Challenging the Giants: Factors Contributing to Local Homestay Competitiveness in Ubud Bali

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Abstract
Tourism development in Ubud raises new paradigm that encourages city hotel and hostel investment in the area. Ubud, which was once secluded for the development of mass accommodation facilities, now has begun building various brands managed by hotel chains that threaten the existence of homestay owned by residents. The dilemma is not only these homestays must survive with market change, but they also must compete with the “giants” like Evitel (Asiawood Hospitality Management) and MaxOne (Milestone Pacific Hotel Group) offering relatively similar price. Looking into this phenomenon, the study conducted a survey to 163 homestays in Ubud to see what this local homestay has to support their existence: competing for the “giants” of the hospitality industry. Results of the survey were then being elaborated through an in-depth interview to selected homestay owners and administrator. Literature studies were also being conducted, ensuring five main factors that contribute to homestay competitiveness in Ubud, namely experience, digitalisation, innovation, market and location.

Keywords: Homestay; Local, city hotel; Tourism; Contributing factors.

1. Introduction
Known as one of the leading famous cultural destinations in Bali, Ubud has always been a top-notch list for holidaymakers to enjoy a genuine Balinese experience. The long history of tourism growth in Ubud has created the destination unique with its features. Despite its popularity to tourist and travellers, Ubud has also attracted to investors within the tourism and hospitality industry.

Now, not only it is crowded with international restaurants, the investment has now expanded to the growth of city hotels. As local delicacies will always be unique features of a destination (Pitanatri and Putra, 2016), accommodation sector does not comply with similar effect. There’s fear of being defeated by city hotels as tourist and travellers will seek for cheaper accommodation. The anxiety also develops as numbers of Chinese tourist to Ubud increased drastically for the last few years. Ubud, which was once closed its doors to the development of city hotel, nowadays must accept the changes as its market growth. On the contrarily, homestays owned by local people must compete head-to-head with the budget hotel.

In the 2016-2017 Indonesia’s Central Bureau of Statistic report, as shown in table 1 below, unlike other areas of Bali; homestay in Ubud has the most substantial portion within the accommodation business in this area. Ubud, which is an only small area of Gianyar regency, has up to 84% of total accommodation within the destination.

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of Accommodation</th>
<th>Ubud</th>
<th>Gianyar</th>
<th>Accommodation in Ubud to Gianyar (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Hotels</td>
<td>19</td>
<td>24</td>
<td>79%</td>
</tr>
<tr>
<td></td>
<td>Hostel</td>
<td>82</td>
<td>98</td>
<td>84%</td>
</tr>
<tr>
<td></td>
<td>Homestay</td>
<td>201</td>
<td>231</td>
<td>87%</td>
</tr>
<tr>
<td></td>
<td>Villa</td>
<td>23</td>
<td>36</td>
<td>64%</td>
</tr>
<tr>
<td></td>
<td>Other types of accommodation</td>
<td>1</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>326</td>
<td>390</td>
<td><strong>84%</strong></td>
</tr>
<tr>
<td>2016</td>
<td>Hotels</td>
<td>15</td>
<td>22</td>
<td>68%</td>
</tr>
<tr>
<td></td>
<td>Hostel</td>
<td>73</td>
<td>85</td>
<td>86%</td>
</tr>
<tr>
<td></td>
<td>Homestay</td>
<td>243</td>
<td>278</td>
<td>87%</td>
</tr>
<tr>
<td></td>
<td>Villa</td>
<td>4</td>
<td>14</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>Other types of accommodation</td>
<td>2</td>
<td>3</td>
<td>67%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>337</td>
<td>403</td>
<td><strong>84%</strong></td>
</tr>
</tbody>
</table>

Source: (BPS, 2017a;2017b),

Over the past two years, accommodation growth in Gianyar is located in the Ubud area, which mostly is in the forms of local homestay. Out of a total of 390 accommodations, 72% of the total accommodation available in Ubud
is homestay. From these figures, we can comply how sharing economy has foster community economic viability to support their welfare. Cannot be denied that sharing economy has played a significant role in the development of tourism in Ubud.

Homestay, which was once become “top notch” option for tourist to stay now must compete with the giants like Evitel Hotel (Asiawood Hospitality Management) and MaxOne Hotel (Milestone Pacific Hotel Group). The development became upsetting as these budget hotels are located relatively close to Ubud centre- a prime location which once only belonged to the locals. These budget hotels offer relatively similar prices; some are even cheaper than the price of homestay. Not only competing with the budget hotels, but the local homestay must also compete with the growing number of capsules hotels where they can literally rent their beds for only Rp50,000 per night (less than US$ 4).

Hence, Ubud homestay is not competing with big brands like Four Seasons and Ritz Carlton but with the increased numbers of budget hotels, which offer almost similar price to what they offer. A few years back, budgeted travellers and tourist will seek for homestay as their preferred accommodation. In the preliminary study, 89% of respondents stated that budget hotel had become their rival as it took their backpacker market. These “giants” does not only have more rooms with comfort and complete facilities but also located in the central of Ubud; sadly in direct contact with homestay which owned by the local community. This head-to-head rivalry with these giants is undoubtedly inevitable.

Seeing the phenomenon as above, this paper will discuss at least three essential pointers. (1) Current situation of homestay landscape in Ubud, (2) Factors supporting homestay competitiveness in Ubud and (3) possible recommendations in sustaining homestay viability in Ubud

2. Literature Review

In many destinations around the world, tourism has made a vital contribution to the community by increasing its economic benefits (Charles and Tian, 2011; Pitana and Pitanatri, 2016), as well as being a source of growth for a country's economy (Kalaiya, 2015; UNWTO, 2017;2018). In 2016, the economic benefit from the travel and tourism industry was accounted, worth at about 2.4 trillion US dollar (3.0% of total GDP) to the world’s GDP with approximately 105 million jobs opportunities (3.6% of total employment) created According to the World Travel and Tourism Council 2016's report (WWTC, 2016). Through the decades, tourism has experienced remarkable growth; where tourists and travellers are increasingly seeking new destination to rest and relax (Lin and Yeh, 2013; Pitana and Pitanatri, 2016). Undoubtedly, this trend attracted attention in promoting rural tourism from governments, non-governmental organisations (NGOs), and industry players as it has a significant role in leading economic activity and increasing rural incomes (Egbali et al., 2011; Zoto et al., 2013). The phenomenon also has made the government of Indonesia releases its national agenda called The Nawacitta where for the first time in history, tourism strategically becomes one of the main sectors of Indonesia. The Ministry of Tourism then translated this national agenda by launching one of its strategic program in 2016 namely Digitalization, connectivity and homestay (Pitana and Pitanatri, 2016; Pitanatri, 2018).

The strategic goals from Ministry of Tourism were to encounter a common condition where promotion activities for rural destinations are less advanced. Even rural destination has its competitiveness many destinations in Indonesia are not well managed. A recent study indicates that for rural tourism destinations to achieve competitiveness, their unique characteristics, landscapes, and attractions must be fully leveraged, developed and promoted (Lane, 2009). Existing research on competitiveness in tourism development has recommended a broad range of perspectives that should be investigated (Kim, 2003; King, 2006; Mihalic, 2000). Furthermore, local community access and support to the natural attractions are keys to success for rural tourism (Gangotia, 2014). Hence to succeed, the community must be involved and take part in any rural destination management; becoming owners of homestay may become one of the options.

Building a homestay will attract tourist and travellers to rural areas. The reason is just that rural areas attract tourists based on their distinct culture, history, natural environment, beautiful landscape (Pitantri, 2017;2018) and community (different ethnicity) atmosphere. Hence, without careful management, visitors can destroy sensitive environmental attractions at a location, or what many researchers refer to “tourism can kill tourism”. Allowing locals to “invest” in their place through homestay now has become increasingly popular in many destinations as an alternative to sustain rural areas. Looking back, the concept of homestay holidays began in the late 1970s in Europe. However, until today there is no global and specific interpretation of homestay as it differs from one country to another. For example, in Australia, the program is known as farm tourism. Other terms used for homestay include “host families”, “farm stay”, “bed and breakfast”, “cultural stay”, “guest house”, “self-catering”, and “small hotels”. Besides, there are other concepts involving homestay. For example, educational homestay, heritage homestay, cultural homestay, volunteer stay leisure stay, urban stay and culture stay. The general concept of homestay refers to the experience of tourists or visitors living together with a selected host family. While living together, the tourist will interact and at the same time experiencing the day-to-day life of the family, including their cultural lifestyle. Hence, the concept of the homestay is to create a unique local experience for travellers and possibilities of interaction with the host family. Staying with the locals through homestays offers the chance to experience new and untapped places, which enabled the government to provide an alternative source of income to the rural folks as well as to popularise new tourist destinations (Gangotia, 2014).

Tourist and travellers will have the opportunity to interact with the hosts in the exchange of knowledge, culture and experience by partaking into the routine activities of the community. As such, homestay programs can indirectly benefit as a new way of development by increasing awareness of rural communities on preserving the cleanliness of...
their environment. These travellers also act as a catalyst to enhance learning, exchanging and strengthening of communal values as well as preserving lifestyle and culture. Homestay enhances the distribution of income to the local population thus reducing the outflow of economic benefits. The locals get the maximum benefit from tourism.

This occurrence has made homestay program becoming increasingly popular among local and international tourists. Homestay program is designed to create an experience for tourists about the close-knit family relationships, enjoy home-cooked food and discovery of the simple village lifestyle (Pitanatri, 2018). In the case of Homestay, it is not merely rural tourism, but also strategy to increase rural community development. This is due to active involvement of villagers that fosters the understanding and cooperation by implementing activities within the village together with better infrastructure funded by the national Government, the growth of the homestay program has excellent potential as an alternative tourism product to attract international and domestic tourists.

Undeniably, homestay has shown to successfully become a catalyst for socio-cultural and economic development to the rural community development. The previous study conducted in Ubud has proven that sharing economy in Ubud create direct employment opportunities while at the same time increasing income levels and reducing the level of poverty (Pitanatri, 2017). To ensure the success of the homestay, local communities have to work together with the stakeholders involved. The local community of Ubud with its strong culture and tradition, are excellent in providing a viable environment for homestay to grow; a condition, which may be rare in other tourism destination in the world.

3. Methodology

This research uses a mixed method where the completion phase is divided into three stages. The first stage was conducted with the dissemination of 163 questionnaires to the local homestay owners and administrator. To give a better analysis, the research was conducted within four months period to see the difference between low season (May-June) and peak season (July-August).

After the first phase, the second phase is to conduct a literature study to explain the phenomenon that occurred in Ubud. A literature review was based on different disciplines including cultural landscape, cultural tourism, community-based tourism, sustainable tourism and sharing economy. Computerised searches were also being conducted using online databases from UNESCO, SAGE, Science Direct, ResearchGate and Portal Garuda. Homestay, community involvement, sustainable tourism and tourism development were the keywords to guide this paper. The literature related to this study was selected to give a reflective understanding of cultural landscape and tourism development in Ubud. The journals were selected in this paper published from 1900 to 2013. Literature study is also used to compose the question items that will be submitted at the next stage of this research. Literature varied from journals, books, reports, news site and official release from National Statistical Bureau and the provincial government of Bali.

The third phase of this research is to conduct in-depth interviews to selected interviewees, varied from a local owner, the chairman of Ubud Homestay Association, community leaders, government and extended staying guest who had stayed in Ubud homestay. In total 11 key persons were intensely interviewed about the homestay phenomenon that occurred in Ubud.

4. Results

4.1. Current Situation of Homestay Landscape in Ubud

Homestay as the forerunner of tourism in Ubud, its existence was now challenged with the development of hostel and budget hotels within the area. Homestay must now compete for head to head to the “giants” of the hospitality industry. Lack of zonation has made budget hotels located too close to the city centre, in the middle of a local village. These hotels and hostel offer cheaper rates, obviously turning off homestay business that has long owned by the residents.

During this research was conducted, 41,4% homestays in Ubud was operated for more than ten years. Within 163 respondents, only 11,1% of those homestays was new in the market (only operated within 1-3 years). This means homestay and its legacy were pass from generation to generation. Homestay becomes an integral part of the local community in Ubud.

Supporting Ubud as a tourism destination, the locals have opened its doors to foreigners in the early 1900s. At that time, a German artist named Walter Spies has settled in Ubud, teaching some local painters like Gusti Nyoman Lempad, Ida Bagus Made, Anak Agung Raka Turas, Anak Agung Gde Sobrat and others. Besides Spies, foreign painters who settled in Ubud was Rudolf Bonnet. Together Spies and Bonnet collaborated with the former King of Ubud Tjokorda Gde Agung Sukawati brought together local artists and created the Pitamaha group in 1936.

Vaguely, these early settlements of foreigners in Ubud require lodging facilities. At that time the emergence of lodgings is only available in Kintamani and Denpasar, which are relatively far from Ubud. At that time Tjokorda Gde Agung Sukawati is willing to give some land to be managed by the members of krama tamiu (strangers/foreigners). This was not common for Balinese at that time as land is only granted to those with straight bloodline or an appreciation to those who are loyal to the royal.

What is even uncommon to Balinese at that time was to invite foreigners to stay and live in Puri Ubud (The Royal Palace of Ubud). The Puri, to Balinese, was as sacred as the holy temple so that only particular member can enter it. This was then known as the early concept of sharing economy in Ubud and was also acknowledged as the birth of homestay in Ubud.
The King of Ubud then invites more foreigners to stay at his house which leads to opening opportunities to the locals. Selected VIPs will stay at the palace while their companies will stay at the houses near the palace. Homestay then became a destination for visitors and travellers who are keen to learn about Balinese tradition in Ubud village. Staying with the local become very popular as it allows the traveller to experience Balinese way of life in its very own unique setting. Travellers especially researchers and anthropologist stayed for months to allow them to penetrate Balinese culture and its social life directly. Staying in a resident's home gives travellers the freedom to blend in, in direct contact with the rural situation, and the way people live every day.

This development arose when tourism started to flourish in Ubud. Community leader then anticipated this condition by creating awig-awig (custom laws), which stated that only locals are allowed to develop lodging facilities within the area. Many traditional houses turned its function into a place to stay for visitors who wanted to experience Balinese way of life. The existence of the homestay family at that time continues to grow because it has its market. Marketing is done by guests who once had lived in Ubud, and managed to invite their friends to try to enjoy the charm of Bali with all its hospitality. Many repeaters went back to Ubud with their relatives; some even stayed in Ubud for the rest of their life. This indicates that there is a robust socio-cultural interaction between the Balinese and the tourists at that time. This relationship can be likened to flowers and the bees, like flowers and butterflies, to a mutually beneficial interaction between nations.

An interview conducted with members of Ubud Homestay Association explained that it is not five stars hotels they fear, but the emerge of low-cost lodging ranging only Rp50.000 to Rp100.000 (less than USD$10) per night is killing the business. Ironically the concept of these hostels is harming Ubud existence as a cultural destination, by allowing eight to ten double-decker beds (up to 20 people) per room. This condition triggers a price war in Ubud, Homestay that usually charges a range of Rp 200.000 to Rp 300,000 per night now must decrease their pricing to only Rp100.000 per night.

The change of the market also becomes one of the main concerns of these local homestays. Travellers who were once tending to stay with the locals now prefer to stay with the locals but in a separate house where they can have their privacy. This was against the actual concept of sharing economy by renting available utilities to travellers. The locals then accepted this phenomenon by building a separate house which still within their area. 9.5 per cent had shown that the locals are coping the trend and the numbers continue to grow. This study also indicates that the urge to build “sister company” for their homestay is also increasing. It is now common for villagers of Ubud to borrow money from their village’s cooperative (Koperasi Desa) to build houses as part of their homestay development.

Even though the study found an increase in digital media usage; surprisingly most homestay in Ubud still uses conventional ways like a walk-in guest, brochures and word of mouth. Around 38.1 per cent said that social media usage made no difference than when they do not have an account. Even so, there’s an increase in using Online Travel Agent (OTA) platforms. Those who use had increased their sales to almost 30%. OTA was the new wave in homestay management in Ubud, however, unlike other destination, Airbnb at this time does not play a significant role yet. The overall phenomenon showed that even though local homestay must now compete the giants, homestay in Ubud has its strength to resist the domination; which will be discussed as follow.

### 4.2. Factors Supporting Homestay Competitiveness in Ubud

Despite being “attacked”, homestay in Ubud resist. Such rapid development has made local people became more creative in developing their homestay business. The concept of "homestay" in Ubud has now developed into "the guest house" concept; of which tourists will have their privacy while still enjoying the local setting of Ubud’s village life. Through in-depth interviews with owners, managers, extended staying guest and representative from the government and association, this study found there are at least five supporting factors that significantly support the competitive development of homestay in Ubud.

#### Figure 1. Factors supporting homestay competitiveness in Ubud

- **Experience**
  - Experience is the first essential element for travellers to stay in the local homestay. Living in a Balinese home, eating Balinese food, and living a life like the Balinese is something that is not possible in a hotel. What later became the daily activities of local people was able to become a magnet for travellers whose eager to experience different voyage than any other travellers. Cannot be denied, experiencing the Balinese way of life gives different
impression and ambience for the travellers. They are not the only experience what (Picard, 2008) called touristic culture, but instead get a complete cultural experience from the first day of stay in the local homestay.

With regards to experience, (Enright and Newton, 2004), suggested that the tourists’ overall satisfaction depends on both destination-specific attributes and factors influencing tourists’ satisfaction of tourism products and services providers. Their study has indicated that tourist satisfaction is closely related to cultural and heritage destination attributes. Peleggi (1996), on the other hand explored the relevance of Thailand’s heritage attractions to both international and domestic tourism. The results showed that there are several attributes which satisfied tourists who visited Thailand, such as temples and traditional villages. Moreover, Janiskee (1996) emphasise the importance of several attributes such as festivals, traditional ceremonies, music, dancing, craftwork, food, historic houses, and direct experiences of traditional life. The results showed the cultural and heritage attributes, which satisfied tourists, were art, handicrafts, shopping places, fabulous scenery, and food.

A destination attribute is essential for evaluating tourists’ satisfaction of a destination. To satisfy guests, accommodation providers are required to understand their guests regarding the experiences they seek. It is essential to evaluate the experiences provided, both tangible and intangible, by mainstream accommodations in contrast to homestays (Moreo and DeMicco, 1993; Pitanatri, 2018). Previous studies have shown that increased demand for accommodations in private homes or hosted accommodations, especially homestays or nature lodges, which represent a rapidly growing sector of the tourism industry (Morrison et al., 1996). Therefore, it is vital for homestay owners to understand which attributes satisfy guests in order to develop better business strategies and gain the attraction for their market development.

4.2.2. Digitalization

The research found out that the second generation of homestay owners was managing most homestays. This means, even though not all use the digital media solely; most of them are digitally literate. All homestay owners use a smartphone, and 24, 5 per cent has received room bookings directly from the app installed on their mobile phone. Even so, there are still 60, 6 per cent owners and managers who received bookings through PC or laptop; while another 14,91 per cent still use the conventional ways like direct phone calls, walk-in and conventional travel agents.

Digitalisation is done primarily through the use of platforms to market their rooms. Local people sell rooms not only through conventional brochures but have used social media, online travel agents and websites. The use of technology has given them a chance to be feasible in the market. By having their profile on the web, their houses are more accessible as it connects with Google Maps, TripAdvisor, and so forth.

In Ubud, digitisation started from travellers who made the homestay’s location accessible in Google map. The trend also increases as more homestay are accessible in making their website. From the study, it is known that all homestay owners use social media (especially Facebook and Instagram) as an attempt to digitise even though only 22.2% are intensively using this medium for marketing. Even so, local homestay owners are increasingly aware that being visible to the world is foremost essential in making their business sustainable. Competing the giants will also mean that they must increase their visibility in many platforms.

Besides, the Ministry of Tourism in Indonesia has programs to fully support the use of digital media through a variety of platforms. The goal is none other than to distribute slices of cake from tourism so that the most significant portion can be enjoyed by the local community; owner of the destination.

4.2.3. Innovation

Indirectly innovation is widely applied by the owners and managers homestay. These innovations are learned from their implementation of conducting tourism activities for decades in Ubud. The innovation here is endless as local people always something interesting to offer. For example, the owner of Jati Guesthouse mentions that his father is one of the local painters in Ubud who now loses the market for his paintings. When he started to open his house for travellers to stay, he got an additional income for tourist who would like to learn basics in Balinese paintings. As an added value he then started giving painting workshop to those who stayed in his homestay. Because of this, he does not only get an additional income, but his father’s paintings have got his new market. Jati Homestay, which is a family of artisan, their most significant income is not from selling the paintings but selling painting workshop to the tourists. Interestingly, none of the children from I Wayan Jati main job are painters; workshop activities are carried out by large families so that regeneration persists. This innovation leads to differentiation as no budget hotels in Ubud has yet conducted the same experience.

Local people innovate concerning service, marketing and even the expansion of cultural activities that is the excavation of the cultural values of Ubud society. Cultural expansion for this tourism is a form of cultural dynamism that is not stagnant. Culture in Ubud is dynamic following the development of the pattern of life of the community. Certain cultures are "deliberately" revived to give travellers experience. These cultural activities then became the unique selling point of local homestay; making them different to any budget hotels in Ubud.

Although the above activities are often referred to as "cultural commercialisation" and are often the critic of many researchers, Ubud people are entitled to benefit from tourism. Tourism indirectly provides opportunities for Balinese culture that may be lost reincarnated through a new form. Many research has also addressed the issue of the importance-performance analysis to examine cultural and heritage destination attributes. Crouch and Ritchie (1999) stated that the destination’s attractiveness attributes with the industry level attributes such as human resources and infrastructure contribute to the tourist’s overall satisfaction of a destination.
4.2.4. Market

The concept of sharing economy such as the use of digital platforms and rise of the current trend called “sharing economy” or collaborative consumption, significantly contributes to the development of the homestay market in Ubud. Their market which initially relying only on walk-in guest now has grown from millenial, yoga enthusiast to novelist such as Elizabeth Gilbert with her infamous Eat Pray and Love.

The development of this market is also supported by the development of digital literacy from homestay managers who diligently encourage guests to write a review of their stay. Some has also collaborated with Bloggers and Vloggers to capture a bigger market. Undeniably, the rise of Millenials is also contributed to the growth of local homestay market. Another key attribute is the increase of Chinese tourists with prior travel experience to Bali, are now turning towards direct and Online Travel Agent bookings as their preferred method of travel. Chinese travellers prefer to use OTA as it offers them more flexibility and control over their itinerary. Even though the conversion rate at this time is quite low, but there has been significant growth for a few years back. Homestay owners are expected to increase emphasis on these online distribution channels, through yield management.

4.2.5. Location

One of the strengths of the local homestay is that they are likely to be in the centre of a prime location in Ubud and this has become one of their competitiveness. Staying in homestays will give travellers direct contact with any cultural activities conducted within the area. Travellers will be able to see directly temple ceremonies, as part of the religious festive in Ubud. Being a guest in a local homestay also means that they become a family of the owner. This allows travellers to get involved in many cultural activities.

Most homestay lays in the heart of Ubud as it belongs to the local who was once served the King. Giving such a prime location, it also gave benefit to travellers who would like to sightsee Ubud. Compare to budget hotels, the chance of getting around is more feasible as travellers can be directly in contact with the locals. Even though at this point numbers are low, some homestay owner has already signed up on a program called AirBnB “trip” where locals have a higher chance in promoting their homestay experience and location to the world.

Homestays cannot only be classified as a form of accommodation because of its emphasis on the concept of lifestyle and experience, encompassing local culture of a specified destination. International tourists participate in homestays to experience for themselves the atmosphere of the village and its community’s lifestyle. Hence, location is one of the main reason why travellers prefer to stay in Ubud homestay.

4.3. Recommendations in Sustaining Homestay Competitiveness in Ubud

In Ubud, where culture and lifestyle are still well preserved, homestay that belongs to the locals is seen as having great potential. Homestay portrays as accommodation and also getting to know the local lives and culture. Therefore, to stay sustain, at least there is five recommendation from this study:

a. Specific legal provisions to deal with the concept of homestay must be drawn up;

b. Regular monitoring and enforcement must be carried out on private business premises using the name ‘homestay’;

c. Providing advanced/speciality courses that allow homestay operators to remain competitive such as training on digital literacy and the use of technology, English communication skills, marketing strategies, entrepreneurship programs and financial management;

d. Create package deals for those interested in venturing into the business of private accommodation to avoid the abuse of the concept or the word ‘homestay’ as an easy means to attract customers;

e. Provide guidelines for individuals who would like to offer alternative accommodation either in the form of private houses or small private resorts so that they do not abuse the ‘homestay’ brand name.

5. Conclusion

Homestay in Ubud has contributed significantly to the development of local communities and the local economy. As it belongs to the locals, it has also contributed to the social welfare. However, some issues like the growth of budget hotels and hostel within the area can create negative impacts in the long run. To overcome these issues, the actual concept of homestay should be emphasised. It is also essential that the local government of Gianyar regency and Ministry of Tourism forge the homestay program so that it remains competitive in the future. Finally, even though there are five contributing factors that made homestay in Ubud attractive, it should be reiterated that even though there are other types of accommodation may be cheaper compared to homestays, but the experience of staying with local hosts and the opportunity to experience first-hand a village atmosphere is something unique and memorable that should be preserved and maintained.

The five most important factors such as experience, digitalisation, innovation, market and price must continue to run synergistically so that the future homestay can remain permanent from the intense competition in the future.

References


