the other hand, nine of the business owners interviewed stated that the development of close relationships—even friendships—between hosts and guests in the past or present is one of the most rewarding experiences of running a hostel. Personal contacts can range from taking care of a backpacker who has become ill to visiting former guests in their countries of origin, or even to helping design the hostel (eg. wall-paintings) and, in two cases, taking care of the hostel while the owner was away on holiday. One interviewee even met his wife when she came to stay at his hostel:

I met my wife because she stayed as a backpacker. All the loves of my life have been here, I met them here. And my friends always came to my hostel, because it's fun to party with the travelers, meet beautiful girls, right? Well, I love dancing, and I was a teacher, I taught foreigners. Always meeting new people, who tell me what life is like in their country, what they do for work, so... basically, my life was like that. I don't know what I'd do without the hostel (Interview respondent #27).

Seven of the interviewees stated that this unique ambience was the major asset of their hostel. For them, a hostel is not considered primarily as a business, but as a place where backpacker travelers can feel ‘at home’. In line with what Featherstone (1987) describes as the quest for a ‘real’ experience, shared kitchen and other jointly-used facilities (such as patios or dining areas) were introduced in San Cristóbal hostels in the late 1980s and became standard towards the end of the 90s. In this regard, one owner referred to the ‘energy of a place’, where one can recover physically and mentally from the strains of travelling independently, apart from communicating in one’s mother tongue (Interview respondent #11). As one respondent put it:

That's what's important, the difference between a hostel and a hotel. We share more here, among everybody, whether it's the owner, or those who work here, and those that stay with us... it's a relationship based on the desire to get along well (Interview respondent #12).

As the number of hostels in San Cristóbal increased since the late 1990s, some owners realized that they began to lose customers to businesses that provided a specific backpacker-designed ambience instead of ‘just a cheap place to stay’ (Interview respondents #4 and 27).

### ***Business strategies of backpacker hostels***

Our finding that most interviewees focused on a long-term “frugal and sociable” backpacker segment does not negate the fact that some hostel owners have applied a great many business strategies in their efforts to cope with increasing competition and changing demand patterns. On the one hand, owners acknowledged the utmost importance of word-of-mouth recommendations along backpacker trails, unanimously confirming that backpackers constantly exchange travel information, especially concerning price/service ratios and the reliability of accommodation facilities, transport and other tourist services. Achieving a good reputation based on customer satisfaction is therefore considered the most efficient business strategy.

Word-of-mouth is quite strong, we’re not in the *Lonely Planet*. We’re in some others, but we get people who come here and they say ‘We met these people over there, and they told us about you!’ (Interview respondent #19).

On the other hand, informal trust-based networks among hostel owners have developed by sharing customers when one business is fully-booked or by recommending particular service providers such as bars, restaurants or travel agencies. In addition, there are regular, though informal, meetings of the hostel owners operating in the *El Cerrillo* neighborhood –the most important backpacker area in San Cristóbal (see Figure 1)– where issues of common interest, such as types of informal cooperation or preventing unfair business practices like dumping, are discussed:

Now, with the beginning of high season, we meet up to discuss rates, how to help each other out between those who run hostels in the same area, so that things work better for everybody... To know what services they offer, what kind of rooms, their rates... so that when people show up, and one hostel is full... we have colleagues in many places who talk to us... so that those hostels that fill up quicker know where they can send their guests (Interview respondent #11).

In contrast, none of the owners interviewed mentioned being a member of the official hotel and motel association of San Cristóbal, as they stated that it was an organization marked by nepotism that does no effective work on behalf of hostels. Therefore, most respondents prefer to work informally with a small number of fellows that they trust. Nevertheless, the competitive situation appears to prevent budget hostels from systematically cooperating at a level beyond an occasional personal favor (Interview respondents #23 and 11). As a result, no interviewee felt the need to cooperate on a regular basis.

A more long-term kind of cooperation involves relatively formal business relations with hostels in other destinations along backpacker trails in southern and southeastern Mexico, especially in Oaxaca, Campeche, Merida, Tulum and Isla Mujeres, and occasionally in Central America as well (Interview respondent #10). It is especially the younger hostel owners with firsthand experience in backpacker travel who choose to establish these ties (*i.e.*, reservations and travel arrangements) with other hostels in Mexico. One of the larger hostels actually managed to establish close links with several hostels in western and central Mexico because the owner attends international hostel conferences in order to exchange experiences and gather information through an international network of budget accommodations.

The widespread use of backpacker guidebooks is perceived by most owners as another crucial marketing tool, though some consider it a double-edged sword. While guidebooks certainly put businesses on backpackers' maps, especially new ones that have not yet established a steady customer base, such 'free' promotion may also attract a more demanding short-stay clientele (Interview respondents #19 and 23). Arguments with generally price-conscious "flashpackers" over out-of-date rates or additional (supposedly free) services mentioned in guidebooks are common, and may lead to tensions between hosts and guests. In fact, some hostel owners deliberately avoid being mentioned in the *Lonely Planet* and other widely-used guide books:

The *Lonely Planet* was here three or four times. I told them I didn't want to [be mentioned in the guidebook], time and time again, because I don't want this place to be popular or become something like a business (Interview respondent #11).

Some hostels, however, do make an effort to "get into" the principal guidebooks, especially newer ones that have not established a reputation or a stable base of return customers (Interview respondent #4). Still others try to stay out of the *Lonely Planet*, but appreciate recommendations in other, less popular, publications preferred by travelers of certain

nationalities, such as the *Guide Routard* which caters to French-speaking backpackers (Interview respondent #10).

Another frequently-used marketing tool is the Internet, as the majority of backpacker hostels in San Cristóbal either had their own website or could be booked online through portals. Websites are generally regarded as a valuable –even indispensable– add-on to word-of-mouth, as online portals allow backpackers to search for hostels or cross-check information provided by guide books or fellow travelers. Recently, several hostels in San Cristóbal have intensified the level of competition by developing more professional booking portals (Interview respondent #16). It comes as no surprise, then, that newer businesses especially strive to go online in order to gain quick market access. As traditional hard-copy guidebooks are increasingly being replaced by Internet-based sources of information, many backpackers tend to search for accommodations online in a spontaneous manner, frequently using smartphones.

Finally, some hostels offer specialized services to set them apart from their competitors, including yoga lessons (Interview respondent #4), traditional medicine (Interview respondent #11) and salsa dance classes (Interview respondent #8). They may also exhibit the works of local artists or offer tours to experience “authentic” indigenous culture (Interview respondent #19):

Many people look for us because of traditional medicine; so many come just for that. Other hostels offer yoga, so people go there; something specific. Maybe it's just because of the owner; anything that makes it special. What they're looking for is becoming more and more specific (Interview respondent #11).

Summing up, interviewees stressed the following topics and issues: most owners consider themselves as "benevolent hosts" rather than professional service providers, explicitly emphasizing their knowledge and experience as former backpackers. In this context, they also highlight the special convivial ambience at their hostels as both means to constantly reproduce targeted lifestyles and crucial assets to cope with increasing competition. Other responses to recent market trends are efforts to preserve and divulge the reputation of their hostels, mostly by informal word-of-mouth recommendations but recently also by internet-based networks. Another strategy consists in providing specialized alternative services. However, it appears that hostel owners are reluctant to cooperate in order to increase revenues.

## **Discussion and conclusion**

Upon contrasting the aforementioned theoretical concepts with our study results, several issues drew our attention. First, it is clear that lifestyle entrepreneurs have become key actors in backpacker-driven local tourism development in San Cristóbal, as they have succeeded in meeting the demand of long-term budget travelers by providing a particular ambience and metaspaces, thus outpacing more profit-oriented competitors such as conventional budget accommodation. Second, hostel owners consider their business activity as a means to make a living according to their personal life philosophy by perpetuating their status as “senior” backpacker and (successfully) seeking opportunities in extended lifestyle experiences (Ateljevic & Doorne, 2000), and providing their younger fellows with attractive environments. Finally, lifestyle entrepreneurs involved in backpacker tourism value and even stress their (perceived) independence from the obligation to adapt to short-lived market trends.

As a consequence, lifestyle entrepreneurs strive to produce a specific, customer-focused ambience that allows their clients to consume an explicitly hedonistic way of life for an indefinite period. Thus, we agree with Williams & Shaw (1989) that backpacker hostels constitute both places of production and consumption of an ambience that sustains entrepreneur lifestyles while simultaneously satisfying the demands of “traditional” long-term backpackers. In other words, the ultimate purpose of most backpacker-focused entrepreneurs is to make a living in close contact with fellows who share a set of values and habits. They largely disregard the more affluent, but ultimately unwanted, segments of tourist markets that might prove incompatible with their lifestyle preferences. Therefore, despite an apparent tendency to professionalize their businesses, most lifestyle entrepreneurs continue to seek to attract long-term backpackers (who are considered “guests” or even “friends”), instead of adjusting to the demands of more free-spending flash- or grey-packers (regarded as “clients”), even at the cost of lower earnings and, possibly, living standards. In order to avoid annoyances, some lifestyle-oriented entrepreneurs are even willing to go so far as to refuse such free publicity as recommendations in important travel guidebooks. But the production and consumption of such an ambience requires the continued presence of genuine backpackers who “blend in” and consider themselves part of a community.

In this context, Oppermann’s (1993) concept of “lower circuit” tourism highlights the specific conditions that allow entrepreneurs to sustain their desired lifestyle: confronted with few market entry barriers or investment requirements, their expertise as (former) backpackers coupled with their social and language skills become resources that may proffer a competitive advantage that they can benefit from, especially when compared to locals who usually lack any affinity to backpacking and so are generally shut out from entering the backpacker market, at least in the long run (Brenner & Fricke, 2007).

Nevertheless, lifestyle entrepreneurs have also developed and are currently applying strategies and specific means designed to cope with threats that might jeopardize their ability



to make a living in the long run; *i.e.*, increasing competition among hostels, seasonal fluctuations, and the diversification of backpacking. Apart from setting the stage for traditional but still effective word-of-mouth marketing, increasingly sophisticated Internet portals have been elaborated to develop even more effective ‘virtual’ customer relations. In addition, rudimentary informal networks based on occasional cooperation among service providers at the neighborhood level have developed, such as the case of *El Cerrillo*. But due to the (perceived) stagnation in the volume of arrivals, competition among facility owners has intensified, a fact that might explain their –rather surprising– reluctance to broaden networks and develop more sophisticated ways of cooperating with local and non-local business partners.

In spatial terms, lifestyle entrepreneurs have established, perhaps unintentionally, a backpacker area in a strategically-located and affordable neighborhood, similar to the well-known Khaosan Road in Bangkok (Howard, 2005). In the case of San Cristóbal, this developed close to the historical center of a colonial city, so it can simultaneously provide essential services and an ambience quite distinct from the rest of the more conventional tourist bubble in the city, located around the main square where real estate prices and rents are considerably higher.

With regard to further research, we recommend conducting studies at other backpacker destinations in Mexico and Latin America because most of the work we have reviewed focuses on Southeast Asia and, to a lesser extent, Europe and Australia. In addition, in order to obtain a deeper understanding of the dynamics of backpacker tourism it would be useful to carefully analyze the supply side and, particularly, the role that entrepreneurs and providers of customized services play in current development. Finally, a broader comprehension of the long-term effects of shifts in demand (*i.e.*, the emergence of new segments such as flash- and grey-packers) on lifestyle entrepreneurs and other service providers requires additional comparative studies.

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<sup>[1]</sup> In the case purposive sampling, "the researcher chooses the sample based on who they think would be appropriate for the study. This is used primarily when there is a limited number of people that have expertise in the area being researched, or when the interest of the research is on a specific field or a small group" ([www.wikipedia.org/wiki/Nonprobability\\_sampling](http://www.wikipedia.org/wiki/Nonprobability_sampling); accessed 03/14/2016). Therefore, purposive sampling is a non-representative method frequently applied in the field of exploratory qualitative research.

<sup>[2]</sup> In some cases, interviews were held with two individuals (eg. couples who manage their businesses jointly); also, one interview was conducted with a representative of the local tourism authority.

<sup>[3]</sup> Low-cost airfares from Europe appeared in the mid-1980s when increasing numbers of European tourists interested in pre-Columbian and contemporary indigenous culture began to visit southeastern Mexico.

<sup>[4]</sup> In 2011, 133,039 international tourist arrivals (18 % of overall arrivals) were registered in San Cristóbal (SECTUR, 2013). There are no data on the share of backpackers in overall incoming tourism.

<sup>[5]</sup> The fact that language skills are a key factor in interacting with generally non-Spanish speaking backpackers puts foreign hostel owners at an advantage, as they are generally fluent in written and spoken English, and in some cases French, Japanese, German or Italian (Interview respondent #23).