Operating Issues and Challenges: The case of Pachitan Homestay from 2017 to 2019

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Publication Details: Received 15/06/19; Revised 17/10/19; Accepted: 24/11/19

ABSTRACT

To accommodate the different needs of a diverse group of tourists, various types of living accommodation are made available for them in Malaysia. Among all the accommodation available in Malaysia, homestay is one of the choices which offer a truly Malaysian experience. However, research related to homestay is relatively limited to date and thus required further investigation. Particularly, an in-depth understanding through academic research study on the overall operation of the homestay is very much needed in order to improve the sustainability and quality of homestay industry in Malaysia. “Pachitan” Homestay was chosen as the case study. A qualitative research approach was used to collect data using semi structured face-to-face interviews from the respondents in this study. Data collection was conducted in 2017 and 2019 to understand the operating issues and challenges of this homestay over a period of three years. The results from the interviews show that Pachitan homestays can be a potential tourist destination as it offers rich Javanese culture and lifestyle to the visitors. Moreover, visitors can also gain a truly Asian experience through the interactions and communications with the local hosts.

Keywords: Homestay, Hospitality, Tourism, Challenges, Attraction, Malaysia

INTRODUCTION

Malaysia is one of the world’s leading tourist destinations and it was reported that Malaysia has received 25.8 million international tourists and contributed as much as RM84.1 billion to the country’s revenue in 2018 (Tourism Malaysia, 2019). It was reported that the top ten tourist source markets for Malaysia in 2018 includes Singapore, Indonesia, China, Thailand, Brunei Darussalam, India, South Korea, Japan, Philippines and United Kingdom. It is anticipated that the tourist arrivals will grow to 28.1 million with the expected tourist receipts of RM 92.2 billion in 2019 (Vasantha, 2018). In view of the significant contribution of tourism activities towards the Malaysian economy, efforts to further enhance and strengthen the tourism industry should be given.

To accommodate the different needs of a diverse group of tourists, various types of living accommodation are made available for them in Malaysia. Homestay is one of the choices which offers a truly Malaysian experience. It enables tourists to expose to the local culture and life styles through living and interacting with the local host families (Pusiran & Xiao,
2013). Providing homestay to the tourists is also a good business opportunity for the people in the rural area (Salleh, Othman, Nordin, Idris & Shukor, 2014). In conjunction with the promotion of tourism in Malaysia, the Ministry of Culture, Art and Tourism has allocated RM40 million under the Ninth Malaysia Plan (2006-2010) and another RM10 million under the Second Stimulus package to upgrade the facilities and infrastructure for all homestay villages involved in the Homestay program (Ibrahim & Razzaq, 2009). According to the statistics provided by the Ministry of Tourism and Culture Malaysia, there are a total of 214 villages, 4118 operators and 5814 rooms involved in homestay program in Malaysia as at February 2019 (Ministry of Tourism, Arts and Culture, 2019).

An in-depth understanding through academic research study on the overall operation of the homestay is very much needed in order to improve the sustainability and quality of homestay industry in Malaysia. Such an attempt will contribute to the literature by enhancing the knowledge in homestay industry since limited studies have been conducted in this area in Malaysia. For this study, Pachitan Homestay was chosen as the case study. The history of Pachitan Village can be traced back to early 20th Century when the Javanese began to settle down in this area. Today, the village still maintains its traditional Javanese culture and heritage (Chin, 2013). Pachitan is located not far from Port Dickson, a famous tourist attraction in Malaysia. Figure 1 shows the location map of Pachitan Homestay. One of the great achievements of Pachitan Homestay is that it won the “Best Homestay” category from the 19th Malaysia Tourism Award in 2014/2015.

Figure 1: Location of Homestay Pachitan

Notes: Figure 1: Red stars represent major towns
Source: Adapted from Google Map (https://www.google.com/maps)

LITERATURE REVIEW

The Concept of Homestay

Generally, homestay is a living accommodation where visitors are staying with the host families and involving themselves with the daily local activities to experience the native
cultures and community’s lifestyles (Hussin & Kunjuraman, 2014). Some host families tend to rent out the vacant rooms in their own house in order to generate extra income and meet new people both local and abroad. Sometimes, this kind of arrangement is also known as bed and breakfast premises (Othman, Sazali, & Mohamed, 2013). Usually, homestays in Malaysia are more commonly found in rural tourism destinations where no other types of living accommodation such as hotels, resorts and chalets are available. As such, the local families can take this advantage of providing their home for homestay purposes (Shukor, Salleh, Othman, & Idris, 2014).

Homestay is also considered a form of community-based tourism program used to develop rural communities. It is a tool for community development to improve the quality of life of the residents living in the rural areas. Homestay operators are able to reap the economic benefits of this type of tourism to enhance their standard of living. They would be able to live a better life with the income earned from the tourism activities. However, the success of homestay programs often depends on the involvement of the community, operations and facility management, marketing, government support, and the issue of sustainability (Yusof, Ibrahim, Muda, & Amin, 2012).

**Homestay Operations Management**

Before a homestay operator is qualified to participate in the homestay program, a number of criteria need to be fulfilled as per requirement of the Ministry of Tourism, Arts and Culture. These requirements include: accessibility to the main road, no obstacle along the corridor of the house, separate bedrooms and well-functioned bathrooms, and the homestay operator must be free from any criminal records and any disease. The selected homestay operators are required to take part in several courses and they will be finally awarded with a certificate of registration (Mapjabil et al., 2015).

Most of the homestay operators are members of a homestay coordinating group which is led by the group’s committees. Some of the committee members are also holding position in the Village Welfare and Security Committee and others registered co-operatives (Kalsom, 2009). When the tourists come in a group, they will normally be offered a range of packages based on their requirements and the prices can vary from RM60 to RM120 per night. The payment received is credited into the coordinating committee’s account and the committee will then pay the homestay operators hosting the visitors accordingly. The profit gained from the homestay program will be utilized by the committee to purchase supplies and materials and to maintain the homestay facilities. The committees are also allowed to use the profit for marketing and promotional activities (Ibrahim & Razzaq, 2009).

**Homestay Facility Management**

A good facility management is essential in sustaining the homestay industry in Malaysia. The International Facility Management Association (www.ifma.org) defines facility management as a profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place, process, and technology (Atkin & Brooks, 2009). The management of facility is crucial to support an organization’s operations as well as the people working within the premise (Tan, Cham, Zawawi, & Aziz, 2019). A well-managed homestay facility enhances the operators’ ability to deliver effective and responsive services to their visitors (Atkin & Brooks, 2009). The aim of managing homestay is to ensure that the current facilities are able to meet the current core business requirements, and adjustments can
be made based on the decisions and objectives of the homestay business (Barret & Baldry, 2003).

To ensure visitors are satisfied with the homestay, it is important that the overall quality of homestay facility is maintained. As such, homestay operators are required to comply with the rules and regulations prescribed by the Ministry of Tourism and Culture, Malaysia with regards to facility management. The rules and regulation can be summarized into the following six components:

1. Residential location. The location must be strategic. It should be able to access to main road, free from pollution, and to portrait the lifestyle of Malaysian society.
2. Basic facilities. The residential unit designed for homestay should be appropriate in size and comes with separate rooms. The premises must have proper washrooms, toilet facilities, dining and living room, and other basic amenities. The basic facilities should be well maintained in providing a good level of comfort to the visitors.
3. Cleanliness. The home environment should be kept in a tidy and clean manner. There should not be any breeding ground for insects and mosquitoes, and the drainage system should always be good in order to avoid unpleasant smell.
4. Safety. The host is encouraged to obtain an insurance policy from a registered insurance company for the protection of the visitors. The operators should take into consideration of fire precautions and minimize danger or hazard conditions in the surrounding area.
5. Guidelines for food preparation. Operators should give high attention to the way how food is handled and stored. Garbage such as boxes, cans, bottles, and plastics should be disposed of frequently.
6. Equipment and appliances. All equipment and utensils used in cooking and serving food should be in an acceptable state of hygiene to avoid food poisoning. All equipment should also be washed after use and kept in a proper place.

Promotion of Homestay

Like any other hospitality services, it is important that superior services are provided to the guests in order to satisfy their needs (e.g. Cheng, Mansori, & Cham, 2014; Cham & Easvaralingam, 2012). Maintaining a good relationship between the hosts and the guests is a way to promote homestay (Acharya & Halpenny, 2013). Brand image can be built up by word-of-mouth through the visitors when they share their wonderful homestay experience with their families and friends (Cham, Lim, & Aik, 2015; Cham, Lim, Aik, & Tay, 2016; Rizal, Yussof, Amin, & Ku, 2018). Such a marketing approach not only enhances the chance of revisiting homestay but also helps to advertise to potential visitors to patronage homestay.

The homestay operators should take advantage of the activities conducted by the government in promoting tourism in and outside of Malaysia. For example, in the year 2014, the government ran a promotional campaign about the unique culture and lifestyle that portray the distinguished characteristics of Malaysia, a country which is truly Asian. Staying in a local home would allow tourists to gain the true Malaysian culture when they blend themselves into the local community to gain a real local experience (Gannon, 1994).

The intensity of market competition and price war found in the homestay industry has brought about long-term negative consequences in the quality of services rendered to the customers (Xin & Chan, 2014). The lack of marketing knowledge among the homestay operators further jeopardizes the industry as they do not equip themselves with the required
skills to run the business successfully (Affizzah & Melissa, 2017). Marketing continues to play a role in affecting the future development of the homestay industry in Malaysia.

**Homestay ProductOfferings**

The early homestay programs merely provide basic amenities such as daily meals and living accommodation to the visitors (Pusiran & Xiao, 2013). Nowadays, homestay programs are also a platform of socio-cultural interaction between the hosts and the guests. Activities and events such as game plays, traditional dances, folk songs, performances such as “silat” (a local martial art), preparing traditional dishes, learning handicraft, and festival celebrations are organized to enhance the experience of the homestay guests (Jamaludin, Othman, & Awang, 2012).

Visitors may participate in the local community livelihood activities such as fishing, coconut farming, coconut oil simmering, souvenirs making, paddy planting, and fruits harvesting. They can also visit orchards, art galleries, and museums (Shahudin, Abdullah, Radam, Latif & Yacob, 2017). Tourists can also rent equipment to dive and snorkel if the homestays are located at the coastal areas (Armitage, Charles, & Berkes, 2017).

One way to market the local homestay programs is to repackage or modify their existing products exclusively, especially from a conservative homestay concept to one that is innovative and creative (Affizzah & Melissa, 2017). By doing so, the loyalty of the visitors can be maintained to secure and sustain the homestay business.

**Government Assistance**

Financial and various other forms of assistance are provided by the government to support the communities participated in the homestay programs. The Ministry of Culture, Art and Tourism has made some efforts in assisting homestay operators to enhance their incomes and economic welfare. For instance, RM5,000 has been allocated to each house under the homestay program to upgrade the toilet facilities (Ibrahim & Razzaq, 2009). However, to obtain the financial assistance and support from the government and other related agencies, each homestay operator will have to go through the screening and recommendation of the Malaysian Homestay Association (Pusiran & Xiao, 2013).

In 2006 to 2010, the government has allocated RM40 million under the Ninth Malaysia Plan and another RM10 million under the Second Stimulus package to improve the facilities and infrastructure of the participating villages. Infrastructure such as roads, public toilets, community multipurpose halls, landscapes, public walkways, and jetties were to be improved for all the villages that involved in the homestay program (Pusiran & Xiao, 2013). The aim of such financial support is to ensure the overall quality of the homestay facilities.

In 2011, new homestays have been developed and expanded in 500 villages by the Ministry of Rural and Regional Development to promote rural tourism branding. Training has also been provided to the homestay operators by the Institute for Rural Advancement (under the Ministry of Rural and Regional Development) to upgrade their competency in providing homestay services for both the local and international visitors. Indeed, the government has injected RM50 million to promote and advertise the homestay programs at the international level (Salleh et al., 2014).
In addition, the Ministry of Agriculture has contributed to the sustainable development of the homestay programs. The Ministry of Agriculture has provided financial and technical assistance to the communities that involved in agriculture. Thus, the agricultural activities can be carried out in a larger scale with improved machinery and technology. The community members can then produce local agro products that can be sold to the tourists through the homestay programs (Ibrahim & Razzaq, 2009).

Challenges Faced by Homestay Operators

With regards to challenges of homestay, Zaki, Johan, Affendi, and Norria (2011) found that the progress of the development of the homestay industry is slow as the operators are having insufficient exposure and experience in managing their business. They are also short of investment capital as well as the necessary entrepreneurial skills and abilities in operating homestay. Very often the homestay operators, who are in the rural village, will rely heavily on the external assistance of the government support to make their business successful. In addition, another major problem is the substandard facilities. A homestay with a certain standard should be equipped with all the basic infrastructure such as proper roads, water supplies, availability of electricity, telecommunications, and public facilities. These facilities are important as they are basic expectations from the tourists.

Most of the homestay operators lack of marketing knowledge and skills in promoting and creating awareness of the homestay program. They may not be able to offer sufficient homestay activities to retain visitors. The operators often face such problems as a lack of local products and services to attract visitors. They may need the necessary but unavailable transportation to get tourists to the other points of interests located in nearby towns. Language barriers and lack of communication skills are also problems faced by the homestay operators. Since the homestay operators are mainly villagers from the rural areas, it is not surprising that they do not communicate well with those visitors from foreign countries (Zaki et.al., 2011).

RESEARCH METHOD

For the purpose of this study, data collection was conducted in October 2017 and November 2019. A qualitative research approach was used to collect data using semi structured face-to-face interviews. This research method was chosen to gain a better insight of the research issues to be examined. Purposive sampling was used to obtain a total of 13 respondents or interviewees in October 2017 at the Pachitan village. The 13 respondents consisted of three coordinators, nine operators, and one travel agent from the Pachitan homestay. A diverse group of people were included for the interviews to obtain different perspectives on the research issues. This would, in turn, enhance the richness of the data. Fifteen questions pertaining to the research objectives of this study were asked during the interviews. In addition, a follow up interview was conducted in November 2019 to identify the current development of this homestay. The information obtained from the interviews was transcribed and further analyzed using thematic analysis.
RESULTS

The first six sections report the findings from the interviews conducted in October 2017 while the seventh section reports the current development of the homestay based on the follow up interview conducted in November 2019.

Business Operations of Patchitan Homestay

The Pachitan village consists of 28 homestays and three “kampung” stay (i.e. village stay) operated by 28 operators and three coordinators. The operators of the homestay are known as the “tuan rumah” in Malay language with the responsibilities to serve and interact with the visitors. The coordinators are the leader for the operators; and their duties and responsibilities include marketing, compliance of government regulations and policies, cooperation with other homestays, delegation of tasks, educating the operators to be professional, and allocation of time schedule.

One of the coordinators described the process of welcoming the visitors. Before the visitors arrive at the homestay, preparation works will be carried out where stage and tent will be set up in the “dataran” (i.e. assembly area). A series of activities such as local cultural performance will be performed to the visitors. The coordinator claimed that this is the way to promote the traditional culture of the homestay and more importantly to entertain the visitors.

The “tuan rumah” of the homestay will be getting ready the accommodation for the visitors. They will clean up the living quarters with care before the arrival of the visitors to ensure that the cleanliness of the rooms. The allocation of the rooms will be done by the coordinators after discussion with the travel agency to meet special requests of the visitors, if any. To satisfy the needs of the visitors, some renovations or upgrading of facilities such as the installations of air conditioning and water heater will be carried out by the operators. The visitors will be staying with the family of “tuan rumah” and experience the true living style of the local culture through interaction with the family members. Local delicacies will also be served by the operators to the visitors. In the case of “kampung” stay, only accommodation will be provided to the visitors and the hosts will not be staying with them. The selection of homestay or “kampung” stay depends on the visitors’ preference.

Pachitan Homestay Facilities

The facilities of Pachitan Homestay is managed by a team led by a coordinator. The team members take care of the overall facilities of the homestay to ensure that they are functioning. All the necessary equipment such as public address (PA) system will be put in place by the team before the start of the event. However, the accommodation facilities are the sole responsibility of the operators themselves.

A coordinator pointed out that the facilities of the Kampong Pachitan are very limited. For example, the Internet facilities are not available even though it is considered as a very basic requirement by most of the visitors. There is also a lack of entertainment programs and this constitutes a major problem that hinders the future development of Pachitan homestay. To overcome these inadequacies, various initiatives have been given by government to enhance the facilities in the village. For example, the government has provided funds to build a multipurpose hall with enough capacity to conduct activities for a larger group of visitors. It also funded a shelter to hold events during the rainy session. In addition, the government
would soon provide Internet access to the whole village as well as some sort of sport facilities in the village to entertain the visitors. Another coordinator claimed that dorms or chalets may be built to provide a different living experience to the visitors.

**Marketing Activities of Pachitan Homestay**

Word-of-mouth seems to be the most common strategy used to promote Pachitan Homestay. This is evidenced by the number of visitors revisiting the village with their friends and families. The coordinators stressed that even though this is a conventional marketing approach, it is still an effective way of promoting the homestay.

Facebook is also used to promote the homestay program as it is a free-of-charge approach to advertise the village in the social media. The government has also helped the operators to advertise their services at “gotohomestay.com”. The coordinators of the Pachitan homestay have also taken the initiative to create new website in collaboration with other homestay operators at “1malaysiahomestay.com”. In line with the IT advancement, Pachitan homestay accepts booking through online platforms or messaging apps provided by online travel agencies such as “Trivago”.

In addition, the coordinators of the homestay program have some collaboration with the local universities to organize events and conduct research in order to promote their services. They also have some kind of arrangements with the private travel agencies to organize trips to visit the village. By all these collaboration and promotion, it is hoped that the occupancy rate of homestay can be improved.

**Product and Services of Pachitan Homestay**

The homestay comes with various packages and options. It includes a variety of events that mostly organised around the village. A one-day visit costs RM90.00 while 2-day-1-night package is RM180.00 and 3-day-2-night package is RM300.00. The following are some of the activities included in the package:

(i) Culture-watching traditional Javanese Dance, playing traditional musical instrument such as Kompang, observing Javanese marriage ceremony.

(ii) Art and Craft-making “kain batik” and ‘wau’ (i.e. a type of kite), learn to prepare Dumpling “Ketupat”.

(iii) Traditional food-tasting of local delicacies such as Nasi Ambeng, Pecel, Tempe, Ubi Rebus- steamed sweet potato, traditional homemade cakes and another local food.

The homestay program also offers specially tailored packages for targeted segment such as Package Aqiqah, Package Qurban, and Package Family Day. Additional packages are also offered in conjunction with these packages which include visiting the Military Museum and Museum Lukut, river cruise, Gallery 3D Lukut, and Upside Down Art Gallery.

**Government Assistance to Pachitan Homestay**

Various supports and initiatives have been given by the government in setting up and promoting Pachitan homestay. One of them is the building of multipurpose hall as mentioned
earlier which was scheduled to be completed by the end of year 2017. The government has also brought about improvement in basic infrastructure such as widening the roads in the village. By doing so, it allows the village to be connected with other larger villages and cities. One of the interviewees pointed out that the major facility lacking at that moment was the adequacy of the Internet services in the village. He further explained that only a certain part of the village was having a steady Internet access at the time of interview.

A coordinator responded in the interview saying that one of the supports given by the government is providing training courses to the operators to improve their skills in managing the homestay. On top of that, RM5,000 incentive payment is given to the operators to improve the toilet facilities so as to comply with the requirement determined by the Malaysian Homestay Association

Another interviewee claimed that the government has stopped providing marketing and promotion assistant for the homestay industry. For example, the government is no longer maintaining the server that promotes the local homestay at “gotohomestay.com”. This has caused some of the homestays to shut down as a result of poor occupancy rate due to lack of promotion.

Challenges of Pachitan Homestay Operators

A major challenge facing the operators of Pachitan homestay is the lack of appropriate facilities. Currently the only available place to conduct events to entertain the visitors is a field. It is too small to accommodate a large group of visitors. Furthermore, the place is in the open space without shelter, therefore, it is unfit for use during the rainy days. The construction of the multipurpose hall is a way to overcome the current situation in the village. Besides, limited access to the Internet in the village is another hurdle that needs to be addressed immediately.

The next challenge is the limited financial support from the government. According to one of the interviewees, financial aids from the government are very limited as many villages in the country are vying for the same budget. Therefore, the chances to secure the funds are very remote. Besides, the application procedure for the funding is long and complicated.

Lastly, language barrier is also a challenge faced by the operators. They are mainly villagers of not highly educated, hence, they find it difficult to communicate effectively with the visitors. With the use of body language and dictionary, the operators manage to overcome the communication problem to a certain extent; and they are able to maintain a decent level of interaction with the visitors from different countries. “Surprisingly, there are visitors from Japan willing to learn Bahasa Malaysia (Malay language) in order to communicate well with us,” said by one of the interviewees.

Current development of the homestay

A follow up interview with the coordinator was conducted at Pachitan Homestay in November 2019. The purpose of the interview is to identify any new development of this homestay since October 2017. Generally, there are not much changes over the last three years. The number of houses as well as the facilities in the village are the same. Similarly, the activities conducted to welcome the guests remained unchanged except that the multipurpose hall mentioned in the previous interview is already completed and it can be used to
accommodate various activities. The plan to build dorms and chalets which was mentioned in the previous interview did not materialize but instead they are building camp site at the back of the multipurpose hall.

In terms of marketing and promotion, currently they are engaging a few agents to promote and recruit their guests. The homestay also advertised in booking engine such as vacamania.com. However, the coordinator said that they are no longer using the services offered by Agoda.com as they are not purely offering room accommodation but providing their guests local and distinct Malay and Javanese experience through their activities in the homestay. In addition, they are doing promotion to introduce the homestay to students among schools in Klang Valley to enable them to get the homestay experience. When it comes to product and services, there are not much changes as well. They are maintaining the activities such as “Batik” and “Wau” colouring but on the other hand they are introducing rattan weaving to their guests.

The coordinator mentioned that they did not secure any new grant as there is no such allocation available for the homestay from the government. The coordinator pointed out that one of the main challenges now is to maintain a reasonable profit margin from revenue obtain from their sales. He said that they are not getting any more guests from China due to low profit margin. Currently, their guests are mainly from Singapore, Japan and Korea. The second challenge faced by the homestay as mentioned by the coordinator is the poor internet coverage in the village. This situation did not improve since the previous interviews were conducted. The coordinator made a concluding remark that the homestay will survive however there is room for improvement in terms of managing it.

**CONCLUSION**

The current study provides an in-depth understanding of the varies issues of Pachitan homestay. It also provides a comprehensive insight on how the homestay is operated as well as the challenges faced by the operators in the village. The results from the interviews show that Pachitan homestays can be a potential tourist destination as it has rich Javanese culture and lifestyle to offer to the visitors. The visitors can gain a truly Asian experience through the interactions and communications with the local hosts. However, the lack of facilities and amenities in the village is a drawback that needs to be addressed. Government should continue to provide supports to the homestay operators in order to develop the overall industry in Malaysia.

Since this is a case study, the research findings may only applicable to this particular homestay venue. Future studies may examine various homestay villages and the findings will be more representative to the overall community-based tourism industry in Malaysia. In addition, a comparison study can be done by evaluating the performance of several homestay villages at the same time. Future research may also include the perspectives of the visitors by examining the satisfaction level of their homestay experience. The findings of such studies would be useful to improve the services provided by the homestay operators.
ACKNOWLEDGEMENT

The authors would like to thank the following participating researchers for their assistance in collecting data in 2017 for this study: Chin Mee Yin, Lee Cheng Wei, Ng Sy Jinq, and Ng Wei How.

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