

# Homestay Tourism as A Means of Economic Security: A Case Study of Lower Subansiri District, Arunachal Pradesh

Tashi Lungtan kee<sup>1</sup>, Sankar Thappa<sup>2</sup>

<sup>1</sup>Ph.D. Scholar, Department of Management, Rajiv Gandhi University

<sup>2</sup>Associate Professor, Department of Management, Rajiv Gandhi University

## Abstract

The major goal of this study is to identify the motivational factors that affect the Homestay operators as well as problems faced by them while managing the Homestay. The study will also assess the Homestay as a means of livelihood. The study was conducted in the Ziro Valley of Lower Subansiri district, Arunachal Pradesh during the month of September and October 2022. A survey method was used to collect data from all the 40 registered Homestays by employing semi-structured questionnaire. The results of the study revealed that “learning culture and traditions” was the key factor that influence the operator to participate in the Homestay program while “managerial problem” was the main challenge they had when managing the Homestay.

**Keywords:** Homestay, problems, motivation, economic impact, Ziro Valley, Lower Subansiri Arunachal Pradesh.

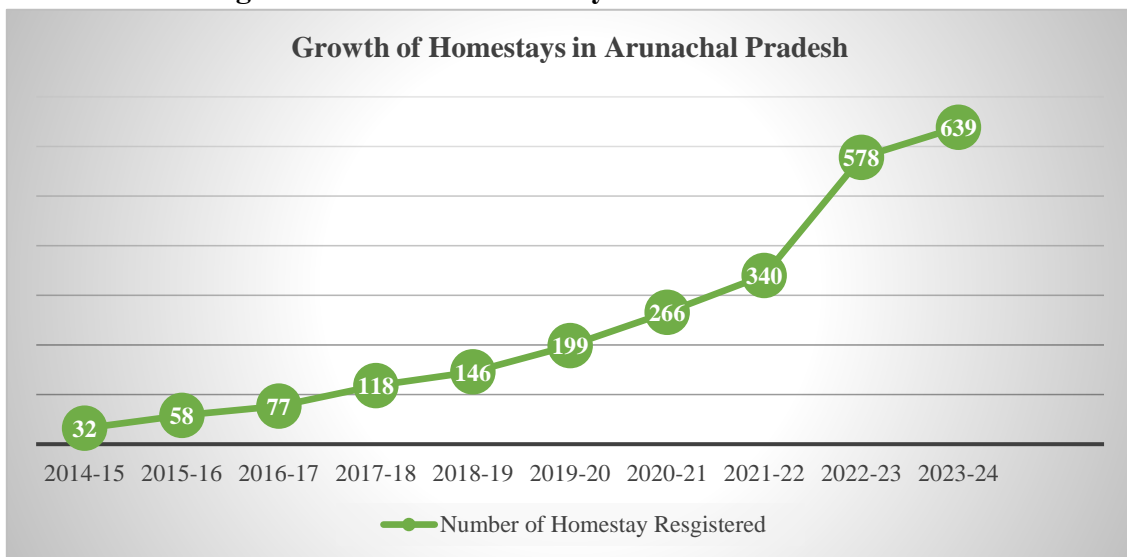
## Introduction

Homestay is becoming popular across the globe. It allows tourists to experience the rich cultural heritage, taste authentic cuisines and feel natural surroundings. It also allows the operator to earn an additional income. In many developing countries, it is termed as the tool for poverty reduction and development. According to (Lynch, 1999) homestay sector refers to all types of accommodation provided within the private home where the host and the family, if appropriate, live and share public space with their guests. Examples of this accommodation type are farm stay and private house bed and breakfasts. Homestay tourism tries to attract tourists from hustle and bustle cities to rural villages filled with natural surroundings by offering them clean, comfortable and budget-friendly accommodations and food (Gangotia, 2013a). The concept of homestay can vary from nation to nation. For instance, in Thailand, the Philippines, and Indonesia, it is referred to as cultural homestay. In Australia, it is known as a farm stay. In Japan and South Korea, it is referred to as educational homestay. In the USA, it is known as an agricultural and educational homestay. In South Africa, it is referred to as a leisure stay, and in Singapore, it is known as an urban homestay. (Hamzah, 2008).

Noesis Internal Research states that 67 per cent of India's lodging is provided by hotels and resorts, with homestays making up 5 per cent of the accommodation. Homestays account for 13 per cent of the total accommodation in India's top 50 emerging tourist destinations. Kerala has the highest number of homestays, followed by Karnataka, Himachal Pradesh, Maharashtra, and Tamil Nadu. With the growing

popularity of homestay amongst tourists, many states have started homestay programs to draw tourists. In Himachal Pradesh, registered homestays are located in Shimla, Kullu, Lahaul-Spiti, Chamba etc. (Gangotia, 2013b). In the state of Uttarakhand, Nanda Devi Valley and Valley of Flowers have major homestays (Macek, 2012). In Sikkim, Assam and Nagaland, exotic homestays with rich biodiversity for tourists are situated (Bhan & Singh, 2014). In Arunachal Pradesh, a homestay is an accommodation owned and managed by a local, provided for tourists within an existing traditional private home (Pradhan et al., 2019). According to the latest information from the Directorate of Tourism, Govt. of Arunachal Pradesh, there are 639 registered homestays in the state. Homestays are booming in the state districts of Tawang, West Kameng, Shi-Yomi, Lower Subansiri, and West Siang. The state government has launched “Restructured Chief Minister’s Paryatan Yojana” to encourage the state's domiciles to start the homestay program. Under this scheme, beneficiaries can avail loans to start homestays, hotels, tour agencies and restaurants.

**Figure 1 Growth of homestays in Arunachal Pradesh.**



Source: Directorate of Tourism, Government of Arunachal Pradesh

### Literature Review

There are many motivational factors involved in operating a homestay. Motivations can be intrinsic as well as extrinsic, (Jaafar et al., 2020) in their study found self-determination, local self-identity and perceived competence as intrinsic motivations and social network, mutual cooperation, trust and shared goals as extrinsic motivations. (Kimaiga & Kihima, 2018) in their study found that the major motivation for individual household’s participation in the Homestay program was income, while (Korir et al., 2013) found that improved living standards as the main factor that influence the operator. According to (Hanim et al., 2014), exploring new experience is the main motivation that influence the community to participate in the Homestay program.

The operator also faces various challenges while operating a Homestay. (Pusiran & Xiao, 2013) classified these challenges into two categories namely internal and external challenges. Internal challenges include incompetent leadership, lack of knowledge, dependability syndrome, entrepreneurship skills and generation Y commitment. External challenges include misuse of Homestay term, exploitation by third parties, inefficient networking. According to (Parveen, 2016), communication skill, lack of marketing and

promotion, lack of capacity building and lack of coordination and supervision are the major challenges which need to be solved while operating a Homestay. (Talib & Sulieman, 2017) stated that cultural differences, extreme climate conditions, inactiveness of host family, poor roads, inability to maintain the Homestays, language barriers, less promotional activities, outdated facilities, more attention on island tourism and frequent power cut are the various challenges faced by the Homestay operators of Kota Aur, Malaysia. (Jayara, 2017) in his study found that people are unaware of the rules and regulations, government schemes and policies related to Homestay operation and registration. (Lim & Lee, 2020) provided a comprehensive understanding on how the Homestay is run as well as the challenges faced by the operators in the village. They addressed the various challenges faced by the operators such as lack of appropriate facilities, lack of internet connectivity, limited financial support from the government, language barrier etc. According to (Shah et al., 2020), armed conflict, political instability, lack of financial schemes, lack of knowledge, lack of basic infrastructure and harsh weather become a hindrance for positioning of Homestay.

### Objectives

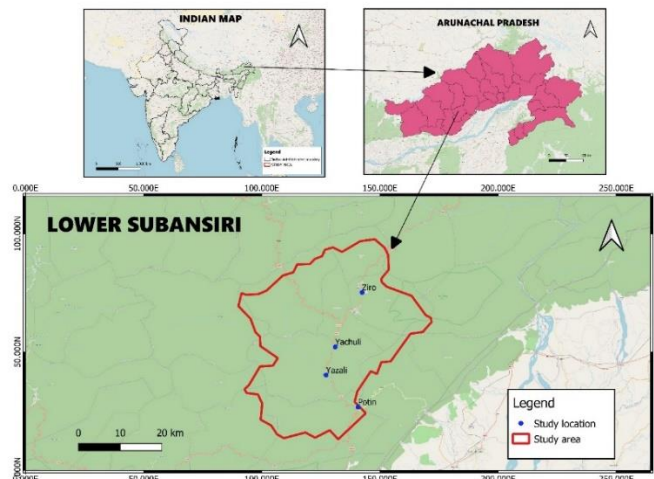
1. To identify the factors influencing the operators towards the Homestay business.
2. To assess Homestay as a means of Livelihood for the operators.
3. To examine the challenges in operating the Homestay business.

### Methodology

#### Study area

Ziro Valley is located in Lower Subansiri district of Arunachal Pradesh, India. The Valley is inhabited by the Apatani tribe and is prominent in the state for rice-fish cultivation practice. The Ziro Valley was included in the tentative list for UNESCO’s World Heritage Site for Apatani Cultural Landscape. A unique variety of flora and fauna is found in the region, which makes it a destination hub for bio tourism. Many hotels and resorts have been started with all modern-day facilities such as multi-cuisine food, improvised Western toilets, air-conditioned rooms, etc. (Choudhury et al., 2016) The Talley Valley Wildlife Sanctuary and high-altitude fish farm attract tourists and researchers annually.

**Figure 2 Study Area Map**



**Study Population:**

The study population consists of all the 40 homestay operators of the study area registered with the Directorate of Tourism, Government of Arunachal Pradesh, India.

**Sample and Sampling**

Since the number of homestay operators was small, all 40 registered operators were included in the study.

**Data Collection**

The study used both primary and secondary data. The primary data were collected using a census method. It was administered to all the registered homestay operators by administering a semi-structured questionnaire during September and October 2022. Secondary data were collected from the district tourism department and published journals. The questionnaire variables were adapted from various literature reviews, and specific variables were also used in the study.

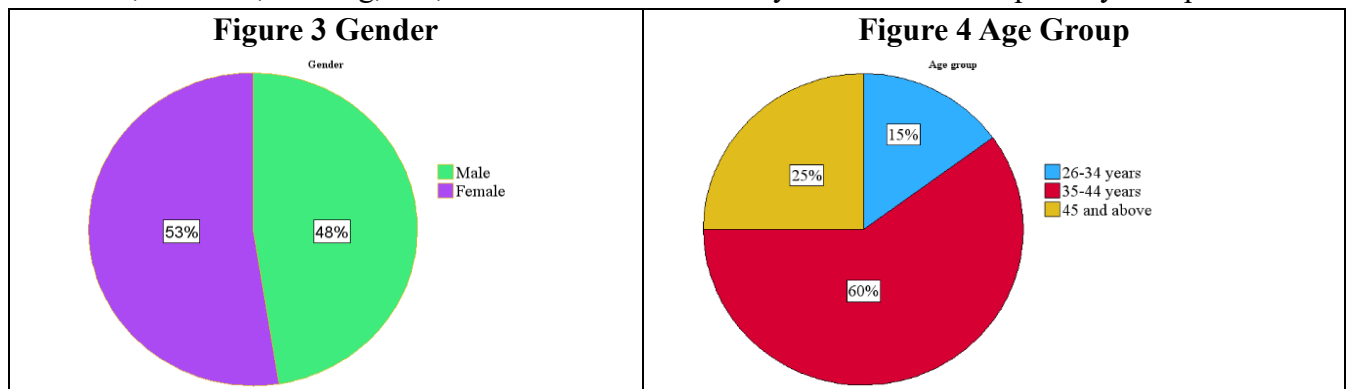
**Statistical Tools for Analysis**

The study is descriptive and analytical in nature. Statistical tools like pie charts, bar charts, weighted average mean, multi-response analysis, and correlation analysis are used for data analysis and interpretation. The data was analysed using IBM SPSS software version 29.

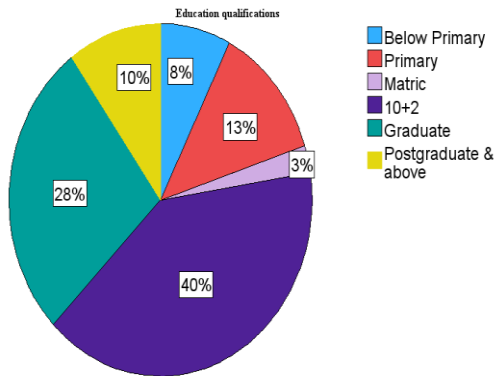
**Results and Discussion**

**1. Demographic profile of the Homestay operators**

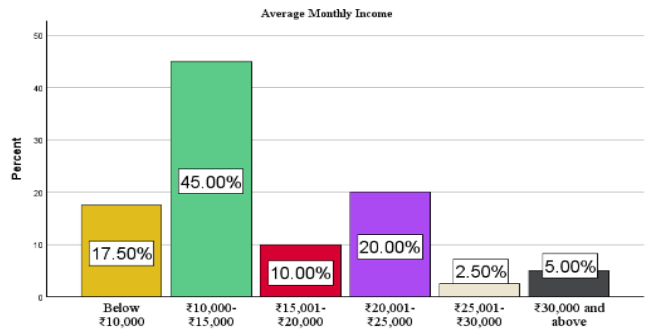
It was discovered during the survey that 52.5% of the operators were women, and 47.5% were men. According to their age, 60% of the operators were between the ages of 35 and 44, 25% were between the ages of 45 and beyond, and 15% were between the ages of 26 and 34. In terms of education, it was discovered that the bulk of the operators (40%) had a Higher Secondary (10+2), followed by those with a Bachelor's Degree (28%), those with Primary (13%), those with a Master's degree or above (10%), those with below Primary (8%), and those with Secondary (3%). The study also found that 45% of the operators earn an average income between ₹10,000 to ₹15,000, followed by ₹20,001 to ₹25,000 (20%), below ₹10,000 (17.5%), ₹15,001 to ₹20,000 (10%), above ₹30,000 (5%), and ₹25,001 to ₹30,000 (2.5%). In terms of expenditure, the majority of the operators (45%) spent less than ₹3000 in their homestay, followed by ₹3000 to ₹6000 (32.5%), above ₹9000 (12.5%), and ₹6001 to ₹9000 (10%). During the study, it was also found that 70% of the operators have a primary occupation other than homestay business, such as service, business, farming, etc., while 30% have homestay business as their primary occupation.



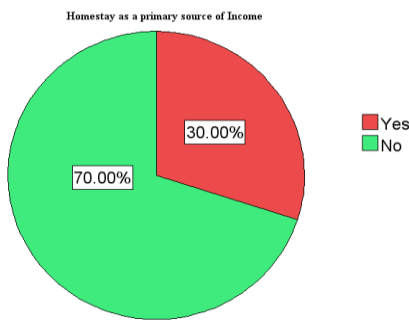
**Figure 5 Education Qualification**



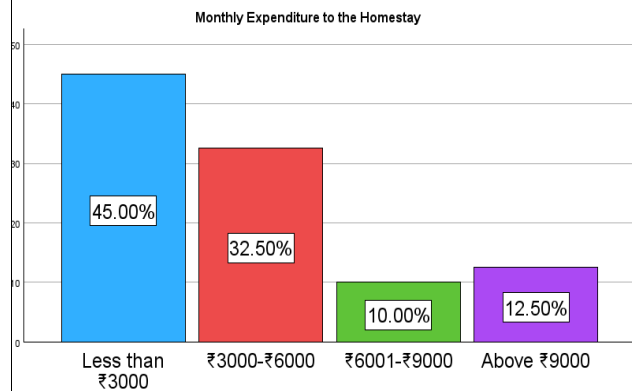
**Figure 6 Monthly Income**



**Figure 7 Homestay as a primary occupation**



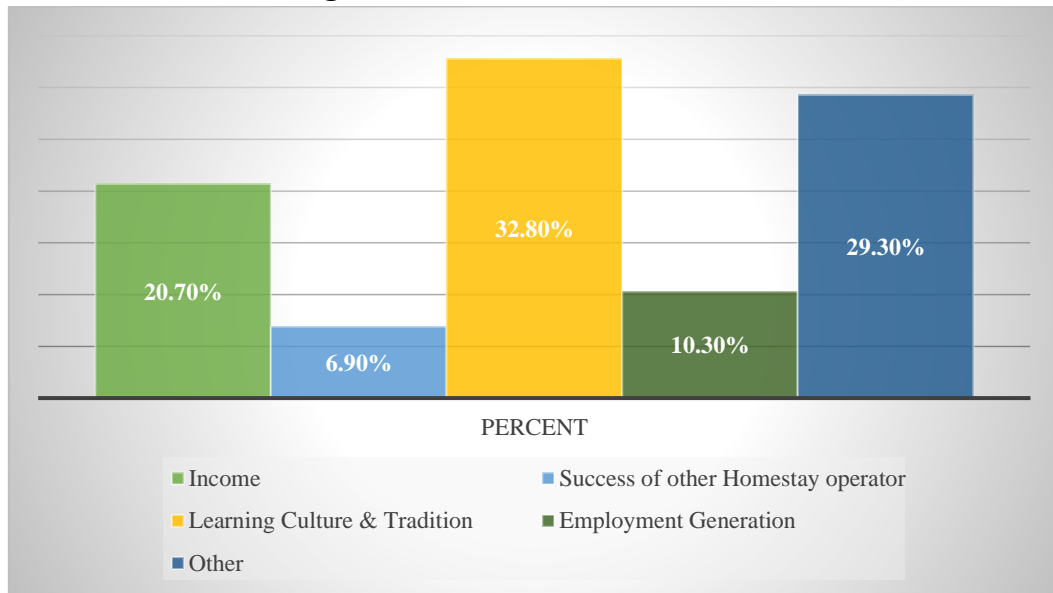
**Figure 8 Monthly Expenditure**



## 2. Motivational Factors that influence Homestay operators

A multi-response question was utilised to determine the factors that motivate the operators to participate in homestay business. According to the analysis, out of 58 responses, 32.8% cite "learning culture and tradition" as the primary factor influencing their decision to run homestays, followed by those who cite other factors (29.3%) such as using idle time, promoting rural tourism, passion, tourist demand etc., income (20.7%), employment creation (10.3%), and the success of other homestay operators (6.9%). From Figure 6, it can be inferred that the primary motivations for the homestay operators are learning cultures and traditions, using idle time, promoting rural tourism, and meeting tourist demand.

**Figure 9 Motivation Factors**



### 3. Relationship between Income and Expenditure

Table 2 depicts the normality test for the income and expenditure of the homestay. The test result shows that the significance values for both variables are  $<.001$ , which is less than 0.05. Therefore, the data for both income and expenditure do not follow a normal distribution. So, a non-parametric statistical test, Spearman’s correlation, is used for the analysis.

**Table 2 Test of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
<b>Average monthly income</b>	.298	40	$<.001$	.853	40	$<.001$
<b>Average monthly expenditure</b>	.258	40	$<.001$	.783	40	$<.001$

a. Lilliefors Significance Correction

Table 3 comprehensively analyses the relationship between income and expenditure within the homestay. The data shows a strong positive correlation between income and expenditure. The statistical analysis reveals a significant correlation between income and expenditure, with a p-value less than .001, which suggests that the correlation is statistically significant at 0.01. With a Spearman’s rho of .844, the results indicate that as the average monthly income increases, the expenditure also tends to increase.

**Table 1 Correlations between income and expenditure**

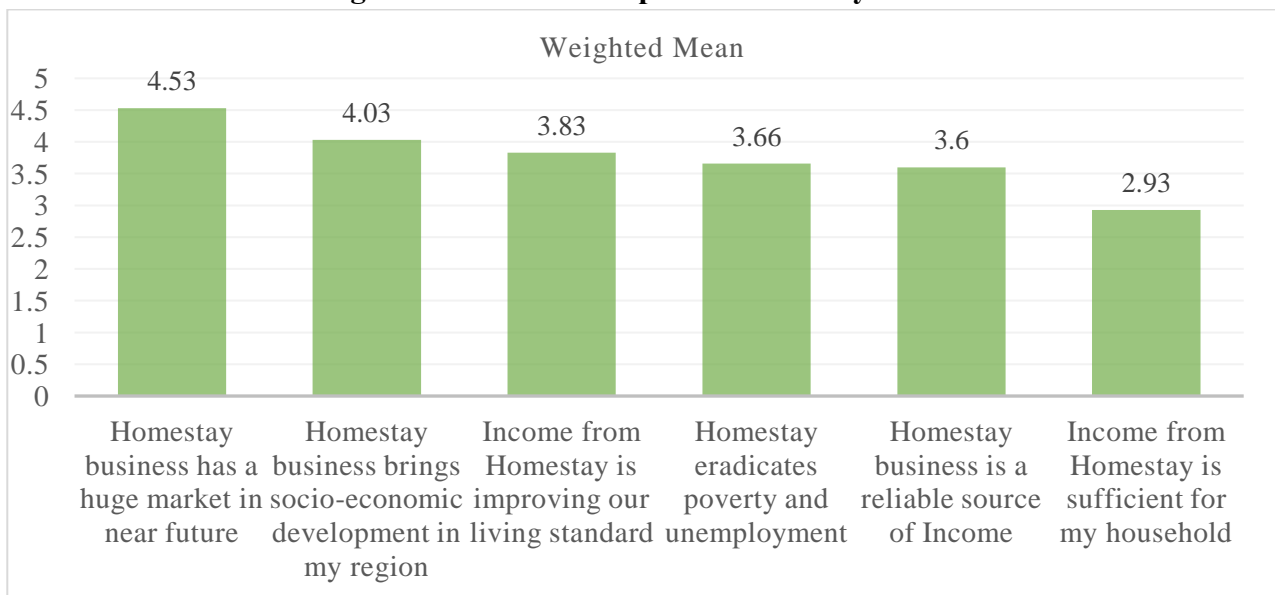
		Average monthly income	Average monthly expenditure
<b>Spearman's rho</b>	<b>Average Monthly Income</b>	1.000	.844**
	Correlation Coefficient		
	Sig. (2-tailed)	.	$<.001$
	N	40	40

	<b>Average monthly expenditure</b>	Correlation Coefficient	.844**	1.000
		Sig. (2-tailed)	<.001	.
		N	40	40
**. Correlation is significant at the 0.01 level (2-tailed).				

### 5. Perception of Homestay operators on Economic impact of Homestay Tourism

Economic impact of Homestay Tourism is summarised in figure 9. According to the figure, Homestay operators strongly agreed that ‘Homestay business has a huge market in near future’ with a weighted mean of 4.53. This might be due to the rise in demand for Homestay. Secondly, Homestay Tourism has facilitated the socio-economic development in the region (weighted mean=4.03). Third, the additional income from Homestay has improved the living standards of the operator (weighted mean=3.83), followed by ‘Homestay eradicates poverty and unemployment (weighted mean=3.66), ‘Homestay business is a reliable source of income (weighted mean=3.6), and ‘Income from Homestay is sufficient for my household’ (weighted mean=2.93).

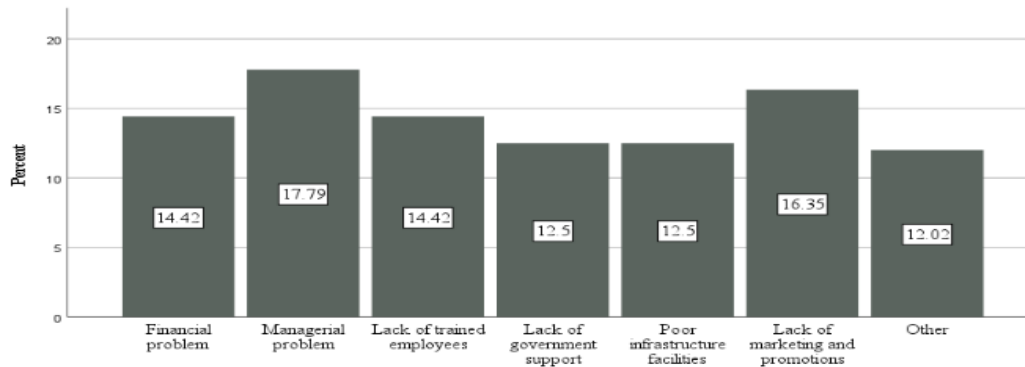
**Figure 10 Economic impact of homestay tourism**



### 6. Challenges faced by the Homestay operators

The difficulties that the operators faced were determined using a multiple-response question. Figure 9 shows that, out of 208 responses, 17.79 % cite "managerial problem" as the biggest obstacle to running a homestay, followed by "lack of marketing and promotions" (16.35%), "financial problem" and "lack of trained employees" (14.42%), "lack of government support" and "poor infrastructure facilities" (12.5%), and other issues (12.02%) like COVID-19, language barrier etc.

**Figure 11 Challenges faced by the homestay operators**



The operators encountered the most significant issues with management: managing guests, maintaining cleanliness, and preserving safety and security. The main obstacle to the expansion and development of the Valley's homestay industry is a lack of government assistance in funding, marketing, and promotion, as well as essential amenities like roads and network connections.

### Major Findings

The significant findings of the study are:

- 53% of the operators are male, while 48% are female, indicating active female participation in the homestay business.
- The primary motivation to participate in the homestay business was to “learn culture and tradition” (32.8% out of 58 responses).
- The majority of the operators, that is 45%, earn an income between ₹10,000 to ₹15,000 in a month, which is a sizeable income. Thus, the operators are using this income to fulfil the family's needs.
- Again, most (45%) of the operators incur an expense of less than ₹3000 in homestay business.
- The primary occupations of most operators (70%) are in service, business and farming, while 30% have homestay business as the main occupation.
- The correlation between income and expenditure in the homestay business shows a strong positive correlation (0.844), indicating that expenditures tend to increase as income increases.
- The homestay operators strongly agree that the homestay business will have a massive market in future (weighted mean = 4.53).
- The homestay operators also face various challenges while operating a homestay business. The study found that an operator's significant challenge is managing the homestay business, such as guest management, maintaining facilities, service quality, etc.

### Limitations of the Study

1. The study is confined to the Ziro Valley of Lower Subansiri district, Arunachal Pradesh.
2. The study is based on responses received from the respondents.

### Conclusion

The study proposes identifying the factors influencing the Homestay operators of the Ziro Valley, Lower Subansiri district of Arunachal Pradesh. It was found that most operators felt “learning other’s culture and



traditions” was the main factor that encouraged them to participate in the Homestay program. The paper also examined the economic impact of Homestay Tourism in the Valley and found that Homestay Tourism will have a huge market in the near future. The study also noted the problems and issues encountered by the operators while running the Homestay. Most operators view “managerial problem” as the main hindrance. The state government needs to organise more training and awareness programs so that the problems would be lessened. The government also needs to upgrade the infrastructure facilities that would make life easier not only for operators but also for tourists visiting the homestay. The study will be valuable for future researchers and policy makers due to the limited existing literature on homestays in the state. The research will offer valuable insights for future scholars and policymakers, as there is a noticeable dearth of literature on the subject of homestays within the state.

### Future Scope of the Study

The study was conducted in the Ziro Valley of the Lower Subansiri district, Arunachal Pradesh. Future researchers may consider expanding the study area to include all the districts in the state. Additionally, the study focused solely on the supply side of the homestay business; however, exploring the demand side in future research could be beneficial.

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