



ENLIGHTENMENT TO PERFECTION

# **Viability of Homestay Tourism in Darjeeling Hills: The Identification of Constraints and Opportunities**

**A Thesis Submitted to the University of North Bengal**

**For the award of Degree of Doctor of Philosophy**

**In  
Commerce**

**Submitted by  
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**DEPARTMENT OF COMMERCE  
UNIVERSITY OF NORTH BENGAL  
September, 2021**

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**Statement of Authorship**

I hereby declare that this submission titled 'Viability of Homestay Tourism in Darjeeling Hills: An identification of Constraints and Opportunities' is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other degree or diploma of universities or other institutes of higher learning, except where due acknowledgement has been made in the text.

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## **ABSTRACT**

Homestay tourism is essentially an assortment of rural tourism that attempts to attract tourists to immaculate destinations to share the customs, cultural legacy of the local people. In fact, rural tourism is a multifaceted concept that may consist of resort-based holiday plans, adventure tourism, health tourism, and leisure tourism. The basic idea of homestay is to provide a home away from home to the tourists, to enjoy the pleasure of home and family while visiting various destinations. The homestay operators provide neat, relaxing rooms in a traditional atmosphere, with authentic food and pleasing hospitality which are the basic components of a homestay initiative. The term homestay tourism was first coined in the US where the students who went pursuing education in the US were given an opportunity to share rooms made available by the neighborhood for common benefits. The idea of homestay tourism has changed with the passage of time and it has become a livelihood opportunity for the people living in pristine areas away from the muddling crowded place where visitors get the personal touch and flavor of fresh air and serene beauty of nature.

An in-depth review of the literature reveals that not much work has been done in this area in India though the homestays are predominantly found in the underdeveloped and developing countries for generating alternative livelihood opportunities in a sustainable manner. The most important issue to run a homestay venture successfully depends on various factors but the satisfaction and positive word-of-mouth are the two most crucial variables that determine the long-term sustainability of the homestay business. A conjectural framework has been developed after reviewing the prior literature in this area considering a few perceptual constructs that might impact upon overall satisfaction and behavioral intention. The primary objective of the study is to relate these perceptual with the overall satisfaction of the visitors visiting various destinations in Darjeeling hills.

Since the study is based on primary data, it is imperative to establish that the measurements are scientific so far as reliability and various types of validities are concerned. The composite

reliability, content validity, construct the validity, convergent validity, discriminant validity, nomological validity are reported using the methods that are followed in psychometric literature and are found to be satisfactory to employ Structural Equation Modeling(SEM) technique to discern the relationships among various constructs.

The study reveals that there is a direct positive influence of service quality on the overall satisfaction for the sample of tourists visiting Darjeeling homestays as such; quality of service rendered is an important predictor of tourists' satisfaction. On the other hand, it has been observed that satisfied customers are likely to spread positive word of mouth as explained by their behavioral intentions. The study also reports that accessibility is an important variable that affects the level of satisfaction of the tourists. The safety & security of tourists is found to be a decisive factor to enhance visitors' satisfaction. The perceived image of the destination is a very significant construct that leads to higher level of satisfaction.

The strengths and weaknesses of homestays operating in the hills of Darjeeling have also been incorporated in this study after considering the relevant factors. Among the strengths, it is found that the natural exquisiteness of the destination, the cultural diversity, pleasing the climatic situation, organic agricultural produce, and reachable wildlife sanctuary are very much responsible for the sustainable functioning of the homestays. On the other hand, the major weakness of homestays is the marketing problem since the homestay operators alone are not in a position to promote their business due to the heavy cost of promotion and they depend on the local tour operators for sending guests to their destination.

From the analysis of TOWS, four distinct strategies are suggested in the study. It has been observed that visitors like to explore the pristine place to enjoy the beauty, serenity, and tranquillity surrounding the destination. It is also observed that the local folks get themselves involved in various activities associated with homestay services.

The discussions with the homestay operators reveal that most of the visitors like to enjoy the serene beauty surrounding the homestays where the stay which can be considered as an opportunity. The homestay operators need to be agile to take advantage of these strengths and ensure that the environment is not degraded due to footfalls of huge tourists' during the peak season. It is also evident from the study that the most important issue in homestay business is to enhance the satisfaction level of the visitors' by reducing the gap between the perceived service and expected service which would go a long way to improve the sustainability of the homestay venture. It has also been observed that the homestay operators find it difficult to handle the foreign tourists due to language barrier and they need the support of tour guides to understand the expectation of foreign tourists.

The guests are, in general, found to be inquisitive to understand the cultural heritage and traditions of people. They also expressed their willingness to recommend the homestay to their peer group that may generate huge opportunities to provide jobs to a large section of the community living beside the homestays. In many cases, it has been observed that the tourists' have no vivid idea regarding the attractive spots in the vicinity of the homestays operating in a particular region. The major threat that is faced by the homestay operator is the lack of distribution channel to market their business and they depend mostly on the tour operators who act as intermediaries. The other major hindrance that has been disclosed by the homestay owners is the uncertain political condition due to long agitation for a separate state.

In this study, different perceptual variables have been incorporated with the objective of relating these variables with the tourist satisfaction which is the dependent variable. Overall, tourist satisfaction is associated with the quality of service provided, the destination image, the accessibility factor, and safety & security issues.

**Keywords: Homestay, Rural tourism, Tourists satisfaction, Behavioral Intention, SEM, SWOT analysis**

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## **List of abbreviations**

ACC – Accessibility  
AGFI - Adjusted Good of Fit  
AMOS - Analysis of Moment Structure  
ASV - Average Shared Variance  
AVE - Average Variance Extracted  
BI -Behavioural Intent  
CAGR - Compound Annual Growth Rate  
CBT –Community Based Tourism  
CFA – Confirmatory Factor Analysis  
CFI - Comparative Fit Index  
CR - Composite Reliability  
DI - Destination Image  
ECER - East Coast Economic Region  
EFA - Exploratory Factor Analysis  
EFE - External Factor Evaluation  
FEE- Foreign Exchange Earnings  
FTA- Foreign Tourists’ Arrival  
GDP- Gross Domestic Product  
GFI - Goodness of fit statistic  
GOI- Government of India  
HOLSAT –Holiday Satisfaction  
IBEF- Indian Board Equity Foundation  
IFE - Internal Factor Evaluation  
KECOBA - Kenya Community-Based Tourism Network Database  
KSPN - Strategic Areas of Indonesian National Tourism  
LED - Local Economic Development Programme  
MI - Modification indices  
MLE - Maximum Likelihood Estimation  
MM - Measurement Modeling  
MSV - Maximum Shared Variance  
MTE - Memorable Tourism Experience  
NFI - Normed Fit Index  
NGO –Non-Government Organisation  
PCA - Principal Component Analysis  
PGFI - Parsimony Fit Indices  
PLS –Partial Least Square  
RMR - Root Mean Square Residual  
RMSEA - Root Mean Square of Approximation  
SAF -Safety & Security  
SAT - Tourists’ Satisfaction  
SEM –Structural Equation Modeling  
SQ - Service Quality

SRMR - Standardised Root Mean Square Residual

SWOT - Strength, Weakness, Opportunities, and Threats

TOWS - Threats, Opportunities, Weaknesses and Strengths

TOWS –Threats, Opportunities, Weakness and Strengths

UNESCO -United Nations Educational, Scientific and Cultural Organization

UNWTO- United Nations World Tourism Organization

WTO –World tourism organisation

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## AN OVERVIEW OF TOURISM INDUSTRY IN INDIA

## Chapter I:

## AN OVERVIEW OF TOURISM INDUSTRY IN INDIA

## 1.1 Introduction:

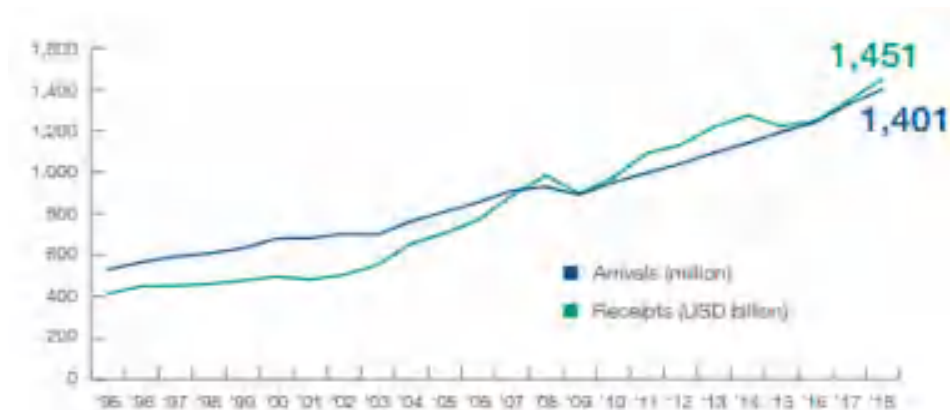
According to United Nations World Tourism organization (UNWTO), "Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes." According to UNWTO (United Nations World Tourism Organization) 2019 report, foreign tourists' arrival (FTA) has grown by 5 percent to reach the mark of 1.4 billion. The upsurge in the FTA is driven by technological advances, a strong global economy, growing middle class in emerging economies, a new business model, affordable cost of traveling and e-visa facilitation (UNWTO, 2019). The tourism sector has strategically positioned itself for employment opportunities, poverty alleviation, environment protection, and multicultural peace and understanding. Moreover, the export earnings generated through the tourism sector has also grown to US\$1.7 trillion. Besides that, poverty alleviation has become a worldwide challenge to uplift the vulnerable sections of society. Tourism offers as a most viable and sustainable development solution leading to employment generation and foreign exchange mobilization to the developed and least developed countries.

**Figure: 1.1**  
International tourist arrivals and tourism receipts (% change)



Source: World Tourism Organization (UNWTO), July 2019

**Figure: 1.2**  
**International tourist arrivals (million) and tourism receipts (USD billion)**



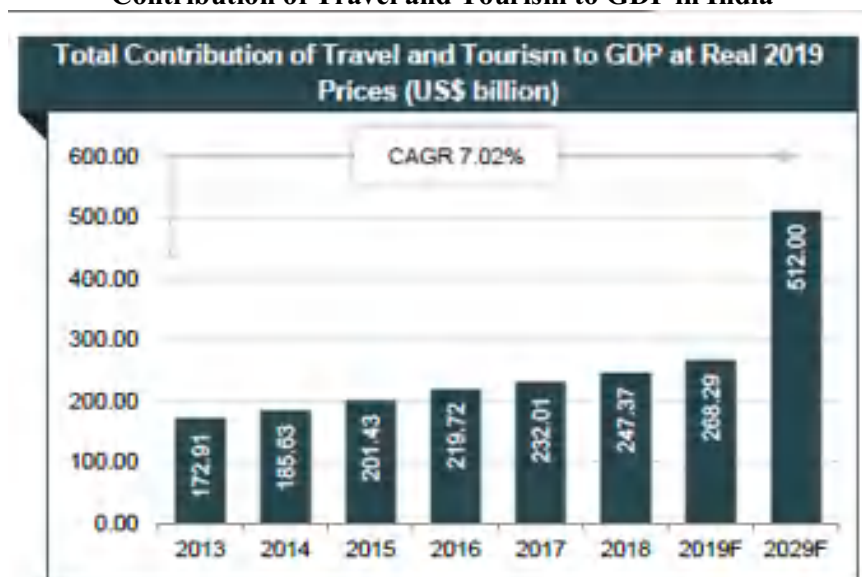
Source: World Tourism Organization (UNWTO), July 2019.

As per the ministry of tourism, the government of India report (2019-2020), the tourism sector is positioning itself as a driving force for economic development. Besides that, the tourism sector also improves the quality of peoples' lives through the capacity of building a large-scale employment generation. According to the report, the augmentation of infrastructure, easing of the visa regime, assurance of standard quality in service, projection of the country as 365 days' tourist destination, promotion of sustainable tourism are the key areas that need to constantly work to increase and facilitate tourism in India. The tourism sector is positioning as a major driver of economic growth, harnessing its direct multiplier effect on employment and poverty alleviation in a sustainable manner by the active participation of the segments of society which is the main objective of the tourism policy of the government of India. The tourism sector is the largest service sector generating employment and ensuring inclusive growth by bringing the marginalized section of the society into the mainstream. According to the Ministry of Tourism, the government of India 2020, the Foreign Tourists Arrival (FTA) in India during 2019 were 10.90 million registering a growth of 3.2% as compared to the same rate of growth in the previous year. The Foreign Exchange Earnings (FEE) from the tourism sector in India in terms of the US \$ during 2019 was US\$29.962 million with a growth of 4.8% as compared to

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the same growth in the previous year. After the implementation of the e-visa policy introduced in December 2019, the arrival of foreign tourists has increased drastically. A total of 2.93 million foreign tourists arrived on an e-tourist visa generating growth of 23.6% during 2019 as per the report.

**Figure: 1.3**  
**Contribution of Travel and Tourism to GDP in India**



**Source: World Travel & Tourism Council's Economic Impact 2019**  
**Collected from IBEF Report, 2020**

According to the IBEF (Indian Board Equity Foundation) 2020 report, India is ranked eighth in 2018 contributing US\$247 billion dollars directly from the travel and tourism sector to its GDP. It is expected to reach US\$512 billion dollars in the year 2029 as per the report. The CAGR (Compound Annual Growth Rate) of the total contribution from the year 2013 to 2028 is expected to be 7.02%. During 2019, the foreign tourist arrival (FTA) in India accounted for 10.89 million achieving a growth rate of 3.20 percent year on year as per the IBEF report. It is expected to increase the 7.96 percent of CGAR by 2025.

**Figure: 1.4**  
**Foreign tourists' arrivals in India**



Source: Ministry of Tourism, Government of India  
Collected from IBEF Report, 2020

**Figure: 1.5**  
**Foreign Exchange Earning from tourism in India**



Source: Ministry of Tourism, Economic Times  
Collected from IBEF Report, 2020

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India has earned foreign exchange of US\$29.96 billion from tourism recording a year-to-year growth of 4.80 percent during 2019. India has witnessed growth at a CAGR of 8.96 percent during 2007-19.

### **1.2 Rural tourism in India**

The Ministry of Tourism, Government of India started the scheme of rural tourism in the year 2003-04 with the aim to showcase art, rural life, culture, and heritage to the tourists at various locations in the villages. It is intended to empower the local people socially and economically facilitating them to interact with the tourists. On 28th February 2011, the government of India sanctioned 169 sites in the 28 states/union territories in India. These sites have been winning accolades in the international circuits as well. The development of rural tourism is one of the useful concepts for a country like India where nearly 74% of the population are the inhabitants of 7 million villages (Incredible India).

Rural tourism is the form of tourism that highlights specific characteristics of rural places such as lifestyles, cultures, traditions, customs, and heritage. While rural tourism helps in uplifting the local people socially and economically, it also enables the interaction between local people and tourists for the enrichment of experience. Fredrick (1992) described the distinctive features of rural tourism as experience-oriented in sparsely populated areas, primarily in a natural environment; synchronize with local events, and emphasizing the protection of local culture, heritage, and traditions. Rural tourism includes the range of activities, services, and amenities provided by farmers and rural people to attract tourists to their area in order to gain extra income for their business (Ratz and Puczko, 1998). Rural tourism is a complex multifaceted activity and includes farm-based holidays, eco-tourism, walking, climbing, exciting activities like sports, health tourism, hunting, fishing, learning travel, heritage, and ethnic tourism (Kunwar, 1997). Rural tourism plays a paramount role in economic development in the nook and corner of the country by offering multi-faced activities to tourists such as tourism

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destination including accommodation, the market of local handicrafts, and other ancillaries' activities. It differs from other forms of tourism in terms of opportunity for observation and learning as it provides tourists to know about the conservation of culture and the perpetual sustainability of communities and natural resources.

### **1.3 Growth and Scenario of homestay tourism in India**

India has become one of the fastest-growing countries in the world in respect of national income. The tourism sector has also contributed substantially to the national income. It helps to reduce the balance of payment gap and ensure inclusive growth in the country which is one of the objectives of the five-year plan in India. Homestay is one of the rural tourism products where the tourists are allowed to stay in private homes, provide homemade cuisine, experience the natural beauty of a serene environment, culture, heritage lifestyle, and customs of local people. In this programme, visitors get a chance to observe the customs, cultures, and values of local people, which enables them to experience the taste of rural life in a pristine environment. It is an alternative form of accommodation that involves allowing tourists to stay with selected families where they can interact and experience the daily life of these families as well as experience the host's culture (Abu, 2009). Lynch et al., (2009) had defined and broadened the concept of homestay tourism as a private commercial home which would allow the interaction between the hosts and the guests. Rural homestays allow the guests to uncover into the daily lives of village folks and serve as a medium to experience the local community in a way that differs from the conventional setting of tourism (Dolezal, 2011).

The homestay term was first coined in America where the students of other countries studying in American institutions used to stay with the local family as a family member in the nearby areas. In the past, homestay tourism is developing in countries like Malaysia, Thailand, South Africa, Nepal, and so on. The different concept of homestays in different countries is shown in Table 1.1

**Table 1.1**  
**Homestay concept in different countries**

Country	Existing Concept
United States	Agricultural home stay and Educational homestay
Canada	Cultural home-stay, Heritage homestay
Australia	Farm stay, Academic stay with locals
South Korea	Educational homestay
South Africa	Leisure stay
New Zealand	Farm stay and Cottage homestay
Philippine	Cultural Home stay
Thailand	Student home stay and volunteer homestay
Indonesia	Cultural Home stay and Leisure homestay

Source: MohdZaki et al. (2011)

**Figure 1.6**

**Year to year growth of homestays in India**



Source: HolidayIQ.com

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The Ministry of Tourism has introduced the concept of an alternative form of accommodation specifically, Bed and Breakfast/ Homestay establishment scheme as part of its globally acclaimed Incredible India campaign in India 2001-2002. As per source HolidayIQ.com, the number of homestay units has increased substantially from 17 to 1663 over the years from 2004 to 2014. The basic idea of the scheme is to provide clean and affordable accommodation to domestic as well as foreign tourists providing them to experience the culture and traditions of local people including local cuisine. There is an immense gap between the demand and supply forces in the accommodation sector in a country. The availability of hotel rooms is not sufficient to meet the demand of the visitors, especially during peak seasons. Apart from hotels other forms of accommodation are indispensable to sustain the smooth running of tourism in different parts of Indian states. India still requires a lot of effort to upgrade the quality and quantity of accommodation to make the availability for the growing trend of demand of the visitors. The changes in taste and preferences of contemporary tourists have resulted to gain momentum to evolve the bouquet of choices of budget-friendly accommodation. According to the Statistical Year Book of the Ministry of Statistics and programme implementation (GOI 2013), the number of government-approved hotels was 2483 as of 31st December 2013 with about 1,18,000 rooms. The number of homestays under the Bread and Breakfast scheme accounts for one-fourth share in the total number of hotels but accounts for only a two percent share in the total number of rooms. This is attributed to its smaller size as it is run by family-based facilities. Reynolds and Emenheiser (1996) in their study have suggested the need of an alternative form of accommodation which plays a significant role in the hospitality industry. An Incredible change has been taking place in the remote places of India. The aloof destinations on the map which seemed to have lost in the race of development of the country are coming to the forefront in the tourism industry. Several homestays running in India especially in the villages have opened up their homes to visitors. It not only encourages community involvement but also allows the villagers to develop tourism in a sustainable way.

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The recent concept of homestay is associated with the rural tourism product in almost all the countries which gives an opportunity to the rural people to integrate into the tourism sector. This helps the local people to uplift their socio-economic conditions who are living at the bottom of the pyramid. The developing countries are continuously giving emphasis to ensure inclusive growth benefiting the poor people in the villages and offbeat areas. One of the ways to include weaker sections of people in rural areas in the vicinity of tourism is through homestay program. Homestay tourism may be considered a major avenue when it comes to the reduction of rural poverty. Other adventurous activities are also associated with this form of tourism such as trekking, cultural tourism, agro-tourism, health tourism, and eco-tourism (Devkota, 2010). The activities associated with the homestay depend upon the suitability of the destination. Trekking is suitable for the hilly region, agricultural activities are suitable for the place where the people are engaged in agricultural activities, health tourism relates to the climatic condition of the place and availability of herbal plants, and so on. In homestay tourism, profitability is determined by the demand for the destination and the availability of homestays to cater a large number of visitors. The growth of homestay is based on the commoditization of both the local environment and culture. This provides financial incentives to the local community for the conservation of the environment and their culture (Laurie et al., 2005). People living in the rural areas surrounded by homestays should safeguard and preserve the culture and tradition of rural folks which is one of the most important factors to increase the footfall of tourists in the destination. Homestay tourism provides a market to sell local products such as agricultural products, and local handicrafts (Budhathoki, 2013). The local people are economically benefitted by engaging themselves in the homestay ventures either directly or indirectly. People in rural areas are, in general, facing unemployment problems and it is difficult for them to meet even basic amenities. The new and innovative concept of homestay would definitely reduce the hardship of people who are mostly the marginalized section of society. Homestay tourism

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would act as a tool for the development of rural areas in every dimension including the economic, cultural, social, and environmental spheres (Singh, 2014).

India is a country where a major part of the area is covered by rural destinations. The number of tourists' arrival has increased considerably in the past few years after the massive promotion of 'Incredible India' campaign. Even domestic tourists are coming out of their shells and started visiting nooks and corners of the country. Following the introduction of the Break and Breakfast scheme under the Ministry of Tourism, the Government of India, the concept of homestay tourism has been growing in different parts of the country. Not only foreign tourists, but even many local tourists prefer staying in the comfort of a homely environment where one is not embraced by too many protocols. It has enabled tourists to enjoy their stay in these homestays and scope to learn local culture and traditions. One can clearly say that these homestays definitely offer a homely feel away from home. Many of the states in India has taken initiatives to promote the homestay tourism in the rural places to explore the untouched resources attached to the natural and pristine environment far away from the congested cities.

In terms of cuisine and local traditions, the unorganized homestay segment has been gaining popularity in the Indian tourism industry for the friendly and incredible hospitality by the homestay owners especially family members. The low level of investment for the commencement has encouraged a large number of people to initiate the homestay venture as compared to other hotels and resorts. The additional room which already exists within a personal property involves no expenditure or little investment for renovation to ensure minimum level of satisfaction to the visitors. The concept of homestay is extremely different from the hotels and resorts as they run their business on profit motive and the former primarily acts as a source of livelihood for the local people. Visitors nowadays are always lookout and prefer to explore themselves into offbeat areas to learn about the destination. This makes the homestay a demand-driven stay for the visitors. The idea of staying with a local family and

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learning about the destination and culture from the local people at a reasonable tariff is immensely preferable by the visitors. In India, the growth of homestay tourism might be intensifying the competition to the hotels in respect of profit motive, however, it still cannot be considered as a potential threat to the hotels as the existence of homestay basically focuses on the rural places where the establishment of hotels and resorts are almost nil. Both are setting up their own markets based on their core offering. Homestay offers accommodation at a reasonable rate as a rescue during the peak season where the hotels are unable to manage the uncontrollable influx of tourists. Despite the future prospect of homestay ventures in India is tremendous, more efforts need to be made in order to create greater demand in the tourism market. Currently, it is only through word of mouth or minimal online presence, the existence of homestay is steadily getting popular. The central government and respective state governments have to take the responsibility to support this niche form of rural tourism segment within the state and across the country.

Unity is diversity is the concept that has integrated Indians to get united despite being a variety of cultures and traditions. The Indians are engrossed in the varieties of cuisine based on different traditions and customs. Basically, the real traditions and customs are not practiced in the big hotels and resorts located in the centralized cities and towns as it offers the tourists the similar hospitality and services. The rural areas which are distanced from the dean and bustle of congested areas are rich in traditions and cultural practicing. Homestay tourism focuses on the rural areas where the visitors are given opportunities to observe and witness the practice of the culture and traditions of the local people.

India is a developing country; most of the people who live in villages in the rural areas basically sustain their livelihood through agricultural and other agricultural allied activities. Some of the states are still practicing the method of terrace and organic farming which has also become the center of attraction to boost up the number of visitors to the destination. Every Indian state has

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its own uniqueness in respect of cultural practice, traditions, and customs based on their past antiquity. Tourism sources believe that the search for new and unspoiled culture in the hills has lured tourists to land in the villages in India. Changing trend in tourism shifting from town to villages, many villagers in India has applied for the registration to run homestay units in Himachal Pradesh. Himachal Pradesh homestay association has reported having vacant hotels even during the peak season and the changing preference of tourists in recent times. Homestay accommodation is cheaper than the big resorts and hotels in the cities. Tourists are exploring themselves in the untouched areas to experience the calm and pristine environment and observe the idea of growing grains and green vegetables in their own land. The homestay business not only uplifts the socio-economic condition of the operators in the villages in Himachal Pradesh but also creates the scope to market the agricultural and dairy products of the villagers.

Kerala State Homestay and Tourism Association is a consortium of homestay providers and is also entrusted with the effective functioning of the other tourism activities in respect of service and competitiveness. Kerala is the first Indian state to implement the concept of homestay tourism. The state is blessed by the plethora of natural resources coupled with the rich culture and traditions of the indigenous people. The charm of this unique destination attracts tourists not only from another state but also around the globe. To meet the demand of the visitors as per their tastes and preferences, the number of homestays in Kerala is increasing day by day as it helps the tourists to experience the multifarious culture of the state. Traditional homemade cuisine is the main attraction of visitors. Visitors are also allowed to take part in household activities to make them feel a homely environment.

As reported by homestay.com 2014 report, the global homestay market is valued to be \$15 billion. The number of homestays in Goa which is a crucial tourism hub in India is negligible but the scope of growing the number of homestays in the state is enormous. As per industry reports, the growth of homestay units has been increasing year by year witnessing from 17 to

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1,663 in the year 2015. Even though the contribution in accommodation is just 5% nationally against 67% share in hotels and resorts. In Goa, operators are trying to bring back the charm of the place very often going back to the Indo-Portuguese era. Apart from adding in the elements of art and solid wooden furniture, homestays are specializing themselves to provide authentically Portuguese cuisine. The old charm of Goa lures the vacationers to have footfalls leading to the need for more places to provide unique experiences.

The recent media has reported the government initiative to those who offer homestay services to the tourists keeping the theme of '*Atithi Devo Bhava*'. The central government has planned to frame the provision for the issuance of licenses to those who are engaged in running homestay services providers and extend several tax benefits to them. Non-commercial charges would be applied for electricity and water bills. This would give more scope to the service providers to upgrade their services. The relaxation announced by the government has a positive impact on this service sector. This encourages more people to enter the market, plugging the shortage of hotels room across the country. Exemptions incentives would empower service providers economically. Owners would be able to invest more and add properties and eventually increases the quality of services to the hosts. There are plenty of Mutual benefits between hosts and the guests in this form of accommodation. The hospitality of services is provided in a family setup. Apart from affordable accommodation than hotels, visitors get an opportunity to learn and know about the local culture and traditions. It gives unique experiences to the tourists as most of the destinations are located in the pristine rural areas free from the dean and bustle of city life. It becomes a visitor's delight to taste the local homemade food apart from experiencing the local mesmerizing scenery.

### **1.4 Development of homestay Tourism in adjoining areas of Darjeeling hills**

The onset of homestay tourism in the tourism sector has added splendor in Darjeeling hills which itself is one of the world-class well-known tourism hubs for the last couple of years. The

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form of tourism highlighting the rural life, culture, heritage at rural places which supports the host's (local) community socially as well as economically which also enables the host and the guests for more experience and enrichment. Homestay tourism is flourishing in the Darjeeling hills and gaining popularity in rural areas empowering the local economy of the region ( Bhutia, 2016).

The unique experience of rural tourism in Darjeeling hills which is closely connected to nature with various tribes and clans finds its roots in nature. The tremendous success of rural tourism depends on several factors such as its location, mild climate, and availability of endangered flora and fauna. Scenic attraction, favorable climatic condition, the sincerity of local people as well as the welcoming attitudes of the local people drives the tourists to visits across many villages. Darjeeling is renowned for the highest quality tea-producing region in the world which allures visitors to visit the place at least once in a lifetime during the plucking season. The breathtaking view of Kanchenjunga covered with misty snow peaks has further added to the mesmerizing beauty of this place.

Darjeeling is one of the northern districts in West Bengal state and the landmark is based on three T's i.e. Tea, Timber, and Tourism. It is situated in the northern part of Bengal at an elevation of 6700 feet from sea level. Majestic view of Kanchenjunga, third largest peak in the world and Darjeeling Himalayan Railway declared as a world heritage site by UNESCO has had attracted an innumerable footfall of tourists during the year. Most of the people in Darjeeling depend for their livelihood in the tourism sector from porters to hotel owners. From colonial times, it was valued by the British to make it a summer capital because of its favorable climatic conditions even during the summer season. In the nineteenth century the British had made Darjeeling a sanatorium with its favorable climatic condition and too added by the majestic view of Kanchenjunga, gradually emerged as a queen of hills attracting the tourists not only from the country but also from the abroad.

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The perennial water problems and excessive congestion in town areas in Darjeeling have shifted the attention of tourists to the rural and outskirts areas. The potential of rural areas in the hills has gained admiration for the attraction sites. The footfall of tourists are 60 to 70 percent during the months of April, May, June, and October. The tremendous rush of tourists during these months creates the sanitation problem, hike in conveyance cost, and stiff rise in the accommodation. Despite many challenges, it cannot be ruled out that the occupancy in the hills lies in the tourism sector. If proper planning and coordination are ensured, there is an immense scope of tourism with respect to income and balanced regional development.

The immense footfalls of tourists in the Darjeeling hills and adjoining areas have upsurged the demand for accommodation in the place, especially during the peak season. To meet the requirement of demand, homestay tourism has been gaining recognition in rural places. The growth of homestay tourism in rural places has encouraged the local people to initiate the venture. To meet sustainable livelihood, the agricultural activities are not only sufficient to meet the requirement in rural places. The scenic beauty, clean environment, culture, tradition, and local events attract tourists to rural destinations. The people who are economically backward would also get an opportunity to start homestay businesses. Initiation of a homestay venture does not require a huge capital investment. The simple modification of private homes and the expansion of the capacity of the room are sufficient to start a venture. This form of tourism also gives exposure to people for economic advancement and livelihood generation. As the agricultural production in the hills is being deteriorated in the region, homestay tourism has become the mode of resort for the rural people. The rural people have started the alternative form of occupation which is suitable for their livelihood sustainability. The practice of homestay tourism started to counter the balance between agricultural deterioration hampering livelihood and homestay tourism augmenting livelihood opportunities. Homestay tourism could be promoted by the local people's collaboration with the different tourism stakeholders. Private tour operators have been playing a paramount role to promote this form of tourism in Darjeeling

and adjoining areas. Until and unless the footfall of tourists is nil, the sustainability of homestay tourism becomes zero. Hence, private tour operators have played a crucial role to bring the destination into the limelight in the eyes of the visitors.

There are different types of homestay prevalent in Darjeeling hills:

#### **1.4.1 Community-based homestay**

Community-based homestay can be defined as rural tourism where the local communities are given an opportunity to take part in the homestay venture. The aim of community-based homestay tourism is to provide a source of income to the local people encouraging the visitors to visit the community and allowing the local people to provide accommodation to the visitors. Community-based tourism is a viable method for the development of local communities because it empowers the local people to determine the community development process, take initiatives to protect the environment, and promote awareness through the cultural exchange (Janie, 2009). The local people earn as a service provider or as an employee in a homestay venture. At least part of the income earned from the tourists is kept aside to provide benefits to the community as a whole. Community-based tourism enables the tourists to explore a new habitat and wildlife, celebrates and respects the traditional culture, traditions, and customs of the locality. Through this tourism, the people are aware of the commercial and social value placed on their natural and cultural heritage and adoptive to the conservation of resources of the destination. There is cohesion among the villagers to jointly promote the untouched rural places and exert the potentials of the destination. Very few numbers of them are community-based in Darjeeling hills and adjoining areas. Chatakpur eco-tourism is an example of community-based tourism initiated collaboratively with the local communities and the state government (state through forest department).

#### **1.4.2 Sole proprietorship homestay**

Sole proprietorship homestay is the homestay where all the responsibilities of planning and managing are done by a single operator. The operator takes the responsibility to manage the accommodation of the visitors, promote the destination as per their capability. Basically, the operator creates a linkage with the renowned tour operators to get their promotion done. The family members assist the operator to hosts the guest with the local touch providing homemade local cuisine and allow exploring to flora and fauna. Other adventure activities are also provided to the guest as per their demand and the suitability of the location. However, the homestay being the individual ownership, the local people in the village get to explore in exchanging the culture with the guests. Apart from that, the people in the locality get an avenue to create the demand for local products such as organic agricultural products, handicrafts, etc.

#### **1.4.3 Collaborative homestay model**

Marketing the destination is one of the main challenges being faced by the homestay operators. So, to bring the destination to the limelight or to the eyes of the visitors, the homestay operators are almost compelled to collaborate with the tour operators. Tour operators are entrusted with the responsibility of promoting the destination and the location of the homestay in lieu of certain commissions. The homestay operators take the responsibility to host the guest at the destination. Even sometimes the tour operators make an investment with the homestay operators to help in initiating the venture. This is done after taking into account the potentials of the destination by the tour operators.

However, the sustainability of homestay tourism is immensely dependent on the big tour operators. As the footfalls of visitors are low, the homestay business will no longer sustain itself. The tour operators play an indispensable role to keep homestay tourism alive. Irrespective of any type of homestay tourism, the paramount role of tour operators cannot be ruled out.

Homestay tourism has been growing in numbers widespread across the hills but has had to face lots of challenges to ensure its sustainability. Different authors have focussed on a different dimension as the sustainability of homestay. Acharya and Halpenny (2017) explore the dimension of socio-cultural sustainability based on inclusive, collaborative, resilient, and modernizing in the community-based homestay units in Ghalegoan, Nepal. As per the past literature, different aspects have been taken into account for the research work. The visitors are expected to have at least the minimum level of hospitality in respect to service quality, infrastructure, the image of the destination, and safety & security in the accommodation. These four dimensions are taken into account for the aspect of sustainability of homestay tourism in Darjeeling hills and adjoining areas.

### **1.5 Homestays in Darjeeling**

Homestays, are considered as bed and breakfast, guesthouses or a small establishment that provide food and lodging to the guest at a moderate cost compared to the hotels surrounding hilly area of Darjeeling. The concept of homestays is becoming very popular due to some of its inherent advantages. The money at stake is lower than any other businesses if any house looks ethnic and additional rooms are available; the business can be started with minimum working capital. The idea of homestays is fairly simple where one can give an opportunity to rent out the vacant rooms to visitors traveling in places close to one's destination. The typical homestays prevailing in Darjeeling where the study is conducted is depicted in the following plate

**Traditional Homestay Kitchen**  
**Plate 1.1**



**Typical Homestay Room**  
**Plate 1.2**



**Forest Department Homestay**  
**Plate 1.3**



**Front View of Usual Homestay**  
**Plate 1.4**



**Eco Friendly Homestay**  
**Plate 1.5**



### **1.6 Conclusion**

In this chapter, an overview of tourism in India has been discussed keeping in view the opportunities for homestay initiatives undertaken by the small entrepreneurs. Homestay tourism is basically rural tourism that tries to attract tourists to pristine destinations and share the traditions, cultural heritage of the local people.

Rural Tourism is a complex venture that may include resort-based holiday packages, adventure activities including walking through the forest, providing health tourism activities, and understanding the culture of rural masses. It is needless to mention that rural tourism plays a pivotal role to generate additional income for the people engaged in homestay-based tourism. Homestay tourism was first introduced in the US where the students who wanted to pursue education in the US were given the opportunity to share rooms provided by the local communities for mutual benefits. Subsequently, the concept of homestay tourism has undergone

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evolutionary changes and developing in many countries like Malaysia, Thailand, Indonesia, South Africa, Nepal, and India.

Homestay tourism provides accommodation to the visitors in the hosts' homes deliver homemade food, shares the culture, lifestyle, and customs of local people for the enjoyment of the tourists'. The Ministry of Tourism had introduced the concept of an alternative form of accommodation in the form of Homestay establishment scheme from 2001-2002 to generate additional sources of income and since then, homestay business has become very popular across the country.

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## REVIEW OF LITERATURE

## CHAPTER-II

## REVIEW OF LITERATURE

**2.1 Introduction**

The aim of this chapter is to review the past literature of the developed model by the previous researcher in the field of tourism research basically relevant to tourists' satisfaction and their behavioral intention. The review gives an insight into the constructs which are associated among them to develop the conceptual and the structural model. This review permits the researcher to develop the model on the homestay tourism in Darjeeling hills taking into account the constructs namely, Service Quality (SQ), Destination Image (DI), Accessibility (ACC) and Safety & Security (SAF) of the visitors, Tourists' satisfaction (SAT), and Behavioral Intention (BI). In addition to that, a thorough review of SWOT (Strength, Weakness, Opportunities, and Threats) in the tourism industry is done to establish the theoretical premise of relevant variables to be taken into the study to measure the degree of viability of homestays operating in Darjeeling hills. The tourism industry is one of the leading businesses globally and it plays a dominant role to uplift the economy to a great extent. Being an attractive business, the battle to promote tourism destinations has been escalating. As an outcome of this, destination marketing organizations are fervently trying to market their destinations by adopting strategies to build an encouraging picture to lure their customers. As Sofronov (2019) in a study pointed out that the most important task of tourism marketing organizations is to build a strong loyalty of visitors visiting a particular destination.

**2.1.1 Tourism and service quality**

Wang et al., (2005) investigated the relationship between service quality, customer satisfaction, and customer loyalty in the management consulting industry in Taiwan. The attributes of SERVQUAL such as empathy, competence, reliability, responsiveness, and tangibles were used to measure the degree of service quality in the study. Furthermore, the casual relationship of service quality on customer satisfaction was also investigated and found a significant positive

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impact. Besides that, the positive impact of customer satisfaction on loyalty was also verified in the study.

Ivanauskiene and Volungenaite (2014) attempted to investigate the relationship between service quality and loyalty in the countries, namely Lithuania, Latvia, and Estonia especially referring to the retail sector. The finding of the study suggests that the dimensions of service quality such as personal interaction, policy, and product have a direct and positive impact on customer loyalty across three countries.

Luvandwa et al., (2020) examined the service responsiveness in homestays operating in Kenya and recommended the need for improvement in terms of responsiveness among the employees to generate a higher level of satisfaction to attract prospective visitors.

Kakiya et al., (2020) applied the OLS method to ascertain the effects of reliability of service on visitors' satisfaction. The researchers found that there is a need to render the services promised by homestay operators'.

Kloumsri and Laohavichien (2020) revealed no significant association between the green brand image and Thai tourists' level of satisfaction. Moreover, enhancing the service quality of homestay certainly increase the level of satisfaction as unveiled in the study.

Praveen and Kumara (2020) explored the relationship between service quality and tourists satisfaction in Sri Lanka. The significant relationship between service quality and homestay visitors' satisfaction is established in the study.

Al-Laymoun et al., (2020) made an effort to investigate the connection between service quality and satisfaction for the tourists visiting homestay. The paper disclosed the positive and significant linkage between service quality and tourist satisfaction.

The empirical study conducted by Bigne et al., (2001) had focussed on the influence of service quality on the satisfaction of the visitors in Spain. Furthermore, the study also investigated the relationship between destination image as perceived by the tourists with behavioral intentions

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and post-purchase evaluation. The study found a significant direct influence of perceived service quality, satisfaction, intention to return, and willingness to recommend on destination image. The crucial role of destination marketing to build destination image had also been substantiated in the study.

The model developed by Gonzalez et al., (2007) aimed to illustrate the impact of service quality perception and satisfaction on behavioral intention in Spain. Data collection was based on three dimensions identifying the appropriate measure using a structured questionnaire. The result depicted a direct and positive impact of service quality and customer satisfaction on behavioral intention.

Solimun and Fernandes (2018) investigated the mediating role of customer satisfaction on the relationship among service quality, service orientation, marketing mix strategy, and customer loyalty. This case study also attempted to establish the causal relationship among the constructs. Customer loyalty is not affected directly by all the constructs. Though, customer loyalty is indirectly affected by those constructs through the mediating variable customer satisfaction as depicted in the study.

Ogucha et al., (2015) explored the influence on tourist satisfaction by the facilities and services provided by the homestay operators in the Lake Victoria Kenya Tourism Circuit. The researchers tried to determine the influence of facilities and services offered by the homestay. The study conducted by applying a survey design comprising a randomly selected sample of 20 homestay facilities with a total of 42 respondents that were identified through the Kenya Community-Based Tourism Network Database (KECOBA). Satisfaction was measured using tangible and intangible factors. The finding suggested that 71% of the visitors were not satisfied with the homestay facilities and services. This was largely attributed to deficient tangible factors of service quality and the study also revealed that the tangible factors were the better predictor of tourist satisfaction than the intangibles. Therefore, the recommendation had been made to ensure adequate facilities in order to have repeated visitors' through positive word of mouth.

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Ismail et al., (2016) focussed on the relationship among service quality, visitors' satisfaction, and behavioral intention of the visitors in Banghuris Homestay, Malaysia. The data was collected from the visitors using a five-point likert scale on different attributes such as tangibility, reliability, empathy, responsiveness, and assurance. The finding of the research suggested that the service quality is a core element for the satisfaction level of the visitors and exist positive association between them. It was important for homestay providers to focus on their customers' needs and requirements while staying and experiencing the destination as suggested in the study. Furthermore, the study result also showed the impact of satisfaction on visitors' preference for revisiting desire.

Seetanah et al., (2020) attempted to bridge the linkage of service quality to the tourists' satisfaction and intention to revisit in the study conducted at SSR airport in Mauritius. The theoretical model was developed and tested empirically to investigate the relationship among the constructs. The finding of the study suggested that service quality would be considered as the crucial antecedents of tourists' behavior because the more satisfied customers would likely visit the same destination.

### **2.1.2 Accessibility factor and tourism**

Omar et al., (2017) adopted the HOLSAT model to measure the level of satisfaction of tourists' visiting Penang Island, Malaysia. 20-holiday attributes were identified to measure the gap between experiences and expectations. The attributes were broadly classified into four categories namely, accessibility, accommodation, amenities, and food/meals. The t-test was conducted to validate the significant difference between experiences and expectations. The tourists' satisfaction and dissatisfaction with each attribute were detected. The findings suggested the stakeholders to provide better services and facilities in the destination.

Perez et al., (2017) developed a model that expresses the relationship between a set of independent variables which were the antecedents of tourists' satisfaction. To identify the underlying dimension Exploratory Factor Analysis (EFA) was employed and identified four

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major constructs that affect tourists' satisfaction, namely accessibility, lodging, facilities, and attractions. After that, a measurement model was performed to test the reliability and validity of the constructs. Eventually, the Structural Model was tested taking into account the constructs mentioned above and found a positive significant relationship with tourists' satisfaction in the study.

Hillary (2020) examined the multi-factor such as attraction, facility, service, accessibility, and price affecting tourists' satisfaction in Candirejo village. Despite this, the price was identified as the only factor that influences the satisfaction of tourists' as revealed in the study.

Ningtiyas et al., (2021) described the influence of attraction, accessibility, amenities, ancillary on tourists' visiting interest through the mediating variable tourists' loyalty. Visiting interest was positively and significantly influenced by attraction, accessibility, amenities and ancillary as disclosed by the researchers.

Biswas et al., (2020) tried to examine the moderating role of age in the relationship among attraction, accessibility and tourists' satisfaction in Bangladesh. The results of the study had ensured the significant moderation of age in between attraction and accessibility on tourists' satisfaction.

Ingyin (2021) investigated the linkage between accessibility and the level of tourists' satisfaction in the destination Inle' Lake. The study had found a significant positive influence of accessibility on tourists' satisfaction as confirmed in the study.

Chin et al., (2018) intended to examine the effect of accessibility and accommodation quality on tourists' satisfaction and followed by revisit intention in the study of Malaysia. Furthermore, the moderating role of local communities' attitudes was also established between quality of service and satisfaction. Eventually, the positive relationship of accessibility and accommodation quality on tourists' satisfaction which leads to revisiting intention had also been substantiated in the study.

### 2.1.3 Safety and security issues in tourism

Sarathong and Chanchaoenchai (2011) through the empirical study had ascertained the behavioral pattern of domestic and foreign tourists in Thailand homestay. Understanding tourists' behavior would be one of the main aspects of tourism to make it sustainable for the long run. Four dimensions were taken for the study to collect the information through a structured questionnaire. These were service, price, and information access, and safety & security. The researchers found that safety & security was the most influential factor for the decision to visit homestay. The information access issue for the domestic tourists' and price aspect for the foreign tourists were the less influential factors as perceived by them as found in the study.

The empirical study conducted by Nguyen-Phuoc et al., (2021) had found the significant influence of perceived service quality, perceived safety/ security, image, and satisfaction on public transport passenger loyalty in the study.

Lee et al., (2017) had verified the mediating effect of safety on the relationship among service quality, customer satisfaction, and behavioral intention of the beachgoers, Korea. The study concluded to have the mediating effect of perceived safety between tourists' satisfaction and behavioral intention.

Bae et al., (2020) examined the effect of COVID-19 risk perception on behavioral intention towards tourism. The researchers confirmed the significant influence of both cognitive and affective risk perception on behavioral intention. However, the study unveiled the negative influence of affective risk on behavioral intention.

Moon et al., (2016) attempted to measure the linkage among perceived safety, satisfaction, and behavioral intention in the context of the airport. The study disclosed that safety being a direct driving force of satisfaction of the users.

Bavani et al., (2015) had assessed the factors which drive the visitors' to choose homestay over other forms of accommodation of the tourists visiting Kannchong Darat Homestay. The positive impact of quality of services and facilities rendered on tourists' satisfaction had been verified in the

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study. Though, the stakeholders need to improve the infrastructure, safety issues, and services to ensure the desired level of satisfaction of the visitors. Marketing issues need to be tackled effectively in collaboration with government and private agencies as recommended by the researchers.

Kunjuraman and Hussin (2013) had investigated the satisfaction level of domestic tourists with the homestay services provided in Malaysia. Based on data provided by the homestay visitors in terms of facilities, services, and securities, the researchers tried to explore the satisfaction level of tourists. The study had revealed that the visitors are satisfied with the services provided in the homestays.

#### **2.1.4 Destination Image in tourism**

Kim et al., (2013) attempted to investigate empirically the relationship among destination image, service quality, perceived value, and satisfaction. The findings of the study indicated the influence of destination image on service quality and perceived value. In addition, the significant impact of perceived value on satisfaction and loyalty had shown in the study.

The conceptual model depicting the interrelationship of destination image, tourists' satisfaction, and destination loyalty was proposed and empirically tested using SEM for the tourists' of European countries visiting Malaysia. The direct and indirect effect of destination image on tourists' satisfaction and destination loyalty was established in the study. Above all, the findings had also uncovered the mediating role of satisfaction between destination image and loyalty of the visitors (Mohamad et al., 2014).

Prayag (2008) examined the relationship between destination image, overall satisfaction, and destination loyalty of international visitors in Cape Town. The direct, as well as the indirect impact of destination image on visitors' loyalty was confirmed in the study. The mediating role of overall satisfaction between destination image and destination loyalty had also been confirmed.

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Four dimensions of the destination image; namely natural resources, service quality, entertainment, and affective image were identified in the study conducted by Hernández-Lobato et al., (2006) in Mexico. Additionally, the casual relationship among three key variables in tourism viz. an affective image, satisfaction, and loyalty of American tourists' were tested empirically using SEM. The study concluded that the affective image is an important antecedent of loyalty.

Ngo and Nguyen (2016) developed and tested empirically the interrelationship between service quality, customer satisfaction, and loyalty of the customers in the context of the retail banking industry in Vietnam. The structural or casual relationship of the constructs was analyzed among the constructs. It further investigated the mediating role of satisfaction between service quality and loyalty. The study found that service quality and customer satisfaction were the important antecedents of customer loyalty.

Liu and Kim (2017) assessed the role of traveling experience between perceived image, tourists' satisfaction, and behavioral intention in China. The study also confirmed that the significance of perceived image for satisfaction is higher for first-time visitors than for returning visitors. Furthermore, leisure activities were considered a strong indicator of the overall destination image.

Chin et al., (2014) had examined the impact of multi-environment aspects such as environmental conservation, environmental education, cultural heritage attraction, tourism infrastructure, natural resources towards the development of tourism destination competitiveness from a local community perspective of homestay in Malaysia. The study also highlighted the importance of environmental constructs namely cultural heritage attraction and natural resources which significantly contributed to the development of key competitiveness for rural tourism destinations from a community perspective.

Jeong and Kim (2019) investigated the causal relationship between destination image, tourists' satisfaction, and behavioral loyalty. In addition to that, the study also attempted to investigate

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the mediating role of tourists' satisfaction between destination image and behavioral intention in the context of sporting events in Asia. The direct influence of destination image on tourists' satisfaction and the direct effect of tourists' satisfaction on behavioral loyalty had been established in the study. The study also confirmed having partial mediation of tourists' satisfaction between destination image and behavioral loyalty.

Stavrianea and Kamenidou (2021) developed and tested the theoretical model empirically to investigate the relationships among memorable tourism experience (MTE), satisfaction, destination image, and loyalty. The study confirmed the direct and indirect influence of MTE on loyalty through tourists' satisfaction. Furthermore, the direct and indirect influence of destination image on loyalty was also unveiled in the study.

Marques et al., (2021) revealed the influence of affective image on tourists' satisfaction and post-purchase behavior in Bulgaria. However, the cognitive did not have a significant impact on tourists' satisfaction whereas; the unique image only influenced the intention to recommend as reported in the study.

The political images, cultural images, and infrastructure facilities were the three elements of destination image as identified by Chia et al., (2021) in the study conducted in Malaysia. The study revealed the significant and positive influence of these three elements on tourists' satisfaction.

Chi and Han (2021) attempted to understand the performance of rural tourism destinations in affecting destination image, predicting satisfaction and loyalty. The degree of association among them had also been established in the study.

The moderating effect of perceived value among destination attractions & resources and destination image was established in the study conducted by Chin et al., (2020) in Malaysia.

### **2.1.5 Satisfaction research in tourism**

The study conducted using the HOLSAT model in the tourist destination Gunung Kidul Regency of Yogyakarta by Irawan (2017) for tourists' satisfaction. The average mean of experience and expectation in the HOLSAT model showed the two elements namely, attraction and activities components having a substantial positive impact on the satisfaction of tourists'. On the contrary, attributes categorized as accessibilities and amenities components having the least score signifying that the tourists' were less satisfied with these attributes.

Pradana, and Arcana, (2020) studied the typical form of Balinese Traditional Homestay in Bali. The findings of the study revealed that the traditional cottages were preferred by the visitors' to augment satisfaction.

Battour et al., (2012) attempted to test the mediating role of tourists' satisfaction between motivational factors (push and pull) and destination loyalty. The motivational factors were significantly and positively related to tourists' satisfaction as established in the study. In addition to that, tourists' satisfaction was also positively associated with destination loyalty. The push factors identified by researchers were achievement, excitement, and adventure, family togetherness, knowledge, and escape. On the other hand, natural scenery, wide space, and activities, cleanliness were the pull factors as identified by the researchers.

Maghsoodi et al., (2016) made an effort to examine the relationship among tourists' destination image, satisfaction, and behavioral intention of the foreign tourists visiting Malaysia. It was corroborated that tourists' loyalty was affected by destination image through tourists' satisfaction. Furthermore, the perceived satisfaction of tourists' was affected by destination image.

An integrated approach for understanding destination loyalty, Chi and Qu (2008) made an effort to establish the causal relationship among destination image, tourists' satisfaction, and destination loyalty empirically using SEM in the state Arkansas-Eureka Spring. Firstly, the result of the study showed the direct impact of the destination image to attribute satisfaction.

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Secondly, destination image and attribute satisfaction were the direct antecedents of overall satisfaction. Lastly, attribute, and overall satisfaction, in turn, had a direct and positive impact on destination loyalty as found in the study.

The study conducted by Ayele and Singh (2020) investigated the causal relationship of perceived destination quality and value on destination loyalty directly as well as indirectly affect through the mediating variable tourists' satisfaction in the case of destination Ethiopia. The mediating variable satisfaction was fully as well as partially mediated the relationship between perceived destination quality and loyalty as revealed in the study. In addition, both perceived value and quality had a significant direct effect on tourists' satisfaction.

Lee et al., (2019) delved into the casual relationship among service quality, destination image, tourists' satisfaction, and behavioral intention in the context of Dapeng Bay National Scenic Area. The causality among the constructs was also examined using SEM taking into account 407 respondents. The result of the study concluded that: firstly, destination image had a positive and direct impact on service quality and satisfaction; secondly, service quality had a positive impact on satisfaction. Thirdly, satisfaction had a positive impact on behavioral intention. As suggested by the researchers greater emphasis needed to be given building destination image to ensure better service quality and satisfaction of tourists' and eventually willingness to visit and recommendation to others

Raimkulov et al., (2021) explored the relationship among destination attractiveness, satisfaction, the sense of relieving and loyalty on American tourists' in Uzbekistan. The results revealed a positive association between satisfaction and loyalty. Furthermore, the mediation role of a sense of relief between satisfaction and destination loyalty had also been established in the study.

Carvache-Franco et al., (2021) identified the two dimensions of perceived value and revealed the linkage of them with satisfaction and loyalty in the study conducted in Peru. The economic-functional dimension of perceived value was the most important predictor of tourists'

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satisfaction whereas the emotional-social of perceived value being the important predictor of loyalty as concluded in the study.

Al-Laymoun et al., (2020) described the positive and sustainable socio-economic impact of homestay tourism in the study conducted in Malaysia. In addition to that, the structural relationship between service quality and tourists' satisfaction was also investigated and divulged the significant positive relationship between them.

The mediating effect of tourists' satisfaction between city branding & image and revisit intention was empirically tested using Partial Least Square (PLS) SEM in a study conducted by Mutia et al., (2020) in the city of Indonesia. The findings suggested that to attract more tourists, the satisfaction ought to be ensured based on an upsurge of city branding and image.

#### **2.1.6 Behavioral intention in tourism**

The revisit intention plays an important role in the tourism industry because of the stiff competition. The study conducted by Som et al., (2012) tried to identify the characteristics of visitors who prefer to visit the same destination again in Sabah, Malaysia. It was concluded that the destination image, modern environment, natural attraction, and relaxation/recreation were the most important factors which motivate the visitors to hold repeat visits.

Kartika, et al., (2020) studied to establish the success of green marketing concept tools and their impact on the tourists' willingness to stay at a homestay. The study also revealed the usage of green marketing tools to improve the functioning of homestay business in terms of visitors' satisfaction and length of stay.

Jamal et al., (2011) explored the relationship among perceived value, satisfaction, and behavioral intention examining the moderating influences on the psychographics of visitors visiting Malaysian homestay. The researchers found the positive association of perceived value on the satisfaction and revisit intention/ recommendation of the visitors'. The study also proposed that behavioral intention was not only dependent on the homestay serviceability but also on favorable perceived value for visitors' satisfaction.

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Ranasinghe (2015) inspected the relationship between tourists' motivation, quality perception, satisfaction, and loyalty of the tourists visiting homestay in Sri Lanka. The study found the motivation having a significant and positive relationship with satisfaction and quality perception. In addition to that, satisfaction also had a significant impact on quality perception and loyalty. Furthermore, there was a significant and positive relationship between quality perceptions to loyalty as found by the researcher.

Kim (2018) examined the effect of memorable tourism experiences on behavioral intention through the structural relationship among destination image, tourists' satisfaction, revisit intention, and positive word of mouth. The findings of the study suggested that memorable tourism experiences significantly influence both destination image and satisfaction directly and indirectly. Moreover, the most memorable tourism experiences had the most influential determinant of behavioral intentions.

Afshardoost and Eshaghi (2020) made an effort to investigate the relationship between destination image and behavioral intention. The image was designed into a cognitive, affective, and overall image in the study. The finding of the study suggested of having the greatest impact of overall and effective image on behavioral intention which was followed by the cognitive image. In addition to that, the overall study confirmed the destination image having the significant impact on intention to recommend.

LE et al., (2020) aimed to investigate the degree of linkage among destination image, satisfaction, and loyalty of tourists' visiting mountain destination, Vietnam. The result established the significant impact of tourists' satisfaction on loyalty. The factors used in the study were a natural resource, awareness of environment protection, protection of local identity, building exclusive tourists' products, local community support, pricing policy to enhance destination image which led to increased satisfaction and loyalty of the visitors'.

## **2.2 SWOT analysis in homestay tourism**

Lewis et al., (1998) identified tourism as one of the most important tools in the development of rural communities and supported that tourism serves as to create local incomes, generate employment opportunities and growth in such regions.

Dahles (2000) supported the statement asserting that homestay is the supplementary income for the operators since they often take on other forms of employment and also maintain their social and cultural responsibilities.

Ranasinghe (2015) had highlighted the supply side of homestay accommodation rather than the demand-side as the demand side of homestay tourism has often been investigated in tourism prosperous country Sri Lanka. The motivational factors for the homestay operators were a source of income, business prospect, persuasion, and experience appeal of the area, the personal appeal, and the availability of resources. On the other hand, the homestay operators had to deal with a lot of challenges such as limited financial capital, socio-cultural issues, managerial constraint, and external turbulences, immoral behavior of the guests, and guests' complaints. Socio-economic advancement could only be ensured if the operators give due importance for planning, marketing research, increase in customer service, and sufficient allocation of funds.

Kulshreshtha and Kulshrestha (2019) tried to study the future prospect and challenges faced by homestays and also observed the problems encountered by the owners of homestays in India. The paper discussed the increasing preference for homestays, the advantages of homestay ventures and their influence on the socio-economic improvement of local people.

Bhatt (2012) highlighted the feasibility and economic viability of homestay as a community-based ecotourism product in the Himalayan region of North India. Homestays in a himalayan region have up to some extent plays an important role in enhancing the himalayan inhabitants economically. Apart from agricultural activities, homestay tourism has the additional role of sustaining the livelihood of local people instilling the feeling of environment conservation. Despite the economic benefits and income generation, some other strategies are to be adopted to

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cope up with climate change. Some initiatives are to be taken by respective stakeholders to frame guidelines specifying the qualification of homestay units.

Kontogeorgopoulos et al., (2015) highlighted the negligence of community-based tourism especially homestay tourism in Thailand. The researchers were intended to explore the implications of successful participation in homestay tourism in Mae Kampong, northern Thai province of Chiang Mai conducting semi-structured interviews with 30 homestay operators. The finding implied homestay tourism as a double-edged sword because the success of the community to run homestay units comes at the price of diminished authenticity, greater reliance on tourism, and enhance social and economic inequalities. Despite such challenges, rural communities were continuing to respond to tourists' demand for novelty and authenticity by commercializing their homes and offering homestay experiences that deliver glimpses of rural life to inquisitive visitors.

Sita and Nor (2015) tried to identify the degrees of contact derived from the frequency of communication with tourists that influence the local perceptions towards the social impacts of tourism. The researchers also investigated the local's support for additional tourism development or support for restriction on tourism development in Malaysia. From the findings, three categories of respondents: 'High Contact (HC)', 'Medium Contact' and 'Low contact (LC),' show significantly different perceptions towards the social impact of the homestay program. The HC respondents were positive towards social impact and supported additional tourism development. On the other hand, the MC respondents perceived negative social impact but agreed to support additional tourism development. The LC respondents had a perception of positive social impact and supportive of additional tourism development.

Amin and Ibrahim (2015) developed a model of sustainable community participation in homestay initiatives, in Malaysia. In community-based tourism, homestay communities have the authority to resolve the development such as safeguard the environment and increases cultural awareness. As this initiative was managed collectively by the local community, the visitors are able to recognize the culture of local communities and the cohesive relations between them. The

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involvement of several stakeholders and local communities in the decision-making process was the most important strategy to assert sustainable tourism development. Sustainable tourism is challenging without the assistance and involvement of local communities. Samples of 306 respondents were selected using stratified random sampling on a number of participants in the homestay initiatives from several parts of Malaysia. All data are analyzed using SEM. It is inferred that there was a positive correlation between community participation and sustainable development. It was concluded by the researcher that community attachment and community involvement were critical factors to ensure sustainable development.

Arevin et al., (2014) formulated a strategy of empowerment to improve the success of the business owners' homestay. The researchers believed that a homestay is an important tool for rural community development. Family-oriented services, adaptability to the environment and local culture, and relatively affordable prices are the factors for foreign tourists' arrival in the homestay. A sample of 160 persons was included from Strategic Areas of Indonesian National Tourism (KSPN). The Data was analyzed using Pearson moment correlation analysis and SEM. The result of SEM analysis showed that the success of homestay was influenced by the extension process, entrepreneurial behavior, empowerment, and occupational competence. But the process of extension and entrepreneurial behavior had not been able to increase empowerment.

Hussin et al., (2014) intended to explore the perceptions of seaweed cultivators towards homestay tourism which is based on seaweed cultivation in the district of Semporna, Sabah, East Malaysia. Government plays a proactive role to integrate the fisherman and farmers into the tourism sector through a homestay program intending to enhance the quality of life. Qualitative, as well as a quantitative research approach, were used by conducting face-to-face interviews, questionnaires, and field observation to collect the primary data from the participants. The finding showed that the majority of the respondents had a positive perception of homestay tourism highlighting seaweed cultivation as an attraction to the visitors in their

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working places. The researchers also found that the majority of the respondents assumed that the visits of the tourists would motivate them to carry out the activity with more enthusiasm.

Abdullah et al., (2014) highlighted the homestay as a medium of empowering the local communities economically. Though, the finding of the study implied that the policy and guidelines do not define the extent of involvement of rural communities as the benefits of home stay initiatives were mainly procured by the homestay operators who were the decision-makers of the venture. As economic empowerment was centered on homestay operators, there were many instances where some active homestay operators dominate the tourists' arrival as such they were benefitted from ignoring the equal rights of other homestay operators. The villagers had the scope of enhancing income levels by promoting their products to the visitors. Despite a lot of social and economic benefits through homestay initiatives to the communities, operators were engrossed in their vested interest and deviate from promoting the cultural heritage and educating tourists about the preservation of the natural environment. The government had not taken initiative against the homestay operators for noncompliance with rules framed for homestay initiatives. Besides, those operators were misusing economic empowerment and engaged in activities without fulfilling the criteria of the homestay. Some homestays were even not registered; neither the federal government nor local authorities were taking legal actions against them.

Samsudin et al., (2014) identified the concept of cultural landscape and tourism and their relationships with the tourism industry (especially homestay ventures). The focus of researchers lied in sustainable tourism development in terms of environmental, social, and cultural aspects. Homestay tourism is one of the CBT which inculcates the feeling to rural people to conserve and preserve the cultural landscape concept. It is the responsibility of every citizen to have awareness of the importance of the cultural landscape. The awareness of the cultural landscape encouraged the local community especially youth to participate in the tourism industry and preserve the cultural landscape for future generations. But lack of knowledge about culture and heritage among local communities, particularly youth in the villages were influenced by modern

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technology i.e. because of the internet. The main challenges pointed out by researchers were to sustain youth interest and activity in the cultural landscape of tourism. Homestay as well needed further attention and development strategies due to the challenges in conservation and urbanization.

Bhan (2014) described the availability of potential natural resources such as natural gifts, man-made heritages, ethnocultural richness, innocent social settings, pleasant hospitality for the scope of evolution of homestay across India. Homestay is considered to be demand-driven tourism and has become a need-based concept for contemporary visitors. Focussing on three main aspects namely service, facility, and attraction, the up-gradation of homestay units needed to be done. Despite being immensely attractive, the homestay units were lacking in facilities and service quality. There is a need of PPP (Public-Private Partnership) model so that the viability of the homestay would be sustained.

Sood et al., (2017) emphasized homestay as a new avenue to uplift the Indian Himalayan communities economically. Despite plenty of benefits to the communities, homestay tourism has had to face a lot of challenges due to the non-participation of all the folks. The reason behind non-participation was identified: socio-cultural; practical and apprehensions. The reason includes hard complying with certain guidelines of the scheme viz. inadequate sanitary infrastructure, gender roles, and complex socio-cultural issues.

Acharya and Halpenny (2017) tried to explore the socio-cultural sustainability of Ghalegoan Homestays in Nepal. Dimensions of socio-cultural sustainability taken for the study were inclusive, collaborative, resilient, and modernizing. The finding of the study revealed that the members of the community equally participate in the chores of homestay units irrespective of caste. Harmony, engagement, partnership, and networking are the key factors explored by the homestay units in Ghalegoan. The concept of resilience-focused is adopted on addressing social and cultural changes such as a change in social and cultural capital resulting in the change of lifestyle to sustain the homestay enterprise. The changes of infrastructure in the community as

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per the requirement of daily lives were explored without spoiling the traditional values in the Ghalegoan homestays.

Salleh et al., (2014) explored the characteristics and factors affecting the participation and perception of homestay operators about the impact of homestay development on their local communities in Johar. Their involvement was driven by various factors such as their own desire to be operators, encouragement from communities, families, and associations as well as government initiatives. The other factors which motivate to get involved in homestay programs were gaining new experience, acquiring a better source of income, spending their leisure time, improving skills and interests of individuals, and gaining expertise to run the small business enterprise as found out by the researchers. Homestay operators believed that the development of homestays has a positive impact on local communities. The finding of the study showed the highest impact on cultural heritage followed by economic impact, social and environmental impact on the local community.

Gu & Wong (2007) assessed the positive and negative perceptions in developing tourism, particularly homestay units in the coastal zone, Dachangshan Dao, China. Using factor analysis five dimensions had been identified namely: economic impact, quality life improvement, environment deterioration, beach degradation, seawater pollution, and interruption to quality of life. Cluster analysis was conducted on the basis of the demography of the respondents especially the age factor to enquire into their perception of developing tourism in the coastal zone. The finding of the study concluded that youngsters believed to have an improvement in the quality of life by developing tourism in the region. Furthermore, the age group between 41-50 years supported the idea of economic impact in developing tourism in the area. On the contrary, above 50 years are perceived to have physical environment degradation through tourism development. In addition to that, tourism development creates beach degradation as perceived by the age group for more than 60 years.

The contribution of community-based homestay to both the rural communities and the visitors had been investigated in the study conducted by Kayat (2009) in Negeri Sembilan, Malaysia.

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The contributions to the visitors were living culture, education, entertainment, and enrichment. Apart from that, the community-based homestay establishes a relationship between the community and visitors not only for a particular period but also for the years through letters, phone calls and emails, etc. It also increases social cohesion among the hosts and contributes to their commitments to preserve and provide knowledge on local customs.

Bhuiyan et al., (2011) explored the potentialities of homestay for the development of Ecotourism in the East Coast Economic Region (ECER). Researchers highlighted the minimum negative impacts on the environment through eco-tourism as well as its sustainability economically, socially, and environmentally. Though, the shortcomings of the homestays needed to be addressed by the local communities. Some of the challenges to be addressed were brand image issues, meeting international standards, training facilities, marketing, and promotions. Cultural elements as well as creating genuine interest and commitments to the local community were the crucial factor to be ensured as pointed out by the researchers.

Karmakar (2011) conducted a case study to highlight the scope of ecotourism comprising of six districts in North Bengal namely Darjeeling, Jalpaiguri, Coach Bihar, Uttar Dinajpur, Daxin Dinajpur, and Malda. The study focused on the viability of eco-tourism based on the number of footfalls of domestic and international tourists in these areas. The abundant availability of diverse flora and fauna had widened the scope of ecotourism in these destinations. Some of the positive impacts the researcher had found were employment generation, increase in revenue, helping in spatial development, improvement of the standard of living, and diversification of the economy, rejuvenation of local art and culture, and acceleration on the development of infrastructure.

Ibrahim et al., (2010) illustrated that homestay tourism had increased the additional revenues not only to the homestay operators but also the villagers or 'kampong' folks who were not directly involved with homestay. Homestay is not just the platform to earn additional income but also to develop entrepreneurial skills through joint action in tourism.

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Sriparest et al., (2011) inspected the relationship between managerial function and the success of community-based homestay tourism at Phomlok homestay community-based tourism, Nakhon Si Thammarat, Thailand. Planning, organizing, leading, and controlling were considered managerial functions for homestay initiatives. Researchers used Pearson correlation techniques to draw the conclusion among the variables. The finding of the study suggests having two key variables viz. planning and controlling function. It was suggested that the remaining two variables are less important managerial functions for the success of homestay ventures.

Kwaramba et al., (2012) explored the role of homestay units as a poverty reduction tool in South Asia through the Local Economic Development Programme (LED). The study basically focussed on the empowerment of economically disadvantaged women and to become self-reliant with the medium of homestay units. The challenges faced by the homestay units were a lack of entrepreneurial steering which was reflected by the absence of marketing strategies and the heavy reliance on a single distribution channel. In order to achieve the objective of poverty reduction, boosting confidence levels and empowering the women was the need of an hour as suggested by the researchers.

Yosuf et al., (2016) highlighted the issues pertaining to the commitment of homestay operators in Malaysia. The declining number of tourists leading to reduction of expected income had kept the operators dwindled their commitment towards homestay operation. Four aspects such as quality of life attributes, attitudes, the role of community and the role of government had the positive and significant predictors of the commitment of homestay operators as identified by the researchers. There was a moderate commitment of operators in running homestay units as found by the researchers.

Kumar and kunasekaran (2012) tried to unravel the role of tourism in the development of the community as well as poverty eradication especially through the homestay programme in rural areas in Selangor district, Malaysia. The researcher had undertaken the study with the aim of identifying variables that would ensure the economic sustainability of the rural homestay

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program. More precisely the researcher also tried to identify the impediments to the development of homestay programs. Homestay tourism was considered a medium of income generation which restricts the migration of local people to urban areas in search of livelihood. The negative impact, as well as unhealthy culture which could lead the identity threat needed to be addressed with care by the operators as pointed out by the researchers.

Yusnita et al., (2012) examined the influence of transformational leadership towards the commitment of homestay operators in Malaysia based on three-dimension viz. the idealized, influence which is defined as the capability to act as a role model whereby the leader becomes admired, respected, and trusted; inspirational, the motivation which pertains to the ability of leaders to integrate the followers and tilts towards the desired direction through inspiration and motivation; intellectual stimulation, pertains to the traits of the leaders having a personal attraction to the followers. The researchers opined that participation alone is not enough to ensure the success of the activities of homestay initiatives. The commitment of every individual and member of the community is crucial to the success of activities and initiatives which require voluntary participants of its members. The researchers found that there is a significant relationship between transformational leadership and organizational commitments of participants to inflate the standard of homestay initiatives.

Bhuiyan et al., (2013), examined the economic potentialities of homestay tourism for the homestay operators in Terengganu, Malaysia. Economic potentialities were measured based on the initial investment, monthly expenses, and annual revenue. The respondents had a positive belief in homestay tourism in respect of local economic progress, society, and the environment. Homestay tourism being successful in increasing employment opportunities, local people's standard of living, and private-public investment and also helpful for the conservation of natural resources. Though, to have socio-economic progress, homestay units need proper planning, ideal marketing strategies, increase customer service, and sufficient allocation of funds as found in the study.

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Amin et al., (2013) tried to identify the predictive determinant of quality of life, government role, and attitudes that influence the general well-being among the homestay participants. The determinant i.e. the independent variables were income, expenditure, saving, house residence, land, transport, health, education, safety, marketing, attitude, and training. Researchers advocated that the majority of the attribute dimensions such as income, expenditure, saving, house residence, land, transport, and education had a significant correlation with the general well-being of homestay participants. At the same time, all these variables were positively related to the general well-being of the homestay participants.

The study conducted by Salleh et al., (2013) had identified the motivational factors which motivate the rural community to participate in a homestay program in Negeri Sembilan, Malaysia. Self-motivation and desire to preserve the way of community living were the two main factors that motivate the rural community to participate in the homestay program. Though, the other motivational factors identified by the researchers were economic factors (additional revenue) and socio-cultural values (cohesiveness and co-operation among the community).

Vinh (2013) focused on the marketing issue that needs to be tackled by the homestay units to enhance the footfall of tourists in the Duopnglam village, Vietnam. Apart from that, the finding suggested that the climatic condition, accessibility of the destination, homestay services, beauty of the location, and cleanliness were the most important attribute for tourists' satisfaction.

Korir et al., (2013) examined the contribution of homestay accommodation upon the growth of rural tourism and also highlighted the challenges faced by the homestay operators in providing commercial accommodation in Kenya. The homestay entrepreneurs believed that homestay accommodation plays an instrumental role in developing rural tourism as the cost of investment is relatively low. However, some believed that the homestay accommodation would possess external influences on their family and deprival them of privacy. Entrepreneurs were uncertain about the quality of their ability to meet and satisfy tourists in respect of hospitality and communication, although they were willing to meet the challenges for economic gains.

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Agyeiwaah (2013) unveiled and examined the pull and push factors that account for volunteer tourists' choice of homestay in the Kumasi Metropolis of Ghana. The researcher found that among the push and pull factors, the most important were socio-cultural attraction and environmental sensitiveness.

Yusof et al., (2013) explored the current scenario of rural tourism development in Malaysia particularly homestay programs and analyzed the challenges and issues pertaining to homestay management. The extensive financial assistance of the Malaysian government for the improvement, marketing, and development of homestay programs had given an opportunity to marginalized sections to take part in the tourism sector. The problem of migration from rural to urban areas could be mitigated through homestay tourism. The product of rural tourism especially the homestay program provides employment opportunities, inflates the standard of living of the local community, and creates awareness about the importance of environmental preservation.

Karki et al., (2019) revealed that homestay ventures generate higher rural income and biodiversity conservation. The study revealed that income is seen to have contributed extra benefits to the poor families than to operators who are more affluent.

### **2.3 Statement of the problem**

Tourism has become the backbone of the economy as it has contributed 9.3 percent to the GDP in India in 2019 (Travel and Tourism Report-Knoema). India is endowed with varieties of diverse historical backgrounds, cultures, ethnicity, traditions, and customs. India is also bestowed with plenty of natural resources which ensure the avenues for the development of tourism in the country. The potential of generating employment from tourism is the tool to alleviate poverty and to ensure livelihood opportunities for rural people in India. The Ministry of tourism has coined the concept "bread and breakfast/homestay establishment" to promote homestay tourism in the country. Despite this, homestay tourism is not surfaced in a limelight as compared with other forms of tourism. Homestay tourism is the tool to bring local communities

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into the tourism sector which enables the country to ensure inclusive growth which is one of the objectives of five-year plans in India.

Homestay is becoming popular in the hilly region of Darjeeling. The rural places in the Darjeeling hills are endowed with attractive natural beauty but there is a lack of organized homestay tourism ventures which has enormous potential for these types of viable tourism initiatives. To exploit the potential of this area, the state is keen to introduce the concept of homestay tourism. Homestay tourism provides the visitors to experience the culture of local communities, enjoy the pristine natural environment, to get pleasure from the homemade cuisine and, other adventurous activities offered by the homestay operators. Several studies have addressed the issue of assorted tourism in Darjeeling but homestay tourism, to date, is not adequately addressed by the researchers. This study endeavors to focus on the development of homestay tourism in the rural areas which is likely to integrate the local communities into the tourism sector. Homestay tourism has gained momentum in the recent past but not much attention is given by the government to explore the potential of generating livelihood among rural people. The marketing research especially which deals with tourists' satisfaction and behavioral intention of the visitors are not been carried out by the previous researchers. The study has attempted to explore identifying the different antecedents which affect the level of satisfaction and post-purchase behavioral intention of the visitors. The causal relationships among service quality, tourists' satisfaction, and behavioral intention have been established by Wang et al., (2005). The research so far is not conducted in the context of homestay tourism in Darjeeling. Visitors' satisfaction and behavioral intentions of visitors are considered as the most important aspects for the long-term sustainability of small-scale tourism ventures like homestays. As the homestays operating in Darjeeling have had to face plenty of marketing and promotion impediments because of hefty cost, most of them have basically relied on positive word of mouth and recommendations to friends and family. Omar et al., (2017) has emphasized accessibility as one of the important antecedents to measure the level of satisfaction of the visitors in the destination. Most homestays in Darjeeling hills are concentrated in the rural areas,

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the accessibility to the destination has become the major challenge and the researcher in this study has made an effort to establish the causal relationship between accessibility and tourists' satisfaction. The safety & security measures in the destination are the most influential factor for satisfaction and revisit intention Saraithong and Chancharoenchai (2011). The researcher in this study has also attempted to establish and substantiate the statement empirically in the context of homestays operating in Darjeeling. The destination image has a direct and indirect impact on the satisfaction level of the visitors and loyalty (Mohamad et al., 2014). The destination image is the perception of visitors of a particular destination. Therefore, the study here also has attempted to delve into the destination image of a place where homestays are located and its relationships to overall satisfaction and behavioral intention.

The state government has made an endeavor to promote homestays in Darjeeling for the well-being of the community. The government is also envisaged to promote organic farming, especially in the rural areas to attract tourists not only from other states but also from abroad. Poor infrastructural and accessible facilities in the rural areas have negatively affected the influx of visitors in the rural areas. There is a language barrier as the operators as well as participants are hardly aware of the foreign languages which are vital to reducing the communication gap between visitors and the hosts. Highly potential but unexplored tourist destinations are not advertised sufficiently to bring the destination to the eyes of visitors in the homestay rural tourism in the Darjeeling hills. In view of the above, the study is expected to identify the issues and challenges that homestay operators are facing to run a homestay venture. This study shall be conducted to investigate the homestay tourism contribution for the socio-economic benefits to the local communities and to alleviate poverty in rural areas in Darjeeling hills. This study would likely delve into financial and marketing issues related to the smooth functioning of homestay ventures by introducing proper recreational facilities as demanded by contemporary leisure tourists. Further, the study will try to recognize the real perceptions about homestay program in view of homestay operators and also presents a review of development through the homestay program across rural areas in the district of Darjeeling as well as to investigate the

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challenges faced by the homestay operators for smooth running of the program. Of late, the potential of homestay in providing additional income and employment within the community, the growth of homestay tourism ventures can be discerned in the vicinity of Darjeeling and its adjoining areas.

However, homestay tourism has remained unexplored as no extensive study has been conducted encompassing the area Darjeeling hills. No one can deny that homestay tourism could not flourish due to the predominance of other forms of tourism in the Darjeeling hills and its adjoining areas. In this study, it is envisaged to study the level of satisfaction, revisit intention and, positive word of mouth for making these homestays financially viable. The study also would investigate the SWOT (Strengths, Weakness, Opportunities, and Threats) as perceived by the homestay operators. The major focus of the study is centered on tourists' satisfaction. The study also focuses on issues and challenges faced by homestay operators in generating adequate revenues for their sustainability.

### **2.4 Research objectives**

The objectives of the study are:

- i) To relate the destination image of homestays with the level of satisfaction of visitors
- ii) To identify the level of Satisfaction of tourists with the quality of services provided by the homestay operators
- iii) To establish the causal relationship of safety & security, accessibility on level of satisfaction of the tourists visiting homestays in Darjeeling
- iv) To analyze the mediating role of level of satisfaction between service quality and behavioral intention of the visitors' in Darjeeling homestay
- v) To explore the mediating role of level of satisfaction between destination image and behavioral intention of the visitors' in Darjeeling homestay

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- vi) To measure the mediating role of level of satisfaction among safety & security, accessibility on the behavioral intention of the visitors'
- vii) To identify the major internal factors such as strengths and weaknesses of homestay as well as external factors such as opportunities and threats operators in running the homestay units

**2.5 Research Questions**

- i) Are the visitors satisfied with the services provided by the homestay operators?
- ii) Do the visitors feel safe staying in the homestay?
- iii) Are the visitors comfortable with the accessibility of the homestays scattered in remote areas?
- iv) Is the destination image of the homestay is positive to the tourists?
- v) Is there any mediating effect of the level of satisfaction on different constructs?
- vi) Are the homestay operators facing marketing problems?
- vii) Are the visitors' willing to recommend the homestay to friends and relatives?
- viii) Can SWOT and TOWS be employed to formulate proper strategies?

**2.6 Conclusion**

In this chapter, extensive review is done from the past literature to identify different variables that are relevant for this study. Moreover, the different antecedents of satisfaction and behavioral intention are identified from the past literature. The antecedents particularly service quality, safety & security, destination image and accessibility and their causal relationship on satisfaction and behavioral intention are focussed while reviewing past literature extensively. Additionally, the thorough reviews of past studies are also done to highlight the issues and challenges that the homestays are facing. The research problems, research questions and research objectives are also comprehensibly depicted in this chapter.

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## THEORETICAL FRAMEWORK

## CHAPTER III

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**3.1 Introduction:**

The tourism industries balance their sustainability on the basis of rendering high quality hospitality services to the tourists. The different dimensions or attributes need to be considered to ensure the level of satisfaction to the visitors. Different theories have been advocated by tourism researchers, stakeholders, and marketers to get an insight into the perception of tourists' satisfaction. The aim of the study is to highlight the different manifest variables which are purely relevant and considered as antecedents having an influence on the level of satisfaction and behavioral intentions of the tourists visiting the homestay in Darjeeling hills. The antecedents used in the study are service quality, destination image, accessibility, safety & security which have an impact on tourist satisfaction followed by the behavioral intentions of the visitors visiting Darjeeling homestays. The various factors or constructs in the study are based on past literature and theories in the field of tourism researches. This chapter provides the theoretical justification for the causal relationship between all the constructs and identifies the hypothesis based on the relationship and also tests the direct and indirect effect among the constructs. The mediating role of the construct has also been highlighted.

**3.2 Factors relevant in homestay tourism research**

Modern visitors nowadays prefer to stay in a place where they are not bounded by any protocols and are free to explore environmental as well as their cultural about the folks. To meet this requirement as a demand-driven stay, homestay tourism has become more popular in the South-East Asian countries especially in Malaysia, Indonesia, Thailand, and Sri Lanka and India is not an exception to this phenomenon. In India, the concept of homestay tourism has become popular in

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most states like Goa, Uttarakhand, Himachal Pradesh, West Bengal, Sikkim, and many more destinations across India.

The Government of India (GOI) has enthusiastically started to promote homestay tourism through Bread and Breakfast/ Homestay establishments. To ensure quality service the homestay has been classified on the basis of the quality of service and the infrastructure facilities provided by the homestay operators (Human & Resource Division, Ministry of Tourism GOI 2008). To promote this form of tourism the Government of India has given tax relaxation and rebates to the homestay operators. The sustainability of the homestay venture has paramount importance as the local people get benefitted socially and economically. The sustainability of the homestay venture directly depends mainly on the footfall of tourists. To enlarge the number of visitors, the homestay operators must ensure the satisfaction level by determining the factors which tempt tourists to stay in the homestays rather than the mainstream accommodation such as hotels and resorts.

Satisfaction needs to be ensured by the homestay operators to their guests. The tourists are motivated to stay in the homestay due to various factors. Different researchers have highlighted different reasons behind the tourists' interest to stay in the homestay accommodation. Gunasekharan and Anandkumar (2012) suggested a homely atmosphere, value for money, local touch, and guest-host relationship are the four main factors that influence a tourist to choose alternative accommodation such as homestay. The contemporary tourists try to explore the rural areas to get some understanding of the culture, customs, and traditions of the local people. The friendly relationship between the guests and the host plays an important element to allure the already visited guests to revisit the same destination in the future. Affordable accommodation, home-cooked local food, unique activities specific to the particular destination, safety, and privacy, friendliness of the operators, stay like a family member are always a better choice as reasons for tourists to choose a homestay over a hotel accommodation (Chaturvedi 2015). The authentic

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experience of culture, lifestyle, and traditions, service quality, scene attraction, sensitization and comforts, special attention to the guests, accessibility to the destination are the underlying factors for choosing homestay over hotels as suggested by Wang (2007). The above-mentioned factors are basically the real concept of the homestay establishment. Though, the generalized theory of homestay has not been given by any author. The marketing and tourism theories are necessary to highlight the satisfaction level and destination loyalty of the tourists visiting homestays. The major dimensions must be proposed based on tourism and marketing theories to draw the inference about the perception of tourists visiting different tourism destinations specially homestays. The study conducted by Bavani et al., 2015 have highlighted the factors such as service qualities and facilities, infrastructure, safety, and marketing are found be the important elements to ensure tourists' satisfaction visiting homestays in general. Out of the above factors, the due concern is to be taken on marketing aspects to promote homestays. It has been suggested that the homestays be promoted aggressively in collaboration with government campaigns and private outsourcing activities. The manifest variables focused on homestay tourism attributes are the cultural attraction, hospitability, amenities, safety, and security to ensure tourists' satisfaction in the study reported by Biswakarma (2015). Using factor analysis, these four major constructs have been identified by the researcher using factor analysis. Apart from the cultural attraction, safety and security are also considered important elements in homestay tourism.

### **3.3 Interrelationship among the constructs**

#### **3.3.1 Perceived Service quality**

Steven et al., (1995) have pointed out that providing high-quality service to ensure customers' satisfaction is one of the important factors to sustain tourism industries. Service quality leading to tourists' satisfaction helps the tourism sector to build long-term relationships which lead to destination loyalty. Service quality is defined as how well the customers' needs are met and

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delivered as per their expectations. Parasuraman et al., (1988) have defined service quality as the overall excellence and superiority of the service. The theory by Oliver's (1980) disconfirmation model advocated the concept of gap between expectations and experiences perceived for drawing the conclusion about tourists' satisfaction. Hence, the researchers have proposed that the overall service quality performance can be determined by the measurement scale known as SERVQUAL using five attributes namely, tangibles (the appearance of physical facilities, equipment, personnel, and communications materials); reliability (the ability to perform the promised service dependably and accurately); responsiveness (the willingness to help customers and provide prompt service); assurance (the competence of the system and its credibility in providing a courteous and secure service); and empathy (the approachability, ease of access, and effort took to understand customers' needs). However, some of the researchers have contradicted the idea of conceptualizing the gap between expectations and experiences. Cronin and Taylor (1992) have argued in favor of overall evaluation of services or perception of services rather than using the gap between expectations and experiences. Lee et al., (2000), have also focused deeply on the performance perceived by the customers rather than the difference between perceived performance and prior expectations. Iglesias and Guillén (2004) have identified that a service manager should manage customers' predictive expectations to increase customer perceptions of overall service quality. Bowbrick (1980) considered service quality an important factor in the dynamic environment. Financial performance, costs, customers' satisfaction and retention of customers are deeply correlated with service quality. Improving service quality aims at gaining new customers in the market without sacrificing the existing one (Swanson and Davis, 2003). The role of service quality in any form of the tourism sector has paramount importance. Different theories regarding service quality are advocated by different researchers. Contemporary tourists nowadays prefer to stay in outskirts destinations rather than conventional stays like hotels and in resorts. To ensure sustainability in the long run, the homestay tourism operators have to ensure the minimum level of service quality in the destination.

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Perceived service quality to the tourists in the destination plays a pivotal role in the context of the post-purchase behavior of the guests. This supports the notion that perceived service quality determines the post-purchase behavior of the tourist (Wang et al., 2011). Mutalib et al.,(2018) have studied the importance of the services provided by homestays to report the significance of the quality of services provided by Malaysian homestays and its positive impact on customer satisfaction.

Nguyen (2019).in his study has tried to establish the relationship among homestay service quality, tourist satisfaction, and cultural interaction on tourist loyalty behavior. The findings reveal that tourist loyalty is affected by different components of servqual scale-like reliability, responsiveness, assurance, and tangible in the context of Vietnam homestay tourism.

Muangmee (2020) has studied the concept of customer relationship marketing, and perceived service quality model in the context of homestays in Thailand by applying SEM. The research findings substantiate that the relationship with customers', perceived service quality, satisfaction, and the successful business operator of homestays is considered to be important. The study concludes that managing customer relationships can improve the level of the satisfaction of visitors'.

### **3.3.2 Safety and Security**

Kavoari and Zimanyi (2011) have defined security and safety collectively with the bunch of components belonging to political instability, public safety health, and sanitation, personal data safety, legal protection of tourists, consumer protection, safety in communication, disaster protection, environmental safety, getting authentic information, quality assurances of the services, etc. The tourism market is sensitive to social and political instability in the destination (Kordic et al., 2015). The footfall of tourists is drastically hampered due to various reasons such as social conflict, political instability, terrorism threat, and many other issues. Ensuring the safety of the

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guests is indispensable in the tourism industry. Uncertainties in the destination create chaos in the mind of the tourists and also feel fear to visit the same destination again. It not only hampers the existing customers or guests, especially in the tourism industry but also creates a deep sense of fear in the mind of prospective customers. Other issues incorporating risk in tourism are unhygienic places, traffic mishaps, and catastrophic natural disasters. The government policies need to take into account the way out to bring safety to the visitors. Moreover, the correlation between safety and satisfaction is often ignored by the researchers in the literature (Imbeah, 2018). Baker and Crompton (2000) had not taken into consideration the direct relationship between tourist safety and tourists' satisfaction in the study. Though, the importance of relationships has increased significantly in the tourism industry. The safety issue is a pivotal factor that influences tourist satisfaction and ultimately impacts destination loyalty. The study conducted by Lee et al., (2007) has identified that there is no significant relationship between tourists' satisfaction and revisit intention of the visitors as other variables are also to be considered that affect the formation of the individual expectations. However, the influence of tourists' safety is still a strong factor as the tourists' satisfaction is concerned. According to the Ministry of Tourism, Government of India (2002), the safety and security of tourists are the utmost concern to everyone in the country. All the stakeholders including the Central and State governments are taking initiatives to provide safety and security to the tourists visiting the country. Researchers often ignore investigating the measures of safety and security to the tourists in developing countries like India, though this sector plays a paramount role in the socio-economic development of the nation. The field of delving safety and security has become a new field in tourism research (De Sausmarez, 2004; Ritchie, 2004). The safety encourages tourists to visit the destination which they plan for. Safety can also be seen as a nature of the physical environment in case of adventurous activities and natural disasters, involving in criminal activities such as theft, and tourists' sometimes being attacked by anti socials (Tan et al., 2017). To keep the tourism activity smooth, the stakeholders are liable to ensure the safety

measures to the tourists' in the destination they visit. Five negative factors that affect the tourism industry as identified by Pizam & Mansfeld (1996), and Ayob & Masroni (2014) are crime, terrorism, food safety, health issues, and natural disasters. Choosing a particular destination is not only based on price and destination image but the personal safety and security provided to the visitors as reported in a study conducted by Eitzinger and Wiedemann (2009).

### **3.3.3 Destination Image**

Lee (2005) defines destination image as the expression of overall objective knowledge, prejudice, impressions, emotional thoughts, and imaginations of individuals have relating to a particular place. Murphy et al., (2000) have defined the destination image as the sum of association and information related to the destination that may include multiple components of the destination and personal perception. The satisfaction of tourists' with the destination is the important point to be focused on if a destination is able to render and satisfy the tourists' needs and wants. These tourists possibly make repeat visits and spread positive word of mouth, and recommend the place to others, which is termed destination loyalty (Bramwell, 1998 and Kozak, 2001). It has been pointed out by a number of researchers that tourists' destination loyalty is increased by positive destination loyalty and high satisfaction (Chi and Qu, 2008). In a competitive world, the ideal destination attributes must be available to the guest to keep the existing visitors happy so that they motivate others to visit the destination. Previous researchers have concluded that destination image has a direct influence on traveling behavior as it plays an important role in selecting the destination since tourists normally prefer a destination with a favorable image (Prayag, 2008). Baloglu & McCleary (1999) have proposed the model dealing with belief informing the destination image. The destination image is affected by external factors that comprise the diverse facets which may be symbolic and social stimuli. Symbolic stimuli are an effort to promote the destination through media and social stimuli are an effort to promote with friends' recommendation and positive word of mouth. It can be

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comprehended that destination image is highly influenced by marketing efforts like promotion, an initiative of tour operators, the internet, social media, and advertisement. More often the travel agencies and tour operators are directly in contact with the prospective visitors and persuade the tourists to visit a particular spot. The destination image is defined as the perception of tourists about the place, its tourism resources, tourism services, and the hospitality provided to the guests. The social and cultural norms and their rules & regulations that influence consumer behavior are to be considered (Ahmed et al., 2006). In the early '70s, the destination image is first recognized as a critical factor in the tourist's destination choice process (Mayo, 1975). Researchers have recently investigated the relationship between destination image and tourists' influx in different tourists spot. Even many tourism researchers have observed that the more positive and distinct image of the destination, the more the footfall of guests in those places. When other factors are almost the same among the destination such as price, socio-demographic, behavioral in that situation destination image plays a decisive role in the holiday choice of visitors (Goodall, 1988). The destination image is a universally accepted element in the tourism sector as it affects the individual's subjective perception and consequent behavior, and choice of destination (Gallarza, 2002). Prebensen (2007) has categorized three sources that influence the image of the tourists' destination. They are the organic image, the induced image, and the modified induced image. Organic image is the perception possessed of a particular place by an individual at school or from mass media, books, or the internet to determine the image of a destination surprisingly not based on tourists' experience and highlights the fact about the place. Induced image is influenced by the stakeholders with the different marketing strategies and promotional tools that aim to allure the potential tourists to visit a destination. Lastly, a modified-induced image is an actual experience possessed by the tourists after visiting the particular destination. It can be conceptualized that different researchers have analyzed the image of the destination as per their perception but the core idea of the destination image

remains the same and has played a vital role in determining tourists' satisfaction and destination loyalty.

#### **3.3.4 Accessibility**

Accessibility is defined as the ability of the destinations to provide good quality transportation facilities that enable the people from one place to another location in rural areas (Hall, 2004). The researchers in the past studies have revealed the importance of accessibility for the sustainability of the tourism industry which depends to a considerable extent for selecting a destination. Yeoman et al., (2004) have also highlighted the significance of affordability, and convenience of tourism transportation infrastructure that enhances destination accessibility which in turn leads to the better performance of rural tourism destinations. One study conducted in Uttarakhand by Bagri (2015) concluded that the basic facilities such as accommodation, transportation, tourism infrastructure, hygiene, and sanitation at the destination are significant elements in determining the satisfaction of tourists. Gassiot (2016) highlighted the importance of accessibility to all the tourists' destinations. Coviello et al., (2006) have outlined tourism infrastructure as a range of devices and institutions' tangible material and organizational performances that are indispensable for tourism development. The four fundamental elements are accommodation facilities, food and beverage facilities, transportation facilities, and communication facilities. Previous researchers in the field of tourism have posited the theoretical relationship between tourism development and infrastructure. The infrastructure is a physical element to cater to the needs of the visitors (Adebayo and Lweka, 2014). Smith (1994) asserted the level of development and functional use of tourism infrastructure are pivotal elements in tourism destinations. Lack of which definitely obstructs the experience and satisfaction of tourists in connection with certain tourism destinations. The accessibility and transportation facilities are very important in determining the satisfaction level of tourists visiting the homestays operating in the hills of Darjeeling. The improvement in infrastructure is

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indispensable in promoting the integration of tourists' services, maintaining the number of visitors, encouraging guests to stay longer in the destination, and increasing their spending to the destination (Conejo and Wooliscroft, 2015). Donthu and Yoo (1988) have emphasized the elements of tourism infrastructure that include ancillary and complementary facilities, types of equipment, system, processes, and resources necessary for the smooth running of every tourism destination. This basically includes roads, railways, airports which make tourists' destinations accessible for the visitors. The infrastructure also includes health care systems, services, and public services (Raajpoot, 2004). The infrastructure in rural tourism products has to have a special role in the long term growth of the tourism and general progress of tourists' destinations in providing the required services to the tourists.

### **3.3.5 Satisfaction**

It is widely accepted to have a positive relationship between tourist satisfaction and behavioral intention in the tourism industry. Marketers always make effort to ensure the satisfaction of their customers by any means not only to retain existing customers but also to attract prospective customers in order to have long-term sustainability of their venture. The tourism industry has started to comprehend the importance of satisfaction of the tourists in the tourism business. Bigne et al., (2001) has defined satisfaction as a reaction and outcome of the choice made based on individuals' emotions and inner being. It is a psychological concept that involves the feeling of well-being and pleasures that are the differences between expected service and perceived service (WTO 1995). Many authors and researchers have developed numerous theories on satisfaction on the basis of their perceptions. The expectancy-disconfirmation theory (Oliver, 1980), which compares the expectation and experienced gap perceived by the tourists afterward. The higher the actual experience over the perceived expectation, the more customers are likely to be satisfied and prefer to repurchase the products and the services. The importance-performance theory involves the

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analysis of customer satisfaction on the basis of service attributes to assess customer satisfaction (Martilla and James, 1977). The performance-only approach underlines that the perceived performance is a strong determinant of customer satisfaction (Churchill and Suprenant 1982). The equity theory of customer satisfaction studies the customers' satisfaction as a relationship between the price customers pay and the rewards they anticipate (Oliver and Swan, 1989). To gain a competitive advantage in the market, tourists' satisfaction is considered as one of the crucial elements (Kozak and Rimmington, 1998). The several marketing theories advocated by different researchers and marketers are heavily applied in the tourism literature. Appropriate measurement of tourists' level of satisfaction is a perfect medium to know the behavior of the tourists visiting any destination. Ensuring the expected level of satisfaction to the tourists is definitely helping the service providers to retain the customers and thereby generating positive word of mouth for the destination. Consequently, the service providers are giving no attention to knowing the level of satisfaction of the tourists (Kozak, 2003). The individual researchers have proposed different antecedents on the basis of their own experiences and perception. Most of the studies have focused on the measurement technique and variables related to customer satisfaction (Noe and Uysal, 1997). Many reasons can be cited to make the tourists satisfied including the quality of services provided such as infrastructure, security, cleanliness, natural situation, and consumer protection ((Handszuh, 1995). Nevertheless, the location of the destination is also to be taken into consideration while addressing the issue of tourists' satisfaction. Considering the fact about homestay tourism which comes under the purview of rural tourism, different other activities can be associated to ensure the satisfaction of the visitors.

### **3.3.6 Behavioral intention**

Behavioral intention is one of the frequently discussed issues in developing marketing strategies for products and customer services. The pervasiveness of behavioral intention also has its relevance in

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tourism industries. Many researchers and stakeholders have proved the relevance of behavioral intention in tourism industries through their empirical study. Repeated purchase, positive-word of mouth, and recommendation to the friend and family are itself a tool to promote the rural tourism product in the niche market. Darnel and Johnson (2001) suggested that the determinants of destination loyalty play a crucial role at the management level and in developing individual attraction. The degree of loyalty is reflected by revisit intention and spreading positive word of mouth concerning a destination (Mohamad et al., 2011)). Loyalty is defined as the committed behavior of the buyer manifested by its propensity to take part in recreational services (Backman and Crompton, 1991). It is true that the concept of behavioral intention including destination loyalty has become a useful concept in tourism marketing. However, the effort of the service providers in a destination to assure the satisfaction in order to have a continuous commitment of visitors to the place has been highlighted by past researches. AbuKhalifeh & Albattat (2017) defines loyalty as the relationship between an individual's tendency towards an object and the repeat patronage of that object. The cost of attracting new customers is five times more than the cost to keep the existing customers happy, as many costs and efforts are required to persuade satisfied customers to switch over from their current service providers (Kotler et al., 1999). Some scholars have suggested that the customers' loyalty is not only the cause of satisfaction. There are other factors that compel the customer to favor the product or services due to the unavailability of alternatives. In the past scenario, customers are becoming more and more demanding as such; satisfaction is an important variable to enhance customers' loyalty (Hayes 2008). The study undertaken by Anderson and Sullivan (1990) has found a strong positive relationship between service qualities, satisfaction, and repurchase intention. It can be argued that service quality and satisfaction are important antecedents to impact the behavior of the visitors. It is to be noted that, the degree of relationship between satisfaction and behavioral intention is strong, as there are structural links between the two concepts (Murry and Howat 2002). Zeithaml et al., (1996) suggest that favorable behavioral intentions are

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associated with a service provider's ability to get its customers to say positive things about them, recommend it to other customers, remain loyal to them, spend more with them, and likely to pay price premiums. Boulding et al., (1993) found a positive degree of correlation between customers' perceived quality and their repurchase intention and willingness to recommend. In tourism, it is important because of the reliance on word-of-mouth for new businesses like homestay tourism. Word-of-mouth communication is viewed as trustworthy and reliable because it is based on the experience of a person. Small tourism ventures such as rural tourism depend heavily on the recommendation for sustainability. Spending huge money on the promotion of the destination is not possible for them because of the huge cost of the advertisement.

### **3.4 Development of a conceptual model**

The higher service quality, the higher is the level of customer satisfaction and it is widely recognized as an important factor leading to the success of the tourism industry (Steven et al., 1995). The quality of service provided is considered as one key factor in determining the satisfaction level of the visitors. The study conducted by Ismail et al., (2016) has confirmed the relationship between community-based homestay service quality and behavioral intention, and the moderating role of satisfaction between them. Good quality services and tourist satisfaction develop a long-term relationship with tourists and bring about destination loyalty as reported by Hui et al., (2007) in the study. Buhalis (2000) has observed that better service quality in many cases leads to higher satisfaction of tourists eventually leading to positive word-of-mouth endorsement, referrals, and repeat visits. Parasuraman et al., (1993) have reported that customers' satisfaction is led by perceived service quality and concluded that there is a high correlation between service quality, satisfaction, and loyalty. The studies conducted by Devesa et al., (2010) have found strong evidence of service quality on satisfaction, loyalty, and profitability. Osman and Sentosa (2013) have confirmed the role of satisfaction as a partial mediation between service quality and destination

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loyalty in the study conducted on rural tourism. It also emphasized the role of service quality, tourists' satisfaction, and destination loyalty on the profitability of rural tourism operators. The study conducted by Jamal and Anatassiadou (2009) in the context of the banking industry in Greece has found a strong and positive impact on not only the service quality and satisfaction but also between service quality and loyalty. Hossain and Leo (2009) have revealed the service quality acts as a strong antecedent and is significantly related to the banking industry in Qatar. Hume and Mort (2010) have found a significant and positive impact of customer satisfaction on customer loyalty in the study conducted considering 250 performing arts members and audiences. Tourism marketing researchers (Cronin and Taylor, 1992; Kozak and Rimmington, 2000) provide empirical evidence that revisits and recommendation of the destination to other people is directly predicted by tourists' satisfaction. Lee et al., (2005) have stated the perception of individuals about the destination is expected to augment greater satisfaction level and behavioral intention. Destination Image is the antecedent of satisfaction which in turn has an influence on destination loyalty as suggested by Chi and Qu (2008). AbuKhalifeh and Son (2016) have investigated the causal relationship among service quality, tourists' satisfaction, and loyalty in star hotels in Jordan for supporting hypothesis regarding the relationship among model constructs. The mediating role of satisfaction between service quality and loyalty has been tested and duly validated. It has been concluded that satisfaction plays a mediating role between service quality and the loyalty of the visitors. A direct relationship between destination image, the perceived service quality, level of satisfaction, and intentions to return or recommend has been reported in the study by Bigne and Sanchez (2001). Destination image has been found to impact several factors such as an intention to revisit and word of mouth both directly and indirectly taking into consideration the construct i.e. tourists' satisfaction (Devesa et al., 2010; Liu & Chi, 2015, and Gursoy et al., 2014). The comfort facilities, safety, and security, cultural attraction and shopping, the attraction of the destination, and ambiance, accessibility are the factors identified in the study conducted by Prayag (2008) which affect tourists

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satisfaction. The direct correlation between tourists' safety and tourists' satisfaction is often neglected by the researchers as revealed in the study conducted by Imbeah & Bujdoso (2018). Baker and Crompton (2000) conducted a study on intentions for repeat visits and have not incorporated the direct influence of tourist safety on tourist satisfaction. Kuilis-Bosimin & Chan (2018) have tried to explore the key factors in Sabah, Malaysia that influence the safety and security of tourists from the perspective of the tour operators. It is found that the most of respondents who have visited that place felt secure due to the beauty, friendliness, peace, and natural environment. It is perceived that the tourists have the intention to revisit the place. The study conducted by Lee et al., (2007) does not identify the significant relationship between satisfaction and the tourists' revisit intention. The intensity between satisfaction and behavioral intention can change depending upon the perception of an individual. However, safety is still an important element in this discussion of tourists' satisfaction. As noted by Cohen and Cohen (2012), the issue of safety and security is of paramount importance for most tourists as well as the tourism sector as a whole. Swansom and Edgel (2013) have pointed out that safety and security have been consistently ranked as one of the global concerns in the world. The sustainability of any tourism unit depends heavily on the arrival of tourists. The tourists hesitate to go to a place where they do not feel safe and secure. The responsibility of the tour operators can never be overlooked to ensure the level of safety of the visitors visiting a particular destination. The safety and security of tourists are to be seen from the perspective of both the visitors and tour operators. Little attention is given by the previous researchers in understanding the safety and security of the destinations in Malaysia (Kuilis-Bosimin et al., 2018). Safety and security in the tourism industry has been identified as one of the forces having significant impact on inbound and outbound tourists (Yang, 2013). The researcher has given implication in the study to have a need to shift from a paradigm in dealing with safety and security in particular, in the tourism industry. There are many factors that influence visitors to choose holiday tourism destinations. One of the factors which cannot be ignored is the perceived safety and

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security of the existing and potential tourists. Visitors select the destination where their perception of risk is minimal (Allen, 2000). The promotion of destination is next to impossible until and unless the assurance is given to the visitors. Perceived and associated risks associated with travel and tourism have made safety and security an indispensable factor in the promotion of tourism ( Mopeli, 2009). The concept of security has become more important not only for the host community but also for the guests (Cavlek 2006). Bagri and Devkant (2015) have revealed the attributes related to tourists' products of spiritual nature, atmosphere and climate, varieties of tourists' activities, hospitality, and safety are the important factors in determining tourist satisfaction. Additionally, the basic facilities like accommodation, transportation, tourism infrastructure, hygiene, and sanitation at the destination also have significant importance in augmenting satisfaction. The study by Khuong and Giang (2014) have identified the crucial factor to evaluate the satisfaction level of the visitors and also justified a positive association between those factors and tourist satisfaction. The higher level of service quality, infrastructure and accessibility, natural environment, safety and security, and destination image are positively associated with a higher level of tourists' destination satisfaction. The results of this study have concluded that both functional and tangible components and psychological or intangible attributes of the destination contribute significantly to tourists' satisfaction. In order to measure the satisfaction level of the visitors, different researchers in their past study have given different sets of attributes as they perceived relevance in the destination. Attraction, accessibility services, package availability, activities, auxiliary services are the attributes taken together and believed to have an impact on tourists' satisfaction as a study conducted by Buhalis (2000). A similar study delved into factors that affect tourist satisfaction conducted by Kozak and Rimmington (1998) is an attraction, facilities, and services, hospitality, cost, and infrastructure. Transport, price, level of sincerity, lodging, safety, reputation, and expected level of service quality are the crucial factors taken together in ensuring the satisfaction level of the visitors as reported by Echtner and Ritchie (1991). Similarly, the study conducted by Tosun et al., (2015)

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has found lodging services, local transport services, cleaning services, entertainment services, communication services, and airport services are crucial factors to ensure tourists' satisfaction. Pérez et al., (2017) in the study conducted on the element towards tourists satisfaction concluded that accessibility is an important element in determining tourist satisfaction. It substantiates the variable accessibility has the tremendously influence tourists' satisfaction as confirmed by the study. Lee (2009) has investigated the effect of tourists' satisfaction and behavioral intention in the study conducted in south-western Taiwan. It has been reported by the study that the direct effect of destination image on satisfaction and indirect effect on future behavior. It is also highlighted that the tourists' satisfaction has a direct effect on future behavior and satisfaction plays a mediating role between destination image and behavioral intention. Troung and King (2009) have emphasized tourists' attractions, activities, accessibility, accommodation, and amenities are very relevant for tourists' satisfaction. The conceptual model depicting the relationship between destination image, tourists' satisfaction, and behavioral intention is tested using SEM in a study conducted by Mohamad et al., (2014). The finding reveals that destination image directly as well as indirectly affects destination loyalty and also reported the mediating role of satisfaction. The conceptual model is developed taking various constructs like service quality, satisfaction, and customer loyalty and tried to measure the causal relationships among them using CFA and SEM in a study as revealed by AbuKhalifeh and Battat (2017). Hypotheses are tested and confirmed the positive association among the constructs. Al-Ababneh., (2013) in one study has underlined important destinations such as facilities, destination accessibility, and destination attractiveness to investigate tourists' overall satisfaction. Medlik and Middleton (1973) have illustrated the three main components of tourists' products such as attraction, facilities at the destination, and accessibility to reach the destination. It is reported from the findings that these components have the main role to play in ensuring the overall satisfaction of the visitors'. Similarly, the study of Milldeton and Clarke (2001) have also pointed out that the destination attraction and environment, destination

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facilities and services, accessibility of the destination, images of the destination, and the tariff are the crucial components of tourists' products and played a crucial role to the overall satisfaction of the tourists. There is a direct and a positive impact of service quality on customer satisfaction and has a significant impact and positive relationship with customer satisfaction (Osman and Sentosa 2013). Roy et al., (2016) tried to explore the core factors which influence the satisfaction level of the visitors with special reference to the tourism industry in Bangladesh. The overall impact of satisfaction on behavioral intention has also been highlighted. The core factors identified by the researchers are natural beauty, transportation, accommodation facilities, safety and security, and costs. Zabkar et al., (2010) have explored the complex relationship among service quality, tourist destination, and satisfaction using SEM. The empirical validation of the conceptual model supports the research hypothesis. The relationship between satisfaction and behavioral intention is also confirmed. It is found that destination attributes not only affect perceived quality but satisfaction and behavioral intention as well. The study conducted by Biswakarma (2015) has identified the underlining dimensions which have an impact on the satisfaction of the tourists visiting homestays in Nepal. The manifest variables basically focused on by the researcher are the cultural attraction, hospitality, amenities, safety, and security in homestay's destination. The researcher has concluded that the attribute based on five factors has significantly impacted the satisfaction level of the visitors visiting homestay in Nepal. Basically focusing on Romanian tourists, Herle (2018) has tried to determine the impact of the image of the destination on tourists' satisfaction and loyalty in the destination. The theory of the relationship between destination images, overall image, tourists' satisfaction, and intention to revisit recommendations using social media is tested using SEM in a study conducted by Shafiee et al., (2016). Social media is playing a crucial role in disseminating information as the recommendation is vital in the tourism industry. It is drawn that all dimensions of the destination image have significant and positive effects on the overall image. Further, the overall image has a significant and positive effect on satisfaction and intention to revisit destination

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and positive word of mouth in social media. The intention to revisit and recommend is affected by the satisfaction of the visitors as drawn by the researchers. Rajesh (2013) explored the idea to develop the theoretical model taking into account the tourists' perception, destination image, and tourist satisfaction. The study has analyzed the factors influencing destination image, tourists' satisfaction, and loyalty using the model based on theoretical understanding and past studies from previous literature. Four constructs are included in the model. Tourists' perception is influenced by historical and cultural attractions, destination affordability, travel environment, natural attractions, entertainment, and infrastructure. Destination image is influenced by factors like infrastructure & facilities, heritage attractions, natural-made attractions, destination safety & cleanness, friendly local community and calm atmosphere, rejuvenation, and service price, and affordability. Entertainments, destination attractions and atmosphere, accommodation, food, transportation services, and shopping are the factors that influenced the satisfaction level of the visitors. The destination loyalty construct is influenced by intentions to revisit, word of mouth promotion, and recommendations to friends and family. The study conducted by Prayag (2008) has investigated the relationship between destination image, overall satisfaction, and visitors' loyalty in Cape Town. The multiple regression analysis is used to influence destination attributes on factors and SEM is used to test the hypothesized model. It is concluded that the destination image has a direct and indirect impact on visitor's loyalty. Apart from that, it is also found that overall satisfaction acts as a mediating role between destination image and loyalty. Puh, (2014) has identified a number of factors that influence the destination image and also explores the relationship between destination image, and tourist satisfaction in a study carried out in Dubrovnik, Croatia. The factors which affect destination image are natural resources and natural environment, economic factor & social environment, and tourists' leisure and atmosphere in the place. The study has also given the confirmation of the positive effect of destination image on tourists' satisfaction. The efforts have been made in the study conducted by Mohamad et al., (2011) to develop the model to examine the

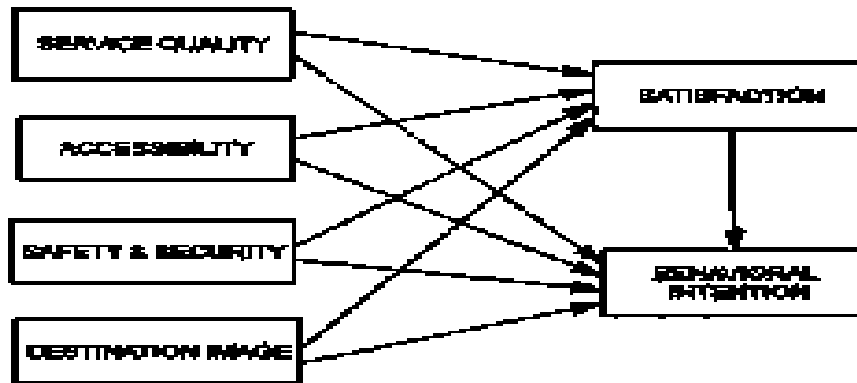
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relationship between destination image, tourists' satisfaction, and destination loyalty in Malaysia. Factorial validity was tested using factor analysis and the hypothesis is tested using SEM. Mohamad et al., (2012) have examined the relationship between destination image and future behavioral intentions of foreign tourists in Malaysia. To establish the relationship among the variables regression analysis is employed and has concluded that the natural attractions, accessibility, and available package, cultural heritage are the significant predictors of foreign tourists' intention to revisit and willingness to recommend the destination. The study conducted by Imbeah (2018) in Ghana highlighted the conflicting issue of land use between tourism supporters and agriculture supporters', especially the predominant cash crop oil palm. The study has tried to examine the perception of safety before finding the oil palm. The study of Ling et al., (2010) has also established the relationship among image, satisfaction and behavioral intention in Malaysia especially referring to the food culture of Malaysians. It is reported that Malaysians have the potential for food tourism and considered a melting point of cultural food variety at a reasonable price. The findings also reported that the image has a direct effect on tourists' satisfaction and satisfaction with behavioral intention.

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**Figure 3.1**

Antecedents of tourists' satisfaction and behavioral intention: A conceptual model

**3.5 Research hypothesis based on the model**

H<sub>a1</sub>: A higher level of service quality leads to a higher level of satisfaction

H<sub>a2</sub>: Service quality has a positive impact on behavioral intention

H<sub>a3</sub>: Higher the accessibility level would lead to a higher level of satisfaction

H<sub>a4</sub>: Higher the level of accessibility would lead to positive behavioral intention

H<sub>a5</sub>: There is a positive association between safety & security and satisfaction

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H<sub>a6</sub>: There is a positive association between safety & security to behavioral intention

H<sub>a7</sub>: Higher destination image would lead to a higher level of satisfaction

H<sub>a8</sub>: Higher destination image would lead to positive behavioral intention

H<sub>a9</sub>: Higher satisfaction will lead to positive behavioral intention.

### **3.6 Conclusion**

On the basis of the discussion that has been presented in detail in this chapter, a theoretical framework has been suggested taking into account the important constructs that may affect the overall satisfaction and behavioral intention. It has to be pointed out here that the relationships that are been depicted above are primarily based on the past literature reviewed in the context of tourists' satisfaction and behavioral intention. Not many studies have been conducted in the field of homestay tourism and in particular, homestay tourism in India. The endeavor is to relate these perceptual variables in the level of satisfaction of tourists' after collecting their responses regarding their views on various constructs considered in the study. In the subsequent chapters, the SEM is supposed to unveil whether the theoretical framework developed can be substantiated by incorporating the responses that have been obtained after administering the questionnaire.

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## RESEARCH METHODOLOGY

## CHAPTER IV

## RESEARCH METHODOLOGY

**4.1 Introduction**

This chapter aims to explain the research methodology used to address the various issues relating to the research aims and objectives. The rationale for using the various research methods has also been discussed in this chapter. The aim of the research is to test and examine the different antecedents of tourists' satisfaction and establish the causal relationship among the different constructs especially in the context of homestay tourism in the Darjeeling hills and validate the same. The key feature of the methodology is to capture the primary data concerning service quality, accessibility, destination image, safety and security, the satisfaction of tourists, and their behavioral intention in the homestay venture in Darjeeling hills. The previous chapter has outlined the conceptual model based on the previous literature conducted by various scholars. This chapter deals with a systematic procedure in establishing the research design, framing a self-administered questionnaire, and pre-testing the questionnaire for the study. The descriptive statistics especially the mean and standard deviation of items under one construct are reported separately. The chapter also underlines the identification of constructs and the items associated with them. It also incorporates the reliability and validity issues concerning each construct. The confirmatory factor analysis is employed to get a precise idea about the items and their elimination of items having low factor loading from the constructs. The research instrument is a self-administered questionnaire for the sample survey to the guests visiting homestays in Darjeeling hills. The self-administered questionnaire as related to the antecedents is also been discussed in this chapter. Thereafter, the reliability and validity of the questionnaire are tested by gathered through preliminary survey has also been reported in this chapter. The chapter also illustrates the number of sample sizes targeted and the rationale of using the sampling technique is also discussed. The rationale of using research methods such as

descriptive statistics, Confirmatory Factor Analysis (CFA), and the relevance of using the Structural Equation Modeling (SEM) technique are discussed.

#### **4.2 Research Design**

The study has employed a causal research design using a cross-sectional sample survey aiming at developing a conceptual model basically for satisfaction and analysis of behavioral intention. The forming of the hypothesis is based on the model developed for validation. The causal relationship among the constructs is also established based on the model. The structured and open-ended questionnaire is developed to collect the data from the field survey. The targeted population of the study is the visitors visiting various homestays in Darjeeling hills in almost two years of the survey during 2017 to 2019 in the peak as well as in the slack season. Both the domestic tourists as well as visitors from abroad are included in the sample.

#### **4.3 Research Framework**

The questionnaires have been designed as per the objectives set in the study. Precisely, the first part of the questionnaires captured the main constructs in building a destination loyalty model using service quality, accessibility, destination image, safety & security, and satisfaction of the visitors. It also included the demographic profile of the visitors along with their nationality. SEM technique is used to assess the causal relationship among the different constructs. The role of mediation between independent constructs and dependent constructs has also been analyzed using the bootstrapping method to examine the extent of direct and indirect effects among the constructs. The study has also incorporated the sample of homestay operators using a structured questionnaire to build a depth sense of the viability of homestay units running in Darjeeling hills through Strengths, Weaknesses, Opportunities, and Threats (SWOT).

#### **4.4 Survey Instrument**

A questionnaire can be recognized as a formalized framework consisting of a set of questions and scales designed to generate primary data (Cao, 2012). The construction of questionnaire

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formation involves an established set of scale measurements and design them into a complete instrument for communicating and collecting raw data from respondents (Hair et al., 2003). The questionnaire in this study is designed for homestay visitors and operators separately. The first part of the questionnaire is constructed for tourists. Further, the questionnaire is segregated into two parts: i) Socio-economic and demographic variables and ii) the questions relating to different antecedents such as service quality, accessibility, safety & security, destination image, tourists' satisfaction, and behavioral intention using a five-point Likert scale. In addition to that, the second part of the questionnaire has dealt with the homestay operators. It is also segregated into two parts: i) the profile of the homestay operators and ii) to measure the strengths and weaknesses perceived by the homestay operators. The questionnaires are distributed to the tourists visiting selected homestays in Darjeeling as well as the operators running those homestays. The respondents of the research are the tourists' who visited and stayed in Darjeeling homestays. The responses obtained from the tourists are used for the analysis of the study. Respondents are also asked to fill in the questionnaire, which contains questions about the socio-demographic profile, travel purpose, the number of days stay, source of knowing the destination, etc. Out of 380 questionnaires distributed to the tourists, 327 are found usable in the study. Further, the structured questionnaires are also distributed to the homestay operators about the strengths and weaknesses of the venture. The responses are collected from 97 Homestay operators. Respondents' answers toward statements in the questionnaire are assessed using a five-point Likert scale. The scale used in this study is 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree, and 1 for strongly disagree.

**4.5 Survey Method**

The survey method deals with descriptive and causal research. It is based upon the structured questionnaires given to the sample of the population (Mazzacchi, 2008). The advantage of the survey method has been underlined by Hair et al., (2003) is its ability to deal with large sample size. It is also convenient for managing and recording the responses. Apart from that, it is easier

to conduct the statistical analysis and ability to tap into factors and relationships among them which are not directly measurable. However, the disadvantages of the survey method cannot be ruled out. The disadvantages of the survey method are the difficulties in questionnaire designing, the limits in in-depth details of data structure, the limit of timeliness, reluctance in responding, and difficulty in determining truthful responses, misinterpretation of results in the analysis, and inappropriate use of statistical procedure (Hair et al., 2003). The self-administered questionnaire is a data collection technique where the respondents give responses based on their perception without the presence of a trained interviewer (Hair et al., 2003). Though, it has advantages over another method based on low cost and the interviewer biasness. A self-administered questionnaire is used to collect the data for the study from tourists' staying in the Darjeeling homestays. The homestay units in Darjeeling are geographically dispersed. So, data were collected taking into account the time and cost factors of those who have stayed in the destination for at least one night.

#### **4.6 Sampling method**

The study is descriptive in nature where the primary intention is to understand the perception of tourists' visiting different homestays in the hills of the district Darjeeling, India. The other important dimension that has been covered in this study is to assess the capabilities of homestay operators having no formal exposure regarding running a homestay business efficiently. Since the homestays are scattered all over the hill and no sampling frame is there to locate all homestay operators, the researcher has to initially employ a snowball technique to identify the entrepreneurs. A lot of persuasions have been needed to make them perceive the benefit of the study. Once, the homestay operators agreed to support the researcher, a systematic random sampling technique has been employed to select the respondent to collect primary data to fulfill the research objectives. The data have been gathered through repeated visits to ninety-seven homestay operators that would serve the purpose of the study for generating the adequate sample size required to employ SEM.

#### 4.7 Determination of Sample size

The population size refers to this study is considered as the number of tourists available during the time of survey as such the precision has a greater statistical impact when researchers work with a smaller group but a larger group is always preferred for significant deviance in the true population. While selecting the margin of error, it is considered in this study fact that the more accurate conclusion may be inferred but at the same time, the sample size has to be higher. The confidence interval concept has also an important role to play while selecting the desired sample size. This confidence interval measures the extent of certainty concerning how well a sample represents the overall population within a predetermined margin of error. The other issue that has been considered is the standard deviation which simply points to how much variation the researcher can expect from the responses obtained by administering the survey. This value is not easy to establish which the researchers assign while conducting the survey research. On many occasions, researchers allocate this value at 0.5 (50%). This is considered to be the worst-case since assigning this value will promise that the researcher intended sample size is quite large to precisely characterize the overall population within the confidence interval and confidence level.

Considering the above factors, the standard sample size computation formula has been employed -

N= Population size

Z=Z-score

e= Margin of Error

P= Standard of Deviation

$$\text{Sample Size (n)} = \frac{\frac{Z^2 p(1-p)}{e^2}}{1 + \frac{Z^2 p(1-p)}{e^2 N}}$$

In this study, a population (N) = 679, the margin of error is 0.04, and the standard deviation is 50%. Putting this value in the above equation the required sample size is found to be 317.

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However, the study is conducted with a sample size of 327 which is more than the required size as determined by the sample size calculation formula used for the study.

The determination of sample size is mostly relevant to Confirmatory Factor Analysis (CFA) rather than Exploratory Factor Analysis (EFA) as pointed out by Netemeyer (2003). According to him, though it is desirable to have a large sample size “the more the better” the strategy is not always appropriate. In addition to that, the less number sample size causes non-convergence as well as improper solutions such as negative variance estimates (Anderson & Gerbing, 1988; Boomsma, 1982). According to Kline (1998), the sample size should be at least more than 200. The excessive number of sample sizes may lead to an insignificant difference between observed and implied covariance matrices (or parameter estimates). Since the Structural Equation Modeling (SEM) is based on Maximum Likelihood Estimation (MLE), the desirable sample size should range between 100 to 150 is appropriate (Dillon et al.,1987). Joreskog & Sorbom (1996) prescribed the number of a sample size to be the minimum ratio of at least five respondents for each estimated parameter. However, the ratio of ten respondents per parameter is considered most appropriate according to Hair et al., (2010). In addition to that, a sample size of 150 is considered enough to obtain a converged and proper solution for models with three or more indicators per factor as pointed out by Anderson and Gerbing (1984). Some of the researchers have given their own opinion about sample size to conduct SEM analysis. Williams and Holaham (1994) have opined that a sample size of 100 is adequate to conduct SEM analysis. In contrary to that, a sample size of at least 200 is required to obtain valid goodness-of-fit measures as asserted by Marsh et al., (1988).

In this study, a sample size of 327 has been used to conduct the SEM analysis. The rule of thumb to have at least three indicators in a construct has also been taken into account. Above all, it is advisable to have a sample size of at least 10 times the number of indicators. So, overall the model has not violated the general rule-of-thumb as prescribed by the different researchers.

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**Table 4.1**  
**Demographic Profile of the respondents**

	Frequency	Percentage (%)
<i>Nationality</i>		
Indian	287	87.76
Foreign	40	12.24
Total	327	100
<i>Gender</i>		
Male	181	55.35
Female	146	44.65
Total	327	100
<i>Age</i>		
Below 20 years	28	8.56
20 to 35 years	108	33.03
36 to 50 years	147	44.95
51 years and more	44	13.46
Total	327	100
<i>Marital Status</i>		
Married	178	54.43
Unmarried	149	45.57
Total	327	100
<i>Occupation</i>		
Service	160	48.90
Self-employed	86	26.30
Student	35	10.70
Retired	46	14.10
Total	327	100
<i>Educational Background</i>		
Below Graduate	80	24.46
Above Graduate	186	56.88
Above Post-Graduate	61	18.66
Total	327	100
<i>Destination known through</i>		
Tour operator	125	38.22
Internet/Websites	111	33.94
Recommendation	91	27.84
Total	327	100
<i>Number of days stayed</i>		
Less than 2days	209	63.91
3 to 4 days	96	29.36
More than 4 days	22	6.73
Total	327	100
<i>Purpose of visit</i>		
Leisure/Holidays	295	90.21
Visiting friends & relatives	32	9.79
Business	0	0
Total	327	100

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Table 4.1 shows the socio-demographic characteristics of tourists' visiting homestays in Darjeeling hills. Most of the visitors are the domestic tourists' accounted for 87.76 % and foreign tourists' 12.24%. In terms of tourists' gender, the males and females accounted for 55.35% and 44.65% respectively. Most of the visitors' visited the destination are "36 to 50 years" group followed "20 to 35 years", "51 years and more", "below 25 years". Among them 54.43% of the visitors are married and the remaining 45.57 % are unmarried. In respect of the occupation, most of the tourists' are service holders which accounted for 48.90% followed by self-employed (26.30%), retired (14.10%) and students (10.70%). The destinations are known by the tourists' through tour operators 38.22%, internet/websites 33.97%, and recommendation by friends and families 27.84%. The majority of the tourists' stay in homestays are less than two days which is 63.91% followed by three to four days 29.36% and more than four days 6.73%. 90.21% of the visitors' visited Darjeeling homestays are for holidays and leisure tours and 9.79% to meet friends and family. None of the visitors visited for business purposes. The 56.88% of visitors are above graduate followed by 24.46% below graduate and 18.66% above post-graduate.

#### **4.8 Mean score of scale items**

The mean scores of each item which are associated to respective constructs i.e. Service Quality (SQ), Safety & Security (SAF), Accessibility (ACC), Destination Image (DI), Tourists' Satisfaction (SAT) and Behavioural Intention (BI) are shown in Table 4.2

##### **4.8.1 Service Quality (SQ)**

In case of service quality, table 4.2 reported the highest mean score of SQ5 which is 3.4801 followed by SQ3 (3.4740), SQ (3.4220), and the lowest mean score of SQ4 is 3.3945. Though, the mean score of considering all the items are approximately the same which indicates that each and every item in the construct has an equal amount of importance.

**Table 4.2**  
**Descriptive Statistics for Latent Constructs**

	Mean	Std. Deviation
<b><i>SERVICE QUALITY</i></b>		
SQ3	3.4740	.82061
SQ4	3.3945	.95947
SQ5	3.4801	.86091
SQ6	3.4220	.93625
SQ7	3.4526	.90841
<b><i>ACCESSIBILITY</i></b>		
ACC1	3.8073	.75304
ACC3	3.8135	.83192
ACC4	3.8869	.82301
ACC5	3.8318	.84314
ACC6	3.6911	.79840
<b><i>SAFETY &amp; SECURITY</i></b>		
SAF1	4.3517	.81126
SAF2	4.1009	.76276
SAF4	4.0703	.74591
SAF6	4.0336	.70630
<b><i>DESTINATION IMAGE</i></b>		
DI2	4.0948	.75952
DI4	3.9817	.64086
DI5	4.0673	.70171
DI7	4.1621	.66556
<b><i>TOURISTS' SATISFACTION</i></b>		
SAT2	4.3700	.58673
SAT3	4.4128	.59462
SAT5	4.3853	.58470
SAT6	4.4985	.59587
<b><i>BEHAVIOURAL INTENTION</i></b>		
BI1	4.1009	.56933
BI2	4.1498	.62085
BI3	3.8165	.78910

#### 4.8.2 Accessibility (ACC)

In the case of service quality, table 4.2 has reported the highest mean score of SQ5 which is 3.4801 followed by SQ3 (3.4740), SQ (3.4220), and the lowest mean score of SQ4 is 3.3945.

Though, the mean score of considering all the items are approximately the same which indicates that each and every item in the construct has an equal amount of importance.

#### 4.8.3 Safety & Security (SAF)

The SAF1 and SAF6 reported the mean score of 4.3517 and 4.0336 which are the highest and the lowest among the items in the construct. The mean score of SAF2 (4.1009) and SAF

(4.0703) are also reported. The average mean score is approximately four indicating the relevance in the construct.

#### **4.8.4 Destination Image (DI)**

The mean score of the items in the destination image is DI7 (4.1621) followed by DI2 (4.0948), and DI5 (4.0673). The average mean score taking altogether from the items is near about four which implicitly infers that the destination image is to the maximum extent explained by its indicators.

#### **4.8.5 Tourists' Satisfaction**

The mean score of SAT2, SAT3, SAT5 and SAT6 are 4.3700, 4.4128, 4.3853, and 4.4985 respectively. The SAT6 has the highest mean score and SAT2 has the lowest mean score among the indicators in the construct.

#### **4.8.6 Behavioral Intention (BI)**

The indicators BI1, BI2, and BI3 have reported the mean score of 4.1009, 4.1498, and 3.8165 respectively. BI2 and BI3 are the highest and lowest mean score respectively in the construct.

### **4.9 Validity tests and Reliability Analysis**

In the previous chapter, the conceptual model and theoretical framework have been developed taking into account the different constructs. Based on past literature and theory, the constructs in the model have been identified. Furthermore, the different hypotheses for the study have been framed and shown in a diagrammatic presentation of the model. In this chapter, discussions of reliability and validity analysis have been presented. Before testing the hypothesis, the reliability and validity need to be reported to examine the research instruments. Based on the scales of measurement which are reliable and valid the hypotheses testing can be undertaken.

The discussions presented in this chapter are divided into different sections. The socio-economic demographic profile of the visitors visiting Darjeeling homestays has been reported

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including nationality, gender, age, marital status, occupational service, educational background, and identification of destinations, the number of days stayed, and the purpose of visit. This is followed by a detailed description of the analyses to test the reliability and validity of the measurement constructs. The reliability measures are examined with Cronbach's Alpha, scale composite reliability, Exploratory Factor Analysis (EFA), and Confirmatory Factor Analysis (CFA).

Choi (2010) emphasized the significance of reliability and validity in the development of scale items and data collection. Reliability is the degree to which the constructs are free from random errors. Sekaran and Bougie (2016) pointed out the four methods to estimate the reliability of measurements. They are the test-retest method, split-half method, parallel or alternative form method, and Cronbach's alpha coefficient method. The first three methods have criticized with plenty of limitations as pointed out by Davis (2000). The alternative form method is impractical and costly (Zulnaidi, 2008); the test-retest reliability may generate lower reliability (Davis, 2000); whereas the split-half method would yield different co-efficient of reliability depending on the way the elements are divided. The limitation of other methods can be overcome using Cronbach's Alpha. The Cronbach's Alpha is considered as a practical and most frequently used method in the field of social science research to assess the internal consistency within the items. The rule of thumb of the cut-off value of Cronbach's Alpha is 0.70 as prescribed by Hair et al., (1998). Additionally, the value of 0.80 is considered good to measure the internal consistency of the items in constructs.

Validity is defined as the degree to which a measurement assesses what it is supposed to measure (Choi, 2010). To ensure construct validity, various tests are conducted. They are unidimensionality, reliability, convergent validity, discriminant validity, nomological validity, and content validity that are addressed in the subsequent sections.

#### **4.10 Exploratory Factor Analysis (EFA)**

Exploratory factor analysis is conducted to extract the underlying dimensions of service quality, accessibility, destination image, safety & security, tourists' satisfaction, and behavioral intention. To ensure the appropriateness of factor analysis, several assumptions are to be met (Hair et al., 1998) such as i) the correlation and the covariance matrix is not an identity matrix ii) the Barlett test of sphericity ensure the significant correlation among the variables in the correlation matrix iii) the Kaiser-Meyer Olkin measures of sampling adequacy (MSA) is another measure to quantify the appropriateness of factor analysis. The value of MSA below 0.50 is not acceptable. The number of factors to be extracted is based on eigenvalue which indicates the percentage of variability in the variances explained by a factor, and the significance of factor loadings. Factors having an eigenvalue of more than 1 are to be considered significant. Furthermore, the factor solution of more than 60% variance explained is considered to be satisfactory. To avoid the cross-loading of items among the factor, rotation of factors must be done. It could be either orthogonal if factors are uncorrelated, or oblique if factors are uncorrelated.

Many of the researchers have considered factor analysis as exploratory and are used effectively in studying the structure of the set of variables (Chong, 2008). The questionnaire in this study is based on past studies and a few additional questions have also been incorporated based on the belief and perception of the researcher to describe each construct based on a comprehensive theoretical rationale. Furthermore, it is suggested by Ng et al., (2008) that the CFA has to be carried out to provide greater support for the reliability and validity of the factors. In this study, EFA using principal component analysis is carried out to determine the extent of items correlated with the factors.

#### **4.11 Exploratory Factor Analysis of the Constructs**

The Principal Component Analysis (PCA) is conducted using Varimax rotation to validate the underlying structure of the dimensions in this study. The study proposed six major dimensions which are service quality, safety & security, accessibility, destination image, tourists'

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satisfaction, and behavioral intention of the tourists'. Furthermore, Exploratory Factor Analysis is performed on all 36 items. To retain relevant factors, items having poor factor loading have been discarded from the study. The loading of items having at least 0.5 on the factor is retained for further study. In the process of validation, 9 items (i.e. SQ1, SQ2, ACC2, ACC7, SAF3, SAF5, DI1, DI3, DI6, SAT1, and SAT4) with poor factor loadings on the respective constructs have been discarded (Hoang et al., 2006; Sit et al., 2009).

The results of the Varimax rotation using EFA have resulted in the emergence of six significant factors with eigenvalues more than one and those have been retained. The items are significantly loaded in their respective constructs. In addition to that, the Kaiser-Meyer-Olkin (KMO) measure of sample adequacy value of all the items is greater than 0.6 which indicates that the sample size used in the study is significant enough to draw the inference. Apart from that, Bartlett's test of Sphericity is also found to be significant which indicates that there is adequate inter-correlation among the items. In brief, it indicates that the correlation matrix or covariance matrix is not an identity matrix. Therefore, it can be inferred that the factor loadings are deemed robust in enhancing the constructs' validity of the scales (Churchill, 1979; Xie, 2011).

Finally, the coefficient is also been tested to measure the internal consistency of the measures individually for the constructs. The value of Cronbach's alpha has been reported in table 4.3. It is to be noted that the value of Cronbach's alpha should be greater than 0.7 as recommended by different researchers. It is interesting to note that, the value of Cronbach's alpha for all the constructs is found to more than the threshold limit (i.e. 0.7). The factors Cronbach's alpha as reported are service quality (0.874), accessibility (0.840), safety & security (0.843), destination image (.836), tourists' satisfaction (0.834) and behavioural intention (0.815).

**Table 4.3**  
**Rotated Component Matrix of the factors derived from EFA**

	<b>Service Quality</b>	<b>Accessibility</b>	<b>Safety &amp; Security</b>	<b>Destination Image</b>	<b>Tourists' satisfaction</b>	<b>Behavioural intention</b>
SQ3	<b>.788</b>	.059	-.085	.101	.020	.042
SQ4	<b>.829</b>	-.045	.017	.077	.048	.072
SQ5	<b>.777</b>	.036	-.020	.026	.174	.110
SQ6	<b>.827</b>	.032	-.009	.020	-.099	.023
SQ7	<b>.823</b>	-.039	.038	.045	.148	.036
ACC1	.052	<b>.772</b>	.173	.109	.111	.022
ACC3	-.089	<b>.757</b>	.125	.086	.150	.007
ACC4	.017	<b>.739</b>	.162	.048	.083	.099
ACC5	.053	<b>.792</b>	.090	.044	.153	.077
ACC6	.011	<b>.734</b>	.077	.069	.029	-.046
SAF1	.016	.185	<b>.749</b>	.131	.236	.119
SAF2	.006	.209	<b>.754</b>	.067	.164	.152
SAF4	-.041	.135	<b>.813</b>	.107	.135	.046
SAF6	-.054	.130	<b>.772</b>	.113	.209	.101
DI2	-.002	.108	.089	<b>.752</b>	.226	.083
DI4	.134	.106	.052	<b>.737</b>	.116	.106
DI5	.066	.047	.102	<b>.856</b>	.096	.010
DI7	.063	.080	.149	<b>.813</b>	.161	.055
SAT2	-.004	.183	.157	.187	<b>.722</b>	.106
SAT3	.078	.134	.212	.158	<b>.765</b>	.139
SAT5	.152	.096	.184	.159	<b>.733</b>	.146
SAT6	.082	.140	.213	.160	<b>.777</b>	.053
BI1	.099	.078	.188	.055	.146	<b>.840</b>
BI2	.010	.173	.161	.091	.093	<b>.845</b>
BI3	.160	-.113	.029	.098	.140	<b>.815</b>
<b>% of Variance Explained Eigen Value</b>	<b>25.85</b>	<b>13.85</b>	<b>8.94</b>	<b>7.92</b>	<b>6.08</b>	<b>5.07</b>
<b>Cronbach's Alpha</b>	<b>.874</b>	<b>.840</b>	<b>.843</b>	<b>.836</b>	<b>.834</b>	<b>.815</b>

- i) KMO =.853, Bartlett's Test of Sphericity=3862.80, p<0.000  
 ii) Extraction Method: Principal Component Analysis. Rotation Method:Varimax with Kaiser Normalization, rotation converged in five iterations

It is also reported from table 4.3 that among the six factors, the first factor i.e. service quality has the highest eigenvalue amounting to 6.46 and accounted for 25.85% of the total variance followed by the accessibility having eigenvalue equal to 3.46 and accounted for 13.85% of the total variance. The eigenvalue of safety & security is 2.23 and accounted for 8.94% of the total variance followed by the destination image eigenvalue around 1.98, which accounted for 7.92% of the total variance. The eigenvalues of tourists' satisfaction and behavioral intention are 1.52

and 1.26 respectively. They accounted for 6.08% and 5.07% of the total variance explained. Overall, 67% of the total variance is explained by the factors as shown in table 4.3.

#### **4.12 Testing of Univariate and Multivariate normality**

As it is known that SEM is based on variance and covariance matrix. The assumption of normality in the data set is the most important assumption to work with because it is based on Maximum Likelihood Estimation (MLE). Before analyzing the data, both statistical assumptions and assumptions relating to SEM, the sample size to be analyzed as well (Fotopoulos & Psomas, 2009; Hair et al., 2006; Lee et al., 2010 and Lu et. al., 2005). The opinions regarding the sample size given by the different researchers have already been discussed in this chapter.

SEM is more sensitive to the distributional characteristics of the data, particularly the departure from the multivariate normality or having strong skewness and kurtosis in the data. Yuan et al., (2005) has asserted that the lack of multivariate normality can considerably inflate the value of chi-square statistics and yield an upward bias in the critical values when determining the significance of coefficients. In this study, the integration of three approaches the Mahalanobis D square, skewness and kurtosis are analyzed and reported. The three indices are to be adopted while studying the distribution of variables (Finney & DiStefana, 2006; Xie, 2011) and they are univariate skewness, univariate kurtosis, and multivariate kurtosis. The skewness and kurtosis are reported in table 4.4

**Table 4.4**  
**Univariate Normality: Skewness and Kurtosis of the variables**

Variable	Skewness	Kurtosis	Variable	Skewness	Kurtosis
<b>SQ3</b>	-0.600	0.700	<b>DI2</b>	-0.707	0.911
<b>SQ4</b>	-0.648	0.038	<b>DI4</b>	-0.964	3.269
<b>SQ5</b>	-0.372	-0.145	<b>DI5</b>	-0.894	2.237
<b>SQ6</b>	-0.93	0.618	<b>DI7</b>	-0.882	2.721
<b>SQ7</b>	-0.793	0.227	<b>SAT2</b>	-0.398	-0.160
<b>ACC1</b>	-0.445	0.098	<b>SAT3</b>	-0.45	-0.676
<b>ACC3</b>	-0.537	0.356	<b>SAT5</b>	-0.331	-0.717
<b>ACC4</b>	-0.483	-0.020	<b>SAT6</b>	-0.735	-0.434
<b>ACC5</b>	-0.597	0.233	<b>BI1</b>	-0.189	0.839
<b>ACC6</b>	-0.476	0.421	<b>BI2</b>	-0.341	0.476
<b>SAF1</b>	-1.137	0.642	<b>BI3</b>	-0.414	-0.111
<b>SAF2</b>	-0.545	-0.081			
<b>SAF4</b>	-0.514	0.033			
<b>SAF6</b>	-0.623	0.752			

From table 4.3, it is evident that most of the variables are negatively skewed. Kline (2005) has suggested that the kurtosis value ranging from 8 to 20 may be taken as indicating a more and extreme level of departure from normality. He has also suggested the value of skewness more than 3 (absolute value) is considered an extreme level of skewness. Therefore, the skewness of most of the variables in the data is under the threshold limit of 3 and kurtosis of less than a cut-off limit of 8. So, it can be concluded from Table 4.4 that the data in the study do not violate the assumption of univariate normality.

Furthermore, the excessively large sample size does not require testing the multivariate normality. Though, in this study, the sample size is not very large but can be considered adequate so far as the application of SEM is concerned. Therefore, testing multivariate normality is essential, otherwise, the assumption of SEM may be violated. The statistical tools such as Analysis of Moment Structure (AMOS) which is based on variance and covariance matrix, the testing of multivariate analysis is mandatory. DeCarlo (1997) suggested that kurtosis is relevant than skewness in the context of SEM because kurtosis impacts tests of variance and co-variances, whereas skewness has a greater impact on means. Since, as per her opinion, one

must give more attention to the issue of kurtosis rather than skewness, when evaluating whether the data depart from normality.

Bentler (1980) suggested that the value of multivariate kurtosis (Mardia's coefficient) greater than 5 treated as indicative of departure from normality and the critical ratio value less than 1.96 indicates that there is no significant kurtosis. In this study, Mardia's coefficient (multivariate kurtosis) is 4.572 which is less than the threshold limit of 5, and the critical ratio of 1.125 which is less than 1.96. Therefore, the assumptions of multivariate normality are also been established which is reported in Appendix 3.

#### **4.13 Measurement Model**

##### **4.13.1 Confirmatory Factor Analysis (CFA)**

CFA is a statistical analysis that is conducted to estimate and test the hypothesized measurement model for all latent variables having more than one observed indicator. CFA is used to test whether measures of the constructs are consistent with the researcher's understanding of the nature of that construct or factor. In other words, the objective of the CFA factor is to test whether the data fit the hypothesized measurement model. The hypothesized model is based on theories of previous past researches. The CFA differs from EFA on the ground that later does not have a hypothesis of latent factors and relationships among the latent variables and observed variables. In brief, the EFA is conducted when the researcher does not have any idea about the number of factors to be extracted and has no theoretical premise. Unlike EFA, CFA is based on theories based on previous research and the number of factors to be extracted is known. The number of items or observed variables is taken into consideration based on the underlying latent constructs.

There are certain assumptions to test the hypothesized measurement model with the theoretical model in CFA. In other words, whether the data support the theory is analyzed through CFA. Some of the assumptions of data to conduct the CFA are:

i) **Multicollinearity:** Multicollinearity is a general phenomenon that can generate strange, misleading, or un-interpretable results when a set of independent variables are highly correlated with one another in predicting the dependent variable (Diamantopoulos & Sigauw, 2000; Pedhazur & Schmelkin, 1991). The problem of multicollinearity exists in the SEM in the case where nonlatent variables or observed indicators are highly correlated with one another resulting in misleading the researcher in interpreting the results. So far as the CFA is concerned, the observed items are to be loaded into the pre-determined constructs. But the observed items in different constructs should not be highly correlated with another to avoid the problem of multicollinearity.

ii) **Multivariate normality:** The CFA assumes the data in the data set are normally distributed. The estimation of the parameter through CFA is based on the MLE method. Different statistical tools can be applied to test the normality in the data set. The researchers can apply the measures of central tendency to test the normality in the data set. The Z value of Skewness and Kurtosis should be between -1.96 to +1.96.

#### 4.13.2 Confirmatory Factor for latent constructs

In this study, the CFA is performed to establish the unidimensionality, convergent validity as well as discriminant validity of individual latent constructs, (Hair et al., 1998). In addition to that, the CFA is also performed to confirm the factor structure developed from the EFA because the researcher has complete control over the specification of items in each construct. Besides that, the test of goodness of fit for the proposed model can be evaluated using CFA. There are various measures that are used to validate the measurement model (Reisinger and Turner, 1999). Ridgon (1998) suggested the three indices must be taken into account while considering the model fit indices. It includes chi-square statistics, the RMSEA (Root Mean Square of Approximation), and the Comparative Fit Index (CFI).

The chi-square statistic test is conducted to see whether the sample covariance matrix is equivalent to the model-implied matrix within-sample error. The RMSEA attempts to minimize

the impact of sample size and to shift the research focus from exact fit to approximate fit. Bentler (1990) has developed the Comparative Fit Index (CFI) to measure model fit relative to another model, that performs well with all sample sizes.

#### **4.14 The overall fit of the measures**

Hair et al., (1998) have suggested that there is no single statistical test to describe the best the predictive power of a structural model. Therefore, Byrne (2013) has supported that determination of indices which are acceptable estimators of goodness-of-fit and very complex as particular indices are analyzed differently based on the sample size, the estimation procedure, the model complexity, the violation of the assumption of multivariate normality, and the variable independence. So, it is the beliefs of the researchers applying their understandings to consider the relevant indices and also to what degree the described fit is considered good (Ulrich, 2009). Therefore the combination of different measures may be adopted to evaluate the overall goodness-of-fit of the Structural Model. Among the measures deployed in the study include absolute fit measures, incremental fit measures, and the parsimonious fit measures (Jöreskog & Sörbom, 1998).

##### **4.14.1 Absolute Fit Measure**

Absolute measure fit determines how well a model fits the sample data (McDonald and Ho, 2002). It is a fundamental indication of how well the proposed theory fits the data. In other words, the extents of the overall model both measurement and structural in predicting the observed co-variance is determined by absolute measure fit (Hair et al., 1998). Chi-squared test, RMSEA (Root Mean Square Error of Approximation), Goodness of fit statistic (GFI) Adjusted Good of Fit statistic (AGFI), Root Mean Square Residual (RMR), and the Standardised Root Mean Square Residual (SRMR).

#### **4.14.1.1 Chi-Square test ( $\chi^2$ )**

Chi-square statistic is a traditional measure for evaluating the overall model fit and evaluate the magnitude of the discrepancy between the population covariance matrix and sample covariance matrix (Hu and Bentler, 1999). A good model fit would provide an insignificant result at 0.05 thresholds (Barett, 2007). Though, it is bound to have some limitations. Firstly, the test assumes multivariate normality, and deviation from normality affects the value of chi-square even if the model is perfectly specified (McIntosh, 2007). Secondly, the chi-square value is sensitive and normally rejects the model if large samples are used (Bentler and Bonnet, 1980; Jöreskog and Sörbom, 1993). On the other hand, if the sample is small in size, then it lacks power because it does not discriminate between the good fit model and a poor fit model (Kenny and McCoach, 2003). Due to its limitation, another alternative is sought by different researchers' i.e. relative chi-square, which is derived by formula ( $\chi^2/df$ ).

#### **4.14.1.2 Root Mean Square Error of Approximation (RMSEA)**

RMSEA tells how well, unknown but optimally chosen parameter estimates would fit the population covariance matrix (Byrne, 2013). It is a square root of the mean of the square residuals which is the mean of the residual between the observed and estimated input matrix (Hair et al., 1988). It ranges from 0 to 1. The lower is the value, the better the goodness of fit. One of the major advantages of RMSEA is that its ability for the confidence interval to be calculated around its value (MacCallum et al., 1996).

#### **4.14.1.3 The Goodness of Fit Index (GFI) and the Adjusted Goodness Fit Index (AGFI)**

GFI is the proportion of variance that is accounted for by the estimated population co-variances (Tabachnick and Fidell, 2007). It is a measure of fit between the hypothesized model and the observed covariance matrix. AGFI is related to GFI, which adjusts the GFI based on the degrees of freedom with more models reducing fit (Tabachnick and Fidell, 2007). Both the indices range

between zero (poor fit) to 1 (perfect fit) and the higher the index, the better the model fit. It is universally accepted to have a value of 0.90 to indicate the good fit model (Hair et al., 1998).

#### **4.14.1.4 Root Mean Square Residual (RMR) and the Standardised Root Mean Square Residual (SRMR).**

The Root Mean Square Residual (RMR) and Standardised Root Mean Square Residual (SRMR) are the square roots of the difference between residual and covariance matrix and hypothesis covariance matrix. The problem of having questionnaire items with varying likert scales can be solved using SRMR rather than RMR.

#### **4.14.2 Incremental Fit Indices**

Incremental fit indices are the group of indices that do not use the value of chi-square in its raw form but compares with its baseline. It is hypothesized that all variables are uncorrelated (McDonald and Ho, 2002). Examples of Incremental Fit Indices are the Normed Fit Index (NFI) and the Comparative Fit Index (CFI).

##### **4.14.2.1 Normed Fit Index (NFI)**

The Normed fit Index (NFI) assesses the model by comparing the chi-square value of the model with the chi-square value of the null model. Though it is widely used, it has been proved that it underestimates the goodness of fit of a model with small samples and it ranges from zero (poor fit) to 1 (perfect fit). The higher the value of the index, the better is the goodness of fit.

##### **4.14.2.2 Comparative Fit Index (CFI)**

Comparative Fit Index (CFI) is an advanced form of NFI, which has the advantage to deal with even if the sample size is small (Tabachnick and Fidell, 2007). Like NFI, it assumes that all the factors are uncorrelated and compared the sample covariance matrix with a null model. The value ranges from 0 to 1. The higher the value of the index, the better is the goodness of fit of the model.

#### **4.14.3 Parsimony Fit Indices (PGFI)**

Parsimony model indices take into account the complexity (i.e. the number of an estimated parameter) of the hypothesized model in the assessment of overall model fit. PGFI considers the measures of goodness of fit of the model (as measured by GFI) and parsimony of the model thereby providing a more realistic evaluation of the hypothesized model (Mulaik et al.,1989). The PGFI seriously penalizes the complexity of the model, hence its value is comparatively lower. No threshold limits for these indices are recommended. Though its value is based on GFI and AGFI and it is recommended that if the value of GFI and AGFI is more than .90, it is expected that the value of PGFI ranges near about .50.

#### **4.15 Composite Reliability (CR)**

Reliability measures the consistency of scale and considered Cronbach's alpha as a widely used estimator of tests and scales (Peterson and Kim, 2013). Though, it is criticized by a lot of researchers for being a lower bound and hence criticized for underestimating the true reliability. Therefore, in an alternative to coefficient alpha, the composite reliability is considered reliable in conjunction with SEM.

Cronbach's alpha assumes scale items are uni-dimensional and items in the scale are equally related to the constructs, and hence interchangeable. Since the loadings in the constructs are not the same as in practice, composite reliability is considered to be the reliable measure to assess the reliability. When the true reliability estimates are computed using SEM, the resulting estimates are truly referred to as composite reliability (CR). The advantage of using the SEM approach includes better estimates of reliability using CR rather than coefficient alpha because loadings in a construct are allowed to vary whereas the loadings for coefficient alpha are constrained to be equal. Therefore, SEM can access and overcome some of the limitations of the alpha coefficient (Raykov, 2001). There is hardly any difference between alpha coefficient and composite reliability if scale items i) measure the same single constructs, ii) have the same factor loading, and iii) there are no error co-variances. In brief, fluctuation in the factor loading

leads to unveiling a huge difference between coefficient alpha and composite reliability. In the study, the factor loadings in a construct are bound to differ as seen in table 4.5, the composite reliability (CR) is considered to be the most relevant assessment.

$$\mathbf{CR} = \frac{(\sum_{i=1}^n \lambda_i)^2}{(\sum_{i=1}^n \lambda_i)^2 + (\sum_{i=1}^n \delta_i)}$$

The Construct reliability is calculated using the above formula. In other words, it is calculated by dividing the sum of the square of standardized factor loadings of each construct ( $\lambda_i$ ) by the sum of the square of factor loadings of each construct plus the sum of error variance term of the construct ( $\delta_i$ ). The error variance is referred to as delta.

#### **4.16 Content validity**

The content validity is referred to as the extent to which the measurement unveils the especially the domain of the content (Carmines & Zeller, 1979). To establish content validity, the inter-item correlation must not be too high. Choi (2010) has pointed out that the high loadings (>.90) and high inter-item correlation (>0.80) should be avoided because high inter-item correlation implies that each item adds minimum information to describe the factor. Table 4.5 has shown that the highest correlation coefficient 0.59 which is less than the threshold limit of 0.90.

**Table 4.5**  
**Standard Loading, Squared Multiple correlations, AVE and CR**

Constructs	Items	Item reliability		Average Variance Extracted (AVE)	Composite Reliability(CR)
		Standard factor loading	Squared Multiple correlations		
<b>Service Quality</b>	SQ7	0.79	0.63	<b>0.58</b>	<b>0.87</b>
	SQ6	0.75	0.57		
	SQ5	0.80	0.54		
	SQ4	0.74	0.64		
	SQ3	0.73	0.53		
<b>Accessibility</b>	ACC6	0.63	0.40	<b>0.64</b>	<b>0.84</b>
	ACC5	0.77	0.60		
	ACC4	0.70	0.49		
	ACC3	0.72	0.52		
	ACC1	0.76	0.58		
<b>Safety &amp; Security</b>	SAF6	0.75	0.56	<b>0.57</b>	<b>0.85</b>
	SAF4	0.78	0.56		
	SAF2	0.75	0.57		
	SAF1	0.78	0.61		
<b>Destination Image</b>	DI7	0.81	0.65	<b>0.56</b>	<b>0.84</b>
	DI5	0.81	0.66		
	DI4	0.67	0.45		
	DI2	0.72	0.52		
<b>Tourists' satisfaction</b>	SAT6	0.77	0.59	<b>0.56</b>	<b>0.83</b>
	SAT5	0.73	0.54		
	SAT3	0.79	0.63		
	SAT2	0.70	0.49		
<b>Behavioural Intention</b>	BI3	0.82	0.48	<b>0.58</b>	<b>0.80</b>
	BI2	0.69	0.67		
	BI1	0.85	0.72		

**Table 4.6**  
**Correlation Matrix of Constructs (Standardised)**

Constructs	SQ	ACC	SAF	DI	SAT	BI
SQ	<b>0.762</b>	0.002	0.000	0.032	0.045	0.039
ACC	<b>0.044</b>	<b>0.802</b>	0.216	0.073	0.176	0.044
SAF	<b>0.007</b>	<b>0.465</b>	<b>0.760</b>	0.130	0.354	0.155
DI	<b>0.180</b>	<b>0.271</b>	<b>0.361</b>	<b>0.752</b>	0.242	0.061
SAT	<b>0.214</b>	<b>0.420</b>	<b>0.595</b>	<b>0.492</b>	<b>0.748</b>	0.165
BI	<b>0.198</b>	<b>0.211</b>	<b>0.394</b>	<b>0.248</b>	<b>0.407</b>	<b>0.764</b>

**Note-** Value below the diagonal are standardised correlation estimates, above the diagonal are squared correlation and the diagonal represents the square root of AVE in each construct.

#### 4.17.1 Convergent Validity

So far the convergent validity is concerned, Byrne (1994) and Xie (2011) have stressed to have strong loading of the indicators with the relevant items. Furthermore, Fornell and Larcker (1981) recommended the three conditions must be ensured to establish the convergent validity after conducting CFA. These are as below:

- i) All the factor loadings of the indicators are ( $\lambda$ ) must be significant;
- ii) The composite reliability (CR) noted as ( $\delta$ ), which measures the internal consistency of the indicators measuring the given factor must exceed 0.70 (Bagozzi & Yi, 1988)
- iii) Average Variance Extracted (AVE) of each of the constructs must be above 0.50 (Kline 1988)

From table 4.5, the results show that all the items in the study are perfectly loaded in the relevant constructs. The t-value associated with each item in the constructs are significant at 0.05 levels. All the variables are significantly related to their specified constructs. In addition to that, the estimates of the reliability and variance-extracted measures of each construct are evaluated to make sure the specified indicators are sufficient to replicate the constructs. The results of standard loadings, squared multiple correlations, AVE, and the CR have also been reported in table 4.5. The value of CR ranges from 0.80 to 0.87 exceeding the threshold limit of 0.70. Furthermore, the AVE of the latent constructs ranges from 0.56 to 0.64. It also exceeded

the minimum cut-off limit of 0.50 which measures the amount of variance for the specific indicators captured by the latent constructs in comparison to variance due to the random measurement error. This indicates that the relevant constructs are sufficiently explained by the indicators taken together. Apart from that, the squared multiple correlations of the individual items also range from 0.40 to 0.72 exceeding the minimum cut-off limit of 0.3. It is also shown in the table 4.5 that the CR of each construct is more than the AVE in respective constructs (Hair et al. 2013). The results supported the convergent validity of the scale. Average Variance Extracted can be computed using the formula given below

$$(AVE) = \frac{\sum_{i=1}^n \lambda_i^2}{n}$$

It is calculated by the square of standardised factor loadings ( $\lambda$ ) of each item in a construct divided by the number of items in each construct (n).

#### **4.17.2 Discriminant Validity**

The discriminant validity is “the extent to which constructs are truly distinct other constructs (Hair et al., 2010). According to Ooi et al., 2013, to establish the discriminant validity the correlation among the constructs that highlight a set of indicators anticipated to evaluate the different latent constructs must not be too high (>0.90). In table 4.6, the highest correlation between the constructs is 0.59 which is lesser than the threshold limit of 0.90. Apart from that, Byrne (1994) opined that the discriminant validity is said to be established, if the AVE of both the constructs is more than the square of its correlation. In table 4.6 it is unveiled that all the square root of AVE estimates of each construct are greater than the corresponding inter construct correlation estimates. Therefore, the test of discriminant validity is established in the CFA. Furthermore, the Maximum Shared Variance (MSV) and Average Shared Variance (ASV) have also been calculated to support the discriminant validity. To establish discriminant validity, the AVE of each construct must be greater than MSV and ASV.

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Maximum Squared Shared Variance (MSV) is the maximum amount of variance shared by a construct with other latent constructs. On average, the construct is said to be valid if the AVE of latent constructs is greater than the maximum variance it shared with other latent constructs. It is calculated by squaring the maximum covariance it shared with other latent constructs.

Average Squared Shared Variance (ASV) is an average of all squared variance of latent constructs with other latent constructs. It is calculated by adding all the squared of its covariances a latent variable shared with other latent constructs divided by a number of indicators in the construct. It is shown in table 4.7

**Table 4.7**  
**Comparison of AVE, MSV, and ASV**

<b>Constructs</b>	<b>Average Variance Extracted(AVE)</b>	<b>Maximum Shared Square Variance (MSV)</b>	<b>Average Squared Shared Variance (ASV)</b>
<b>Service Quality</b>	0.58	0.04	0.02
<b>Accessibility</b>	0.64	0.22	0.10
<b>Safety &amp; Security</b>	0.57	0.36	0.17
<b>Destination Image</b>	0.56	0.24	0.10
<b>Tourists Satisfaction</b>	0.56	0.36	0.19
<b>Behavioural Intention</b>	0.58	0.17	0.09

In table 4.7, it is unveiled that the AVE of all the latent constructs is greater than the corresponding MSV and ASV. Therefore, it can be concluded from the analysis that the discriminant validity is perfectly established in CFA.

#### **4.18 Nomological Validity**

Nomological validity is intended to establish the association among the theoretical constructs (Malhotra et al., 2006). The correlation matrix is showed in table 4.6 to establish the theoretically predicted correlation among the constructs (both exogenous and endogenous variables) in the model. It is also examined to address the serious problem of multi-collinearity in the model. Therefore, it can be concluded that the model has established nomological validity because the correlation among the constructs has not exceeded the limit of 0.90 (Hair et al., 1998).

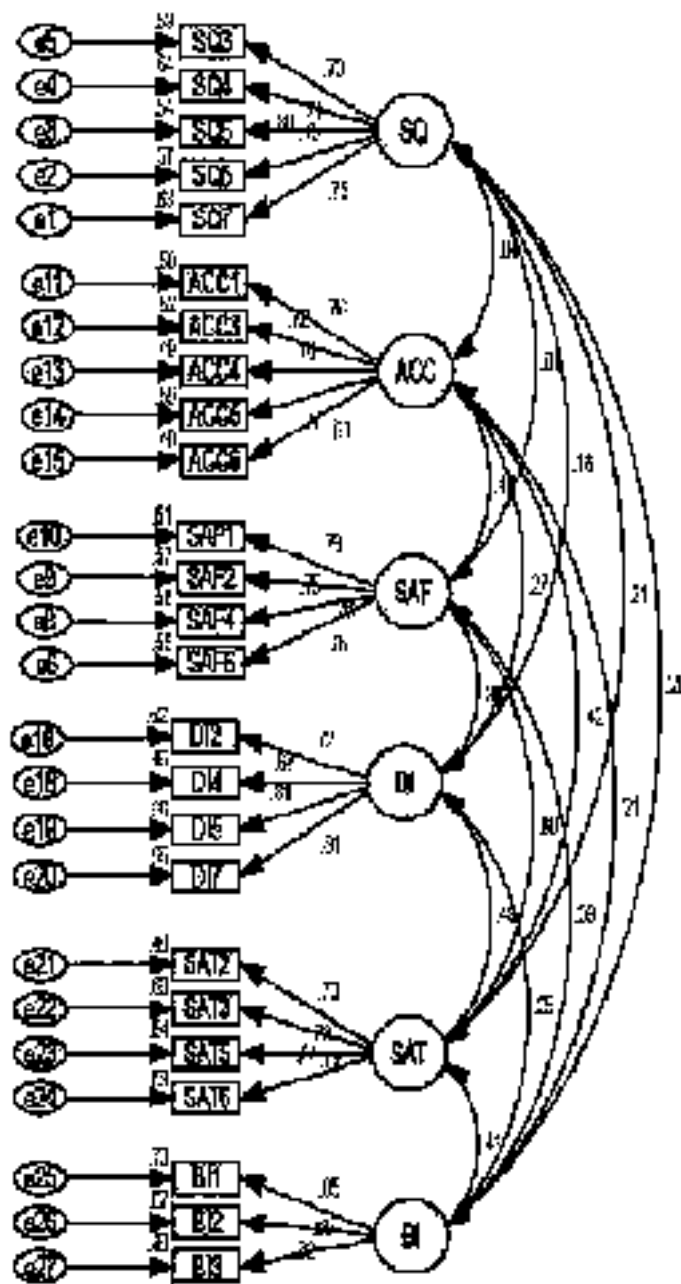
#### **4.19 Measurement Model**

The purpose of Measurement Modeling (MM) is to make sure about the linkage of exogenous and endogenous constructs with their respective indicators. In other words, MM is the part of the model that examines the relationship between the constructs and their respective measures. The Principal Component Analysis (PCA) using varimax rotation is conducted initially to ensure to identify the number of underlying dimensions. Some of the items are deleted in this process based on poor loading. Thereafter, the CFA is conducted to ensure the linkage of indicators in their respective constructs. The reliability and validity of each construct are also tested. In brief, the models are modified and rearranged to fit the data. The hypothesized measurement model is tested using CFA followed by SEM is discussed in chapter 5.

The indices of measurement model fit statistics have been discussed individually in the previous section of the present chapter. The results of the measurement of model indices show a good fit. The value of relative chi-square Chi-square/df is 1.717 which is less than 3. The Root Mean Square of Approximation is 0.047 which is lower than the threshold limit of 0.80. The value of the Good Fit Index (GFI) and the comparative Fit Index (CFI) are 0.903 and 0.949 which are above the acceptable limit of 0.90. Therefore, the measurement model has established construct validity. The SEM testing and confirmation now can be undertaken.

Figure 4.1

Diagram of Confirmatory Factor Analysis of all the latent constructs



**Table 4.8**  
**Measurement Model: Fit Statistics**

<b>Fit Indices</b>	<b>Recommended</b>	<b>Results</b>
Relative Chi-Square	Less than or equal to 3.0	1.717
Goodness of Fit Index (GFI)	Greater than or equal to 0.90	0.903
Comparative Fit Index (CFI)	Greater than or equal to 0.90	0.949
RMSEA	Less than or equal to 0.08	0.047

#### **4.20 Conclusion**

The chapter has delved into the research method that is used in the study. Initially, the EFA is conducted to assess the loading of the items in the respective constructs following which the CFA is conducted to assess the relationship of the items with the respective constructs. The reliability and validity of different constructs are also reported separately. The Composite Reliability, Content validity, Construct Validity, Convergent Validity, Discriminant Validity, Nomological Validity are established using the methods that are followed in psychometric literature. The rationale of Measurement Modeling is to establish the relationship of exogenous and endogenous constructs with their individual indicators. In other words, the MM inspects the connection between the constructs taken in any study and the individual measures taken to encompass the domain of the construct. As a first step, the Principal Component Analysis (PCA) using orthogonal rotation(Varimax) is applied to the data set to identify the underlying dimensions in the data and the factor loadings in order to eliminate the items with poor factor loadings. In the second phase of this study, the CFA is employed to demonstrate that the items load distinctly with the respective dimensions or the respective constructs. Needless to mention that the reliability and validity of each construct are also examined thoroughly taking into consideration various methods of validity that are to be done for any scientific measurement model. The findings of measurement of model indicators show the overall fit of the model may be considered adequate. The value of relative chi-square, GFI, and CFI are satisfactory to apply the SEM technique.

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**CHAPTER V****THE MODEL TESTING AND CONFIRMATION****5.1 Introduction:**

In the previous chapter, the CFA and testing of the measurement model is conducted and this chapter intended to test the structural relationship among the latent constructs and confirmation of the model. The SEM using AMOS 20.0 software is employed to confirm the proposed model and test the hypothesis empirically. The overall fit of the model is also discussed in this chapter.

SEM is a statistical methodology used in a different branch of social sciences. It is the robust statistical methodology where the factors or the variables are analyzed without segregating them into dependent and independent. It is a technique of different multivariate analysis into one model-fitting framework. The SEM aims at establishing the causal relationship among the series of structural (i.e. regression) equations and displays the model pictorially to enable the clear conceptualization of the theory under study (Byrne 2016). SEM is used for representing, estimating, and testing the theoretical linear relationship among the variables which are directly observable or unobservable. SEM is a sophisticated tool in the field of social science research to measure the interrelationship among the set of variables. SEM has the competence to fit in latent variables that are not directly observed in the analysis, and has practical and theoretical concepts, and accounts for measurement error (Hair et al., 1988). It is the blend of factor analysis and regression analysis. This method was developed to overcome the disadvantages of both factor analysis as well as regression analysis.

Especially the SEM is an integration of:

- i) Measurement theory ( derived from Psychology)
- ii) Factor Analysis ( derived from Psychology Statistics)
- iii) Path Analysis ( derived from Epistemology from Biology)
- iv) Regression ( derived from Statistics)
- v) Simultaneous Equation ( derived from Econometrics)

## 5.2 Different terminology used in SEM:

**Latent variables:** The variables which are not observed directly and denoted by oval shape in the diagram. Instead of observing directly, these variables are inferred with the help of observed variables which are directly measured using the mathematical model. The oval shape in the diagram represents latent variables in the SEM.

**Observed variables:** The variables which are directly observed in the SEM model which are used to infer the latent variables are known as observed variables. The square or rectangle shape in the diagram represents the observed variables.

**Exogenous and endogenous variables:** The exogenous variable is the same as the independent variables or exploratory variables. These variables are considered independent i.e. this causes the change in the dependent variables (Endogenous variables). The latent factor from where the single-headed arrow goes to another latent in the path diagram. The variable in which the change in exogenous variables is reflected is called endogenous variables. The latent factor where the single-headed arrow comes in the path diagram.

**Path coefficient:** The path coefficient is the same as the regression coefficient in the regression analysis. It denotes the casual relationship among the latent constructs. The single-headed arrow from one latent to another denotes path co-efficient.

**Co-variance:** The correlation among the latent is denoted by the double-headed arrow in the path diagram and it is termed as co-variance.

**Error term:** It is denoted by 'e' in the path diagram as reflected in the regression analysis.

## 5.3 The rationale of using SEM:

It addresses different kinds of research problems:

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- i) It is particularly suitable in the context where the researchers are interested in complex, multi-faceted constructs that are measured with error. It is often related to Psychological and Socio-psychological concepts.
- ii) The other kind of research question SEM is suited to the ones that specify the systems of relationship rather than dependent variables and the set of predictors. That means if a researcher is interested in modeling a casual system then SEM is suitable. The casual effect relationship is shown through the path coefficient to measure the degree of impact of exogenous (independent) to endogenous (dependent) variables
- iii) Where the researchers are interested in indirect or mediation effects among the variables, the SEM is perfectly suitable. In many research contexts, the researchers are interested in more complex kinds of relationships where the first variable influences the second variable and the second variable influences the third, the SEM technique is perfectly suitable i.e. the role of the mediating variable (mediator) which is between exogenous and endogenous can easily be dealt with the techniques of SEM.
- iv) The SEM technique deals to overcome the difficult problem of multicollinearity taking into account the reliability and validity issue.

The SEM consists of the measurement model and the structural model. The measurement model examines the relationship between the construct and its respective indicators. Each of the indicators carries a measurement error 'e' and has also been discussed in the previous chapter. The structural Model measures the casual relationship among the constructs and is tested empirically. The impact of exogenous to endogenous constructs is expressed in terms of standardized regression co-efficient which is shown with one headed arrow diagrammatically which is called Path co-efficient. The expression of path co-efficient can be expressed mathematically which is shown below.

$$\eta_1 = \gamma_{11}\xi_1 + \gamma_{21}\xi_2 + \delta_1$$

Where,

$\eta_1$ = Endogenous latent variable

$\gamma_{11}$ = Path Co-efficient

$\xi_2$ = Exogenous construct and,

$\delta_1$ = Error in the measured variable

#### 5.4 Latent and observed variables in the study

The SEM is a comprehensive statistical tool that deals with both the latent and observed variables simultaneously. The unobserved or latent constructs cannot be measured directly. The latent constructs are measured with the help of the observed variable indirectly. The observed variables are the manifest variables (indicators) which help to identify the different underlying constructs. Therefore, one latent variable is represented by several indicators.

In this study, several indicators representing the different latent variables have been taken separately. It has been confirmed by the researcher in the previous chapter (measurement model) about the association of different indicators to their respective constructs. The proposed model shown in figure 5.1 consisted of six latent constructs. They are Service Quality (SQ), Accessibility (ACC), Safety & security (SAF), Destination Image (DI), Tourists' satisfaction (SAT), and Behavioural Intention (BI). The summary of the variables in the proposed model is shown in table 5.1.

**Table 5.1**  
**Variables summary of the proposed Model**

<b>Observed, Endogenous Variables</b>	<b>Unobserved, Endogenous variables</b>	<b>Unobsorbed, Exogenous variables</b>
SQ3, SQ4, SQ5, SQ6, SQ7		SQ
ACC1, ACC3, ACC4, ACC5, ACC6		ACC
SAF1, SAF2, SAF4, SAF6	SAT	SAF
DI2, DI4, DI5, DI7	DI	DI
SAT2, SAT3, SAT5, SAT6		e1 to e25
BI1, BI2, BI3		F1 and F2



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two-directional arrows. But the SEM also incorporates the uni-directional error representing the casual relationship among the latent constructs. It is intended to examine the identification of the model. The SEM is only possible when the model is over-identified. The just identified and under-identified model does not work in SEM. In brief, the number of parameters to be estimated should be less than the number of sample moments. In other words, model identification is concerned with the correspondence between the information to be estimated (parameters) and the number of sample moments (variance-covariance based matrix). The model in our study is over-identified with 266 degrees of freedom as shown in table 5.2.

**Table 5.2**  
**Calculation of degrees of freedom**

The number of variables in the proposed model	58
The number of observed variables:	25
The number of unobserved variables:	33
The number of exogenous variables:	28
The number of endogenous variables:	27
The number of distinct sample moments	325
The number of parameters to be estimated	59
Degrees of freedom: (325-59)	266

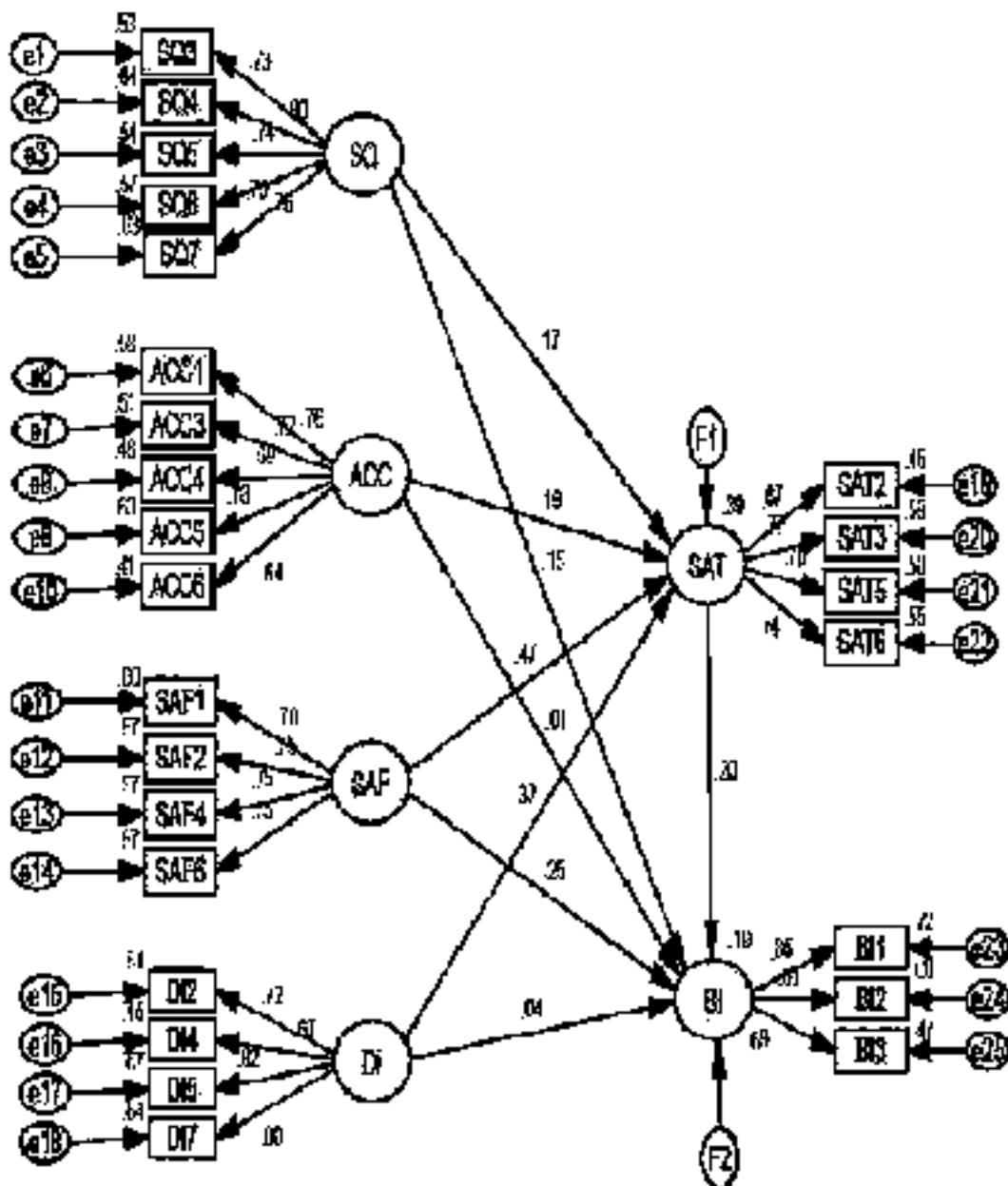
### 5.6 Model Testing

Model testing is done to measure the difference between observed and model-estimated covariance matrices. Before testing hypotheses, the fit of the structural model is examined. This is basically to assess the extent to which the specified model fits with empirical data. The fit of the model is examined with the goodness of fit statistic. The measurement of goodness of fit statistic is reported in table 5.3. The Goodness of Fit Indices (GFI) determines whether the data support the theory. Other several fit indices such as Root-Mean-Square Error of Approximation, Comparative Fit Indices (CFI), Root-Mean-Square-Residual (RMSR), and Goodness of Fit

(GFI) are recommended by most of the researchers. Only one goodness-of-fit measure i.e. chi-square test has an associated significance test and the remaining all are descriptive. The RMSEA is a measure to approximate the fit in the population and is therefore concerned with the discrepancy due to approximation. The lower the value of  $cmin/df$  (relative chi-square and RMSEA), the perfect is the model fit. The threshold cut-off of GFI is 0.95 if the sample factor loadings and sample size are low, but more than the .90 is considered acceptable for having a large sample size. To have a good structural model, the cut-off criteria of the CFI should be greater than or equal to 0.90 as specified by Hu and Bentler, 1999.

The structural and hypothesized causal relationships among the latent constructs are examined in the path diagram. The casual relationship of endogenous variables and endogenous variables are shown using one headed arrow through path co-efficient to examine the model. The results of the indices depicted the poor fitting model. The value of relative chi-square, RMSEA, and CFI are 2.055, 0.057, and 0.924 respectively. Though the value of relative chi-square ( $cmin/df$ ), RMSEA, and CFI is in the acceptable limit, the other indices have shown a poor model fit. The value of the GFI is 0.882 which is less than the acceptable limit. It is desirable to have the value of relative chi-square less than 3 and RMSEA less than 0.08. The value of GFI and CFI close to 1 is considered at the best-fitting model. Though the value greater than or equal to 0.90 is considered acceptable. It is depicted in table 5.3.

Figure 5.2  
Proposed Model: Estimation of Parameters



**Table 5.3**  
**Proposed Model: Fit Indices**

<b>Fit Indices</b>	<b>Recommended</b>	<b>Results</b>
Relative Chi-Square	$\leq 3.0$	2.055
Goodness of Fit Index (GFI)	$\geq 0.90$	0.882
Comparative Fit Index (CFI)	$\geq 0.90$	0.924
RMSEA	$\leq 0.08$	0.057

### 5.7 Modification Indices

The indices shown in the proposed model are not at the recommended level. The GFI shown in table 5.4 is less than the threshold limit of greater than or equal to 0.90. Modification indices (MI) facilitate the researcher to generate the expected model fit by reducing the value of chi-square by showing each possible path that can be added to the model. The proposed model in the study shows that either the model is not properly specified or produced biased parameter estimates. Rather the rejecting the model, the researcher has re-specified the model with the help of MI for better fitting of the model from the estimation obtained from the proposed model. The AMOS software MI suggested the addition or elimination of relationships among the latent constructs.

**Table 5.4**  
**Modification indices**

<b>Covariance</b>			<b>Modification Indices</b>	<b>Change</b>
SAF	$\longleftrightarrow$	DI	29.786	0.100
ACC	$\longleftrightarrow$	SAF	49.681	0.730
ACC	$\longleftrightarrow$	DI	16.952	0.124

The modification indices suggested the additional relationship among the latent constructs to be incorporated in the model to decrease the value of chi-square which results in improving the overall fit of the model.

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Analysis of Modification Indices (MI) for the initially proposed model suggested modifying / re-specifying the model by adding the following relationship among the constructs to have the better fitting of the model:

- 1) Covariance between SAF to DI
- 2) Covariance between ACC to SAF
- 3) Covariance between ACC to DI

The Modification has been done by adding the three relationships as per the recommendation with parameters being eliminated.

**Table 5.5**  
**Modified/Re-specified model: Degrees of freedom**

The number of variables in the proposed model	58
The number of observed variables:	25
The number of unobserved variables:	33
The number of exogenous variables:	28
The number of endogenous variables:	27
The number of distinct sample moments	325
The number of parameters to be estimated	62
Degrees of freedom: (325-62)	263

The re-specification of the model has led to an increase of the parameters to be estimated from 59 in the proposed model to 62 in the re-specified model. As a result, the degrees of freedom have decreased from 266 to 263 on a modified model. Furthermore, it is to be noted that until and unless the indices of the re-specified model is confirmed through research model confirmation, the model is considered tentative. Finally, the model is to be tested on the basis of the indices threshold limits before testing the hypothesis.

### 5.8 Testing of Re-specified model

The re-specified model has shown in the figure 5.3. The model has been re-specified by adding the covariance between SAF to DI, ACC to SAF, and ACC to DI respectively in a proposed model.

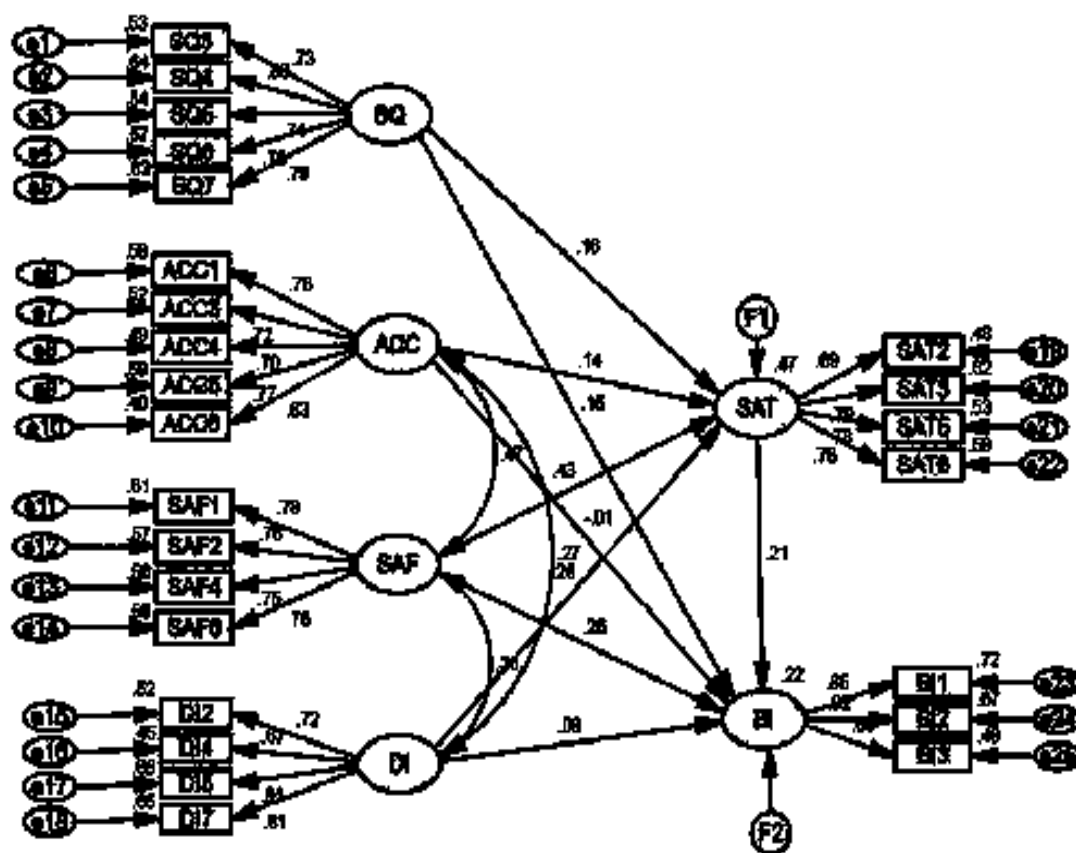
After incorporating the relationship mentioned above, the model is tested again to evaluate the extent to which the empirical data fit the theoretical model. The model fit indices have been compared between the proposed model and the re-specified model in table 5.6.

**Table 5.6**  
**Model Fit Indices of re-specified Model**

<b>Fit Indices</b>	<b>Recommended</b>	<b>Proposed Model</b>	<b>Re-specified Model</b>
Relative Chi-Square (Cmin/df)	$\leq 3.0$	2.055	1.730
Goodness of Fit Index (GFI)	$\geq 0.90$	0.882	0.901
Comparative Fit Index (CFI)	$\geq 0.90$	0.924	0.948
RMSEA	$\leq 0.08$	0.057	0.047

The comparative results of the fit indices of the proposed model and re-specified model have been shown in the table 5.6. It is to be pointed out that the value of relative chi-square in the re-specified model has been decreased from 2.055 in the proposed model to 1.730 which tests the difference between the empirical covariance matrix and the covariance matrix determined by the conceptual model. The value of other indices such as GFI and CFI in the re-specified model is greater than the threshold limit. The RMSEA has also gone down from 0.057 in the proposed model to 0.047 in the re-specified model. It can be concluded that the accuracy of the model is established and confirms its validity.

Figure 5.3  
Re-specified Model: Estimation of Parameter



### 5.9 Hypothesis Testing

The results of SEM using AMOS software are used to test the hypothesis. The z statistic associated with the estimated parameter coefficient is used to test the hypothesis. Results of the hypotheses tests are shown in table 5.7.

**Table 5.7**  
**Summary of Hypothesis tests results**

Hypothesis	Hypothesised Path	Std loadings	Z statistics	p-Value	Results
H <sub>a1</sub>	SQ $\Rightarrow$ SAT	0.091	3.03	0.002**	Supported
H <sub>a2</sub>	SQ $\Rightarrow$ BI	0.250	2.251	0.024*	Supported
H <sub>a3</sub>	ACC $\Rightarrow$ SAT	0.112	2.180	0.029*	Supported
H <sub>a4</sub>	ACC $\Rightarrow$ BI	0.069	-0.182	0.856	Not supported
H <sub>a5</sub>	SAF $\Rightarrow$ SAT	0.333	5.897	***	Supported
H <sub>a6</sub>	SAF $\Rightarrow$ BI	0.240	2.994	0.003**	Supported
H <sub>a7</sub>	DI $\Rightarrow$ SAT	0.208	4.468	***	Supported
H <sub>a8</sub>	DI $\Rightarrow$ BI	0.27	0.426	0.670	Not supported
H <sub>a9</sub>	SAT $\Rightarrow$ BI	0.250	2.251	0.024*	Supported

\*p<0.05, \*\* p<0.01, \*\*\*p<0.001

**Note:** SQ=Service Quality; ACC =Accessibility; DI=Destination Image; SAF =Safety & security; SAT= Tourist' Satisfaction and BI= Behavioural Intention

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Hypothesis  $a_1$ : Service quality of homestays in Darjeeling hills has a direct influence on the level of satisfaction of the tourists.

The structural path between service quality and tourists' satisfaction in the structural model is significant ( $\beta = 0.091$ ,  $z = 3.03$ ) at  $p < 0.01$ . It supports  $H_{a1}$  and it can be inferred that there is a direct influence of service quality on the satisfaction level of tourists' visiting homestays in Darjeeling hills. So, it can be concluded that service quality is a significant predictor of tourists' satisfaction.

Hypothesis  $a_2$ : Service quality of homestays in Darjeeling hills has a positive influence on the behavioural intention of the tourists.

The path coefficient between the service quality and the behavioural intention in the structural model was significant ( $\beta = 0.250$ ,  $z = 2.251$ ) at  $p < 0.05$ . The  $H_{a2}$  is supported and it can be concluded that service quality is the strong predictor of behavioural intention of the tourists' visiting Homestays in the Darjeeling hills.

Hypothesis  $a_3$ : Accessibility convenience of the homestays in Darjeeling has a direct influence on the level of satisfaction of the tourists.

$H_{a3}$  is supported based on the structural path coefficient between accessibility and tourists' satisfaction. The path coefficient was significant ( $\beta = 0.112$ ,  $z = 2.180$ ) at  $p < 0.05$ . We can conclude that accessibility has a direct and significant impact on tourists' satisfaction.

Hypothesis  $a_4$ : The higher level of accessibility convenience would lead to a positive influence on tourists' behavioural intention of the visitors' visiting homestays in Darjeeling hills.

The structural path coefficient in the model shows that there is no statistically significant ( $\beta = 0.069$ ,  $z = -0.182$ ) impact of accessibility on the behavioural intention of the tourists' visiting homestays in Darjeeling. Therefore,  $H_{a4}$  is rejected and inferred that the accessibility is not a strong predictor of behavioural intention.

## THE MODEL TESTING AND CONFIRMATION

Hypothesis  $H_{a5}$ : The perceived safety and security of the tourists' will lead to higher-level satisfaction for the tourists' visiting homestays in Darjeeling hills.

$H_{a5}$  is supported as the path coefficient in the structural model between safety & security is significant ( $\beta = 0.333$ ,  $z = 5.897$ ) at  $p < 0.001$ . There is a direct and significant impact of safety & security on tourists' satisfaction and can be concluded that safety & security is a strong predictor of tourists' satisfaction.

Hypothesis  $H_{a6}$ : The perceived safety and security of the tourists' will lead to a positive impact on behavioural intention of tourists' visiting homestays in Darjeeling hills.

The structural path coefficient between Safety & security and behavioural intention is significant ( $\beta = 0.240$ ,  $z = 2.994$ ) at  $p < 0.01$ . Therefore,  $H_{a6}$  is supported and accepted. There is a direct and positive impact of safety & security to the behavioural intention and can be inferred that the safety & security is a strong predictor of behavioural intention.

Hypothesis  $H_{a7}$ : The image of the destination has a direct influence on the perceived satisfaction of the tourists' visiting homestays in Darjeeling hills.

The path coefficient in the structural model between destination image and tourists' satisfaction is significant ( $\beta = 0.208$ ,  $z = 4.468$ ) at  $p < 0.001$ . Therefore,  $H_{a7}$  is supported and accepted. It can be inferred that there is a significant and direct influence of destination image on tourists' satisfaction and concluded that destination image is a strong predictor of tourists' satisfaction.

Hypothesis  $H_{a8}$ : The image of the destination has a direct influence on the behavioural intention of the tourists' visiting homestays in Darjeeling hills.

The structural coefficient between destination image and behavioural intention is not statistically significant ( $\beta = 0.27$ ,  $z = 0.426$ ). Therefore  $H_{a8}$  is not supported. There is an insignificant impact of destination image on behavioural intention and is concluded that destination image is not a strong predictor of behavioural intention.

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Hypothesis  $H_{a9}$ : There is a positive impact on tourists' satisfaction with the behavioural intention of the tourists' visiting homestays in Darjeeling hills.

The structural coefficient between tourists' satisfaction and behavioural intention is significant ( $\beta = 0.250$ ,  $z = 2.251$ ) at  $p < 0.05$ . Therefore,  $H_{a9}$  is supported and accepted. It can be inferred that tourists' satisfaction has a strong influence on behavioural intention of the tourists' visiting homestays in Darjeeling hills.

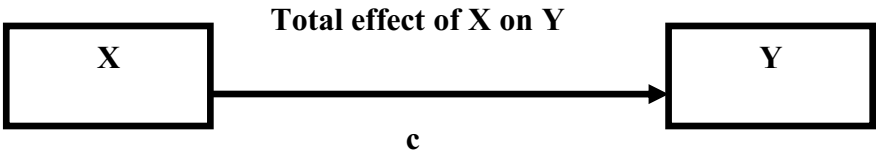
**5.10 Mediation Analysis**

Mediation analysis is intended to analyze the reason for the association between the independent and dependent variables (Preacher & Kelley, 2011). The mediation (M) is hypothesized to investigate the association between independent(X) and dependent variables (Y).

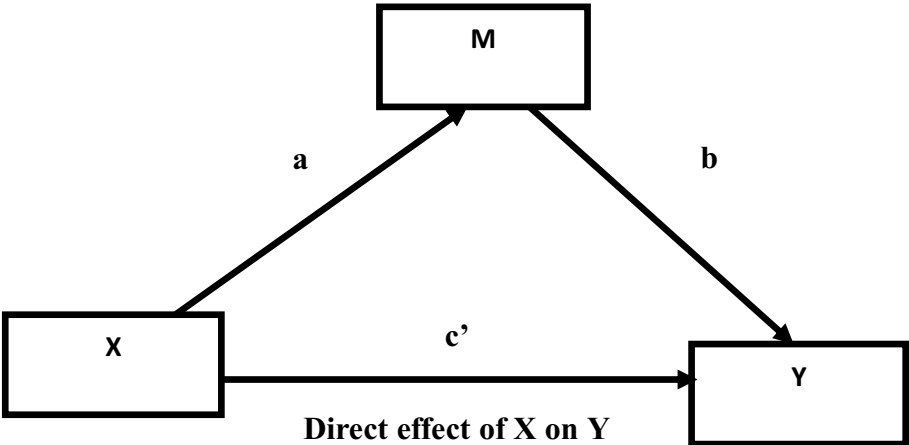
The path 'a' indicates the influence of the independent variable (X) on the mediating variable (M). Similarly, path 'b' indicates the effect of the mediating variable (M) on the dependent variable (Y). In the same way, the path 'c' represents the total and direct effect of the independent variable (X) on the dependent variable (Y) without a mediating variable (M). The path 'c'' indicates the direct effect of the independent variable (X) on the dependent variable (Y) with a mediator (M). Therefore, the indirect effect of the independent variable to the dependent variable with a mediator is the path coefficient 'a' and 'b'.

**Figure 5.4**

**Simple Mediation Model**



**Indirect Effect of X on Y**



### 5.10.1 Condition for determining mediation in the model

The first and foremost condition for mediation is the path coefficient ' $c$ ' representing the effect of the independent variable (X) to the dependent variable (Y) without a mediator (M) should be significant as given by Baron and Kenny (1986). If the ' $c$ ' representing the direct effect between independent and dependent variables is not significant then the indirect effect does not exist in the model. In other words, if the ' $c$ ' is not significant then the product of ' $a$ ' and ' $b$ ' i.e. the indirect effect does not exist because there is no overall effect to mediate. Secondly, the path ' $a$ ' representing the effect of the independent variable (X) on the mediating variable (M) should be significant. Finally, the path ' $b$ ' representing the effect of the mediating variable (M) on the dependent variable (Y) should be significant.

### 5.10.2 Partial and Full Mediation

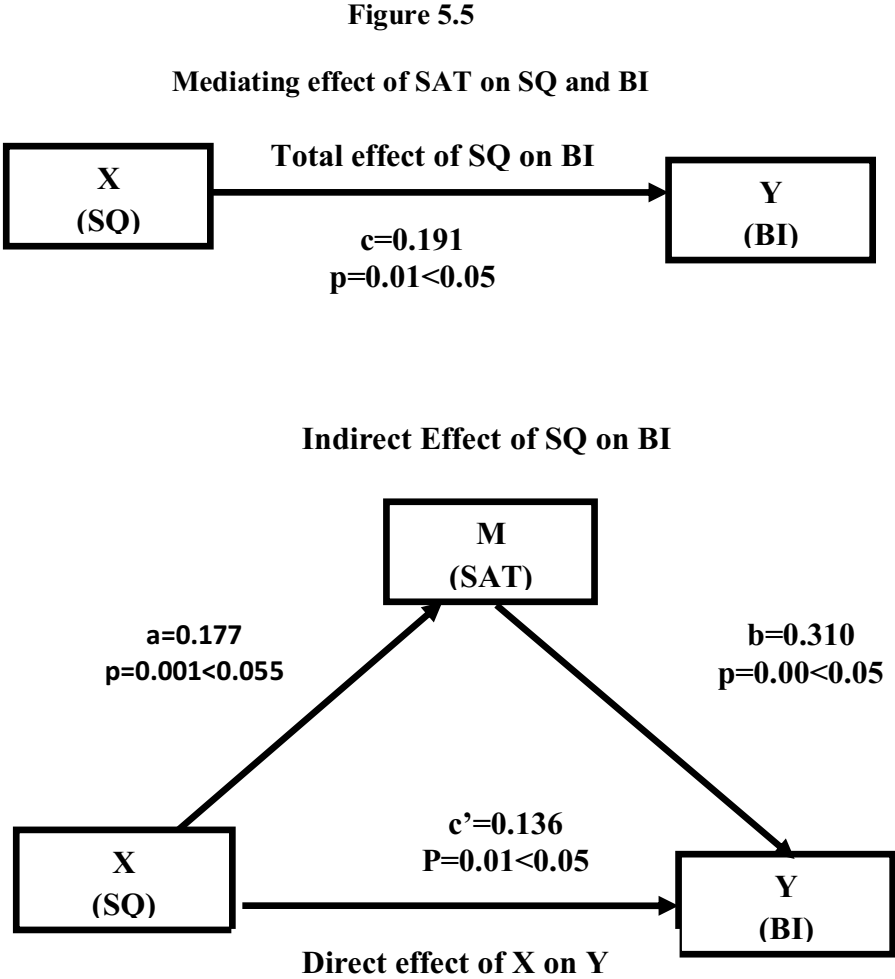
After fulfilling the above condition, it is to be ascertained the partial, complete mediation and the no mediation in the model. If path ' $c$ ', representing the direct effect of the independent variable (X) on the dependent variable (Y) with the mediating variable (M) is insignificant then this type of mediation is called full mediation as shown in figure 5.5. On the other hand, if the path ' $c$ ', representing the direct effect of the independent variable (X) on the dependent variable (Y) with a mediating variable (M) is significant, then it is said to be the partial mediation.

Preacher and Hayes (2008) have suggested a bootstrapping method to test whether the mediating variable (M) mediates the relationship between the independent variable (X) on the dependent variable (Y) in the model. Bootstrapping is the re-sampling technique where the sample is repeatedly drawn from the population to compute the desired statistical result.

To test the type of mediation of mediating variables between the independent and dependent variables, the bootstrapping method is used as suggested by Preacher and Hayes (2008). Bootstrapping is the technique where the sample is drawn repeatedly to compute the desired

statistical result. The SPSS 20 is used to test the mediation by computing and analyzing the total, direct, and indirect effects of independent and dependent variables individually in the subsequent segment along with graphical representation. The output of the SPSS test results is shown in Appendix 3.

**5.10.3 Mediating effect of tourists' satisfaction (SAT) between service quality (SQ) and behavioural intention (BI)**



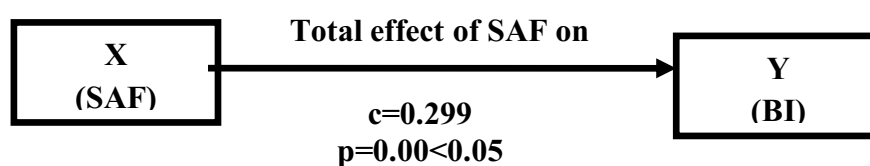
## THE MODEL TESTING AND CONFIRMATION

The first condition as suggested by Baron and Kenny (1986) is fulfilled as the total effect of the independent variable (SQ) has a significant impact on the dependent variable (BI) with the coefficient of 0.191. Additionally, the second condition is also been fulfilled as the independent variable (SQ) has a significant impact on a mediator or mediating variable (SAT) with the coefficient of 0.177. The co-efficient (direct impact) of SQ on BI has reduced from 0.191 to 0.136 after the mediating variable (satisfaction) entered the model but still significant. This inferred that satisfaction does not fully explain the reason for the relationship between SQ and BI. Hence, SAT acts as a partial mediator in the model.

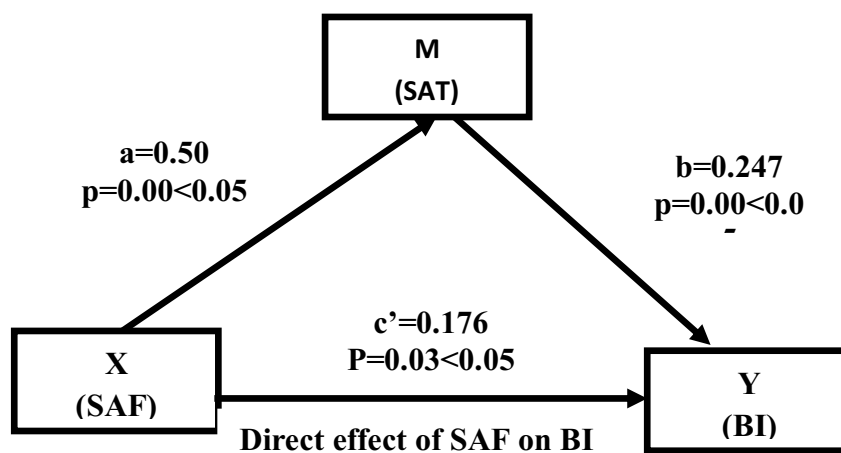
#### 5.10.4 Mediating effect of tourists' satisfaction (SAT) between safety & security (SAF) and behavioural intention (BI)

Figure 5.6

##### Mediating effect of SAT on SAF and BI



##### Indirect Effect of SAF on BI



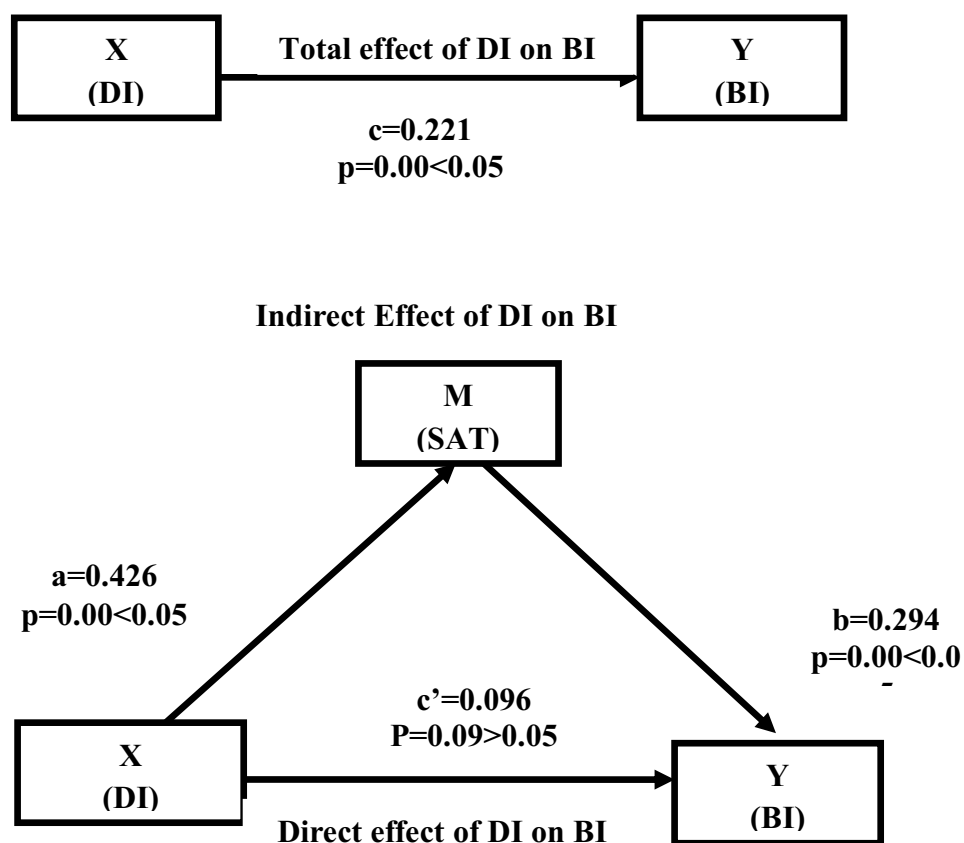
## THE MODEL TESTING AND CONFIRMATION

The first condition as suggested by Baron and Kenny (1986) is fulfilled as the total effect of the independent variable (SAF) has a significant impact on the dependent variable (BI) with the coefficient of 0.299. Additionally, the second condition is also been fulfilled as the independent variable (SAF) has a significant impact on a mediator or mediating variable (SAT) with the coefficient of 0.50. The co-efficient (direct impact) of SAF on BI has reduced from 0.299 to 0.176 after the mediating variable (SAT) entered the model but still significant. This inferred that satisfaction does not fully explain the reason for the relationship between SAF and BI. Hence, SAT acts as a partial mediator in the model.

#### 5.10.5 Mediating effect of tourists' satisfaction (SAT) between destination image (DI) and behavioral intention (BI)

Figure 5.7

#### Mediating effect of SAT on DI and BI



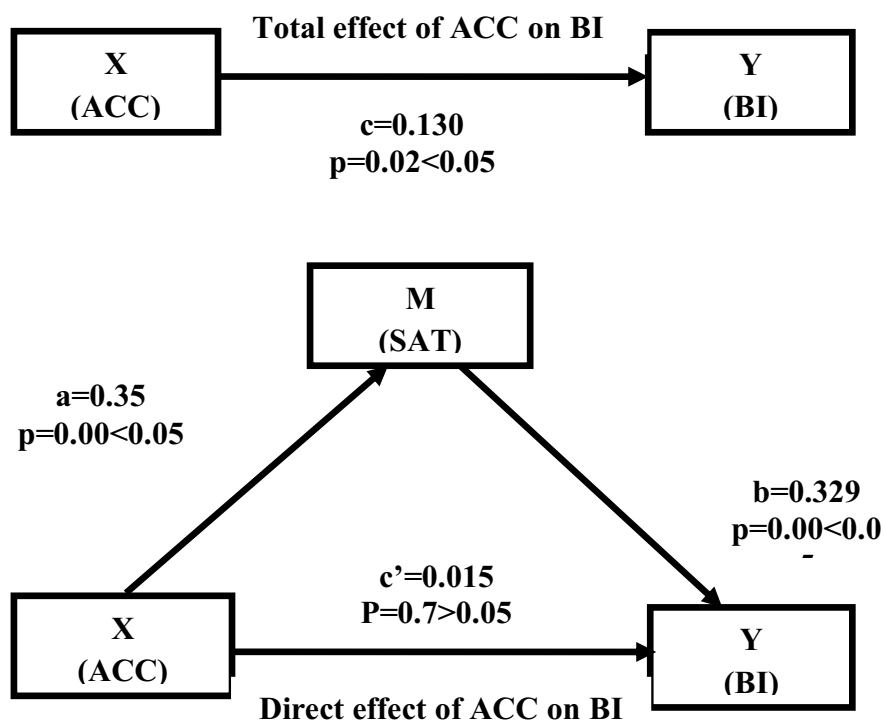
## THE MODEL TESTING AND CONFIRMATION

The first condition as suggested by Baron and Kenny (1986) is fulfilled as the total effect of the independent variable (DI) has a significant impact on the dependent variable (BI) with the coefficient of 0.221. Additionally, the second condition is also been fulfilled as the independent variable (DI) has a significant impact on a mediator or mediating variable (SAT) with the coefficient of 0.426. The co-efficient (direct impact) of DI on BI has reduced from 0.221 to 0.096 after the mediating variable (SAT) entered in the model and is insignificant. This inferred that satisfaction does fully explain the reason for the relationship between destination image and behavioural intention. Hence, satisfaction acts as a full mediator in the model.

#### 5.10.6 Mediating effect of tourists' satisfaction (SAT) between accessibility (ACC) and behavioural intention (BI)

Figure 5.8

#### Mediating effect of SAT on ACC and BI



The first condition as suggested by Baron and Kenny (1986) is fulfilled as the total effect of the independent variable (ACC) has a significant impact on the dependent variable (BI) with the

coefficient of 0.130. Additionally, the second condition is also been fulfilled as the independent variable (ACC) has a significant impact on a mediator or mediating variable (SAT) with the coefficient of 0.35. The co-efficient (direct impact) of ACC on BI has reduced from 0.130 to 0.015 after the mediating variable (SAT) entered the model and has been found to be insignificant. This inferred that SAT does fully explain the reason for the relationship between ACC and BI. Hence, SAT acts as a full mediator in the model.

### **5.11 Conclusion**

The SEM is a comprehensive statistical tool that deals with both the latent and observed variables simultaneously. The unobserved or latent constructs cannot be measured directly. The latent constructs are measured with the help of the observed variable indirectly. The observed variables are the manifest variables (indicators) which help to identify the different underlying constructs. Therefore, one latent variable is represented by several indicators.

Before testing the structural model, the measurement model has to be validated and shown in the previous chapter. The measurement model deals with the relationship between the latent factors with their related indicators and covariance among the latent constructs depicting by two-directional arrows. But the SEM also incorporates the uni-directional error representing the casual relationship among the latent constructs. It is intended to examine the identification of the model. The SEM is only possible when the model is over-identified. The just identified and under-identified model does not work in SEM. In brief, the number of parameters to be estimated should be less than the number of sample moments. In other words, model identification is concerned with the correspondence between the information to be estimated (parameters) and the number of sample moments (variance-covariance based matrix).

The structural and hypothesized causal relationships among the latent constructs are examined in the path diagram. The casual relationship of endogenous variables and endogenous variables are shown using one headed arrow through path co-efficient to examine the model. The results of the indices depicted the poor fitting model. The value of relative chi-square, RMSEA, and

## THE MODEL TESTING AND CONFIRMATION

CFI are 2.055, 0.057, and 0.924 respectively. Though the value of relative chi-square ( $\chi^2/df$ ), RMSEA, and CFI is in the acceptable limit, the other indices have shown a poor model fit. The value of the GFI is 0.882 which is less than the acceptable limit. It is desirable to have the value of relative chi-square less than 3 and RMSEA less than 0.08. The value of GFI and CFI close to 1 is considered at the best-fitting model. Though the value greater than or equal to 0.90 is considered acceptable. It is depicted in table 5.3.

The indices shown in the proposed model are not at the recommended level. The GFI shown in table 5.4 is less than the threshold limit of greater than or equal to 0.90. Modification indices (MI) facilitate the researcher to generate the expected model fit by reducing the value of chi-square by showing each possible path that can be added to the model. The proposed model in the study shows that either the model is not properly specified or produced biased parameter estimates. Rather the rejecting the model, the researcher has re-specified the model with the help of MI for better fitting of the model from the estimation obtained from the proposed model. The AMOS software MI suggested the addition or elimination of relationships among the latent constructs.

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## CHAPTER VI

### ANALYSING STRENGTHS AND WEAKNESSES OF HOMESTAYS IN DARJEELING

#### 6.1 Introduction

SWOT (Strengths, Weakness, Opportunities, and Threats) is used as a decision-making tool to address the complex strategic situation with the limited information (Learned et al., (1969). It is preferred widely because of its simplicity of usage about the positive and negative aspects of the enterprise with its limited qualitative information. Every organization has to deal with plenty of unforeseen situations that may be due to changes in the external environmental factors or internal limitations. In order to sustain in the competitive world, the organization needs to cope up with the changes with the external factors and intensifying the remedy to control the internal challenges. Therefore, the SWOT analysis aims to identify those factors meticulously and deal with them in an appropriate way. Panagiotou (2003) believes the SWOT analysis is the most prevalent tool than any other strategic tool. The study is based on the identification of the organization's internal strengths and weaknesses along with the external opportunities and threats in the SWOT framework. It is enormously important for every organization to identify the internal positive and negative factors such as strengths and weaknesses. On the other hand, the identification of external negative and positive factors such as opportunities and threats is also vital for every organization. Therefore, the SWOT analysis aims to investigate the organization's internal as well as external environment to identify the internal strengths in order to take advantage of its external opportunities and avoid external threats, addressing its weakness at the same time. Glaister and Falshaw (1999) believe that SWOT analysis is one of the most acceptable and prevalent tools for strategic planning. It is a qualitative field-based technique derived from observations and used to interpret verbal data to find problems and suggest solutions for both external and internal issues of the undertakings (Houben et al., 1999; Yilmaz et al., 1999; Nikolaou et al., 2011). The company should focus on its future objectives considering its strengths along with averting the related weaknesses. Therefore, responding to

the internal strengths and weaknesses is the essential component of the strategic management process (Hisrich and Peters 1989). Even though, the success of a business entity is only ensured if it knows regarding the opportunities and threats from the external environment. In a nutshell, the investigation of the internal environment is the indication pertaining to strengths and weaknesses whereas the investigation of the external environment is the overview pertaining to the opportunities and threats of the enterprise.

The competitive position of the firm is a crucial factor for the indication of stockholders' wealth preservation. To evaluate the competitive position, the SWOT analysis is a key part to review the competitors (Beneda, 2008). Along with other managerial frameworks, the SWOT analysis is used to understand the mission and strategies mostly in public service non-profit-seeking companies (Villinger, 2009). Smith (1999) has conducted a study using SWOT analysis gathering the data through a face-to-face interview with the owner-manager of 150 small firms in Scotland to investigate the strategic behavior of the young micro firms. The owner of the small firm who is aware of the strengths and weaknesses of his firm has the advantage to protect against the competitors as pointed out by Madu and Kuei, (1993). The immature and inexperienced entrepreneur is most likely to overstate the strengths and at the same time underestimate the weaknesses and threats of the firm posed by the external environment for its continued survival (Smith, 1999). At the end of the day, the entrepreneur must learn to reinforce its strengths and work on its weakness for the survival of the business in the competitive environment. In addition to that, the entrepreneur must exert its potential opportunities to combat the threats posed to the firm. It enables the firm to grow and achieve its objectives despite having plenty of impediments placed ahead in the enterprise. The variables related to the internal environment are those in which the enterprise has control over it, such as, business structure, company culture, and the resources of the company. Economic, socio-cultural, technological, and judicial influences the factors in which the firms do not have control over it. These changes are examples of the external environment. The firm should formulate a long-term strategy to effectively respond to the external opportunities and threats keeping in view the

internal strengths and weaknesses of the company. The competitive position of any enterprise needs to be ascertained in order to grow in the long term. The capability of dealing and coping up with the changes in the external environment effectively will ensure the long-term sustainability of the business.

## **6.2 Uses of SWOT analysis as strategic tools**

The swot analysis is highly recommended because of its simplicity and gives attention to the key areas which affect business development and growth. It has the high potential to explore significantly the factors which influence a firm's strategy and success (Pickton and Wright, 1998). SWOT-analysis helps to detect the main problems faced by the organization and gives information about the need to improve and revise the strategy to deal with them. SWOT-analysis helps to divulge the strategic organizational situation and identify the relevant information through which the decisions can be made not only at a personal level but organizational level as well (Balamuralikrishna and Dugger, 1995). This tool helps to investigate the organization's current performance (strengths and weaknesses) and the organizational future prospects (opportunities and threats) taking into the factors that exist in the external environment. David, (1997) has opined that SWOT is a powerful and highly successful technique that can be applied to individuals, groups, teams, organizations, or even formulating plans.

## **6.3 SWOT analysis of homestay tourism**

The applicability of SWOT analysis in homestay tourism has profound importance in strategic decisions to be taken by the stakeholders involved in it. The important factors (both internal and external) need to be taken care of by each individual and group associated in it. The data and information especially qualitative in nature are collected of the certain destination is useful in determining the current strengths and weaknesses without neglecting the future prospects of opportunities and threats for the strategic decisions of the enterprise. The SWOT aims to investigate the strengths of the enterprise to the extent to overcome the weaknesses of the

enterprise. The establishment of homestay tourism is especially concentrated in the rural areas whereby the tourists' are able to enjoy the opportunity in the local environment. Different factors are to be taken into account while framing the theoretical premise to conduct the SWOT analysis for homestay tourism. The advantages and impediments as perceived by the homestay operators operating homestay units in Darjeeling hills have been highlighted to ascertain its sustainability and viability. The factors taken into account to address the implication of the study in SWOT analysis have been extracted from the past studies conducted by the previous researchers. Based on an empirical study conducted by Ahmadi et al., (2018) has taken unique geographical landscape, diversities of flora, and suitable climatic conditions as the strength in that region. In addition to that, lack of planning, lack of leisure and residential centers, lack of facilities are considered to be the weaknesses. The environmental pollution by transported desert dust, destruction of existing flora are the threats identified by the researcher in the study. In SWOT analysis, all internal aspects covering the strengths as well as external constraints are taken into consideration. Even in the tiny homestay venture, the operators need to understand in their own way the strengths and weaknesses to make the ideal strategic decisions in order to make the venture sustainable. In eco-tourism development projects, researchers try to identify the various Strength, Weaknesses, Opportunities, and Threats in the area (Bhattacharya and Kumari, 2004). In one of the studies conducted by Neba (2009) has been found that the indigenous people feel conservation of the environment and keeping cultural value intact along with eco-tourism development without harming nature are regarded as strength for that destination. Most often, the natural resources of the destination are considered as one of the major strengths of the place. Bhatia (2013) found out the strengths consist of price, facilities, attraction and natural resources, and safety. Besides that, the security issues, internet accessibility, infrastructure, cleanliness, local people's behavior are the critical factors to be considered as a weakness as found out in the study. The long-term sustainability of homestay tourism is ensured only when the internal strengths and external opportunities are dealt with strategically to drive away internal weaknesses and external threats. Sayyed et al., (2013) has

substantiated that sustainability on the basis of SWOT (Strengths, Weakness, Opportunities, and Threats) in Tandooreh National Park (NE Iran) and has found that natural attractions, unique cultures, and ancient culture of local people are the strengths of the destination. However, lack of infrastructure and fundamental facilities are considered as the major weakness of the place. In a similar study, Ghaderi and Henderson (2012) inspect the feasibility of village tourism along with its positive and negative impact on Hawraman Village, Iran. The researchers have evaluated the socio-economic and financial feasibility of the village. Despite having sufficient infrastructure and tourism facilities, more efforts need to be put in for the up-gradation of the destination as reported by the researchers. The result of a study conducted in Hyderabad village, Ilam province validates that the natural attraction, infrastructural facilities, and culture being the most important instrument of rural tourism development in the destination (Arayesh and Sabouri, 2014). The report of another study confirms the significance of cultural rural tourism of the French Acadian region on an island in eastern Canada and its potential for the short as well as long term economic benefits to the rural communities (MacDonald and Jolliffe, 2003). Rural homestay tourism provides education, entertainment, and enrichment about the indigenous culture to the guests as pointed out by the researchers. In the vicinity of rural homestay tourism destinations, the creation of employment opportunities is found to be more and play a significant role in controlling the migration of the youths from their native places. Apart from that, the local people get themselves encouraged in protecting their indigenous culture to enlighten the tourists' visiting the destination. Therefore, it can be presumed that having a distinct culture is one of the important strengths in any tourism destination. Substantiating this fact, Kayat (2009) studies the cultural contribution of community-based homestays from the perspective of both the visitors and the guests in Malaysia. The living culture of the community is the core product component consisting of education, entertainment, and enrichment to the guests. This encourages the community to preserve local culture and provide knowledge of local customs and culture to enhance the tourist's experience. Moreover, homestay tourism develops the ultimate bonding between the guests and the host for years and

keeps in touch through emails, phone calls, and letters as per the finding of the study. In this regard, the recommendations to the friends and families enormously contribute to the promotion of rural homestays. Jamaludin et al., (2012) have intended to explore the feasibility and viability to be a successful homestay initiative. The researchers have recommended overcoming the barriers in the areas such as language barrier, accommodation facilities to the guests, electricity, and bathrooms for providing hospitality services to the national and international tourists. Apart from domestic tourists, it is an immense pleasure for the host to entertain foreign tourists in any tourism destinations. The communication gap between the host and the guests on account of the language barrier needs to be resolved through proper training programs in rural tourism including homestay tourism. The hosts' insight into the foreign language (especially English) may be the strength and ignorance may be a weakness for the sustainability of homestay tourism products. The effective management of the homestay project craft the tourism industry more economically viable. The effective managerial strategy of the homestay operators ensures a more competitive advantage over its competitors and can be the internal strength for long-term sustainability. In this context, Yusof et al., (2013) explore the current scenario of rural tourism development in Malaysia, particularly, the homestay programme, and analyze the challenges and issues pertaining to homestay management. The product of rural tourism especially the homestay program provides employment opportunities, inflates the standard of living of the local community, and creates awareness about the importance of environmental preservation. Kwaramba et al., (2012), have emphasized the homestay programme as a tool for poverty reduction by the South African government and have incorporated homestay tourism in the list of local economic development programmes (LED). Lack of self-management and skill are the factors that hamper the growth and upsurge of homestay tourism in the region and the authors consider it as a weakness as highlighted in the study. Rural homestay tourism more often faces financial challenges due to spending huge money on the promotion of the product. Vinh (2013) has suggested in his study to the tourism planners and marketers to get an in-depth understanding which may provide a foundation for the strategic marketing decisions in

homestay tourism services. Moreover, the marketing challenge is often apparent in the small form of business units like homestay tourism and is considered as the major weakness. Anand et al., (2012) undertake a case study in Ladakh from North India and the study aims to reveal the impact of tourism to uplift the local people both socially and economically. The Korzok homestay has shown success in addressing needs through bio-diversity conservation in the area bringing environmental, economic, and livelihood opportunities to the local people. Bruinink et al., (1997) have observed the impact on the foreign tourists staying in homestays by measuring psychosocial effects. Four types of psychosocial experience during their stay in different locations are a feeling of helplessness, a feeling of being unsafe, vulnerability and loss of control, and damage to his or her own trust in others. In this context, the issue of safety and security must gain attention while addressing the holistic aspect of the destination. Neumayer (2014) also highlights the different factors that inculcate the fear psychosis to the visitors visiting the destination such as political violence including terrorism incidents, human rights violation,s and bank's violent behaviors. These have has a negative impact on tourism as tourists are often sensitive to events of political instability in their holiday destination because such an event jeopardizes a relaxed and unconcerned holiday. Razalli (2008) describes all these internal challenges normally faced by the homestay operators. The inefficient homestay management contributes to the poor performance in terms of low levels of service quality and a moderate level of occupancy rates.

#### **6.4 Methods**

The research SWOT is based on both qualitative and quantitative in nature. For this study, data have been collected from homestay operators who are engaged in operating the homestay operators on the basis of their perception pertaining to Strengths, Weaknesses, Opportunities, and Threats. To address the research question relating to the viability of the homestays operating in the Darjeeling hills, SWOT analysis is used in this study. The data are collected from homestay operators in the destination which are the survey sites of the researcher. Apart

## ANALYSING STRENGTHS AND WEAKNESSES OF HOMESTAYS IN DARJEELING

from the questionnaire, the data are also obtained through direct observation and interviews with the homestay operators as well as the visitors. In this study, the analytical method and past literature are considered to determine the strategic internal and external factors which have a direct impact on the sustainability of homestay tourism in various destinations. The items in the internal factors (strengths and weaknesses) and external factors (opportunities and threats) are taken from the past literature as well as the factors that are relevant in underlying the study associated with homestay tourism destinations in Darjeeling. The internal factors consist of strengths and weaknesses whereas the external factors consist of opportunities and threats. Altogether responses of 97 (ninety-seven) homestay operators are included in the study. The weights and ratings are assigned on the basis of responses provided by the homestay operators. In other words, the weights and rating in each and every factor taken in the study are based on the proportion of mean with respect to that factor to the total mean score. The analysis of internal factors and external factors are done separately to have a vivid understanding of the study as well as to draw a meaningful conclusion. In order to substantiate the finding of the study, theoretical justifications are also been provided in the study on the basis of experience gained during the field survey. The data collected from the homestays in the study area is been depicted in table 6.1.

**Table 6.1**  
**Locations of homestays covered**

<b>Number of Homestays</b>	<b>Commencement year</b>	<b>Location</b>	<b>Number of rooms</b>	<b>The capacity of tourists accommodation</b>	<b>Other activities for the tourists</b>
8	2013-2017	Ragaroong	26	128	Bird Watching, Rock Climbing, Jungle Safari, Local Sight Seeing, Night Camping
10	2008-2010	Dabai Pani, Bhutia Busty	32	192	Village and forest trekking, Bird watching, Medicinal plant survey
9	2009-2010	Chatakpur	27	126	Sightseeing, forest trekking, Nature study, cultural events.

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6	2005-2017	Lebong and mineral spring village	20	120	Organic farming activities, village trekking, Tea plucking, freshwater swimming, fishing.
9	2000-2005	Tinchuley	40	160	Trekking, bird watching, fishing in freshwater, organic farming, rafting, bonfire, cultural programme.
8	2014-2017	Latpanchar	38	170	Hornbill watching, sightseeing,
8	2013-2017	Sittong	33	160	Viewpoint, camping, cultural events, bonfire, fishing. Trekking.
8	2005-2015	Mangmaya village	15	52	Fishing, trekking, picnic, swimming in fresh water, organic farming.
6	2014-2015	Bunkulung Tea Estate	32	113	Camping, rock climbing, nature study, hornbill watching, freshwater swimming.
3	2014-2017	Yankoo Village	12	40	Fishing, trekking, cultural events, picnic, swimming in fresh water, organic farming.
5	2009-2015	Mirik and Upper swarani	28	165	Sandakpoo Trekking, Bunkulung trekking, Hiking
6	2016-2017	6 <sup>th</sup> Mile Naya Busty	22	90	Hiking, forest trekking, bird watching, cultural programmes.
5	2016-2017	Mangerjung Tea Estate	20	80	Village and tea garden trekking
7	2015-2017	Lepchajagat, Sukhia	35	140	Bonfire, trekking, bird watching, sightseeing, cultural events.

### 6.5 Results and discussions

Firstly, the important external and internal factors are identified based on the experience of the researcher relating to the homestay operating in Darjeeling hills. The relevant factors taken into account for the strategic decision of the smooth running of the venture are segregated into

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strengths, weaknesses, opportunities, and threats. The Internal Factor Evaluation (IFE) matrix and External Factor Evaluation (EFE) matrix are developed to investigate the internal and external factors in the next step. The total weighted score obtained is used to analyze each factor with regard to strengths, weaknesses, opportunities, and threats in order to construct a SWOT matrix. The SWOT matrix is shown in table 6.2

**Table 6.2**  
**Weighted score of Internal Factors (IF)**

	<b>Internal Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted score</b>
<b>Strengths</b>	Unique Culture	0.0838	3.51	0.2946
	Natural Beauty	0.0839	3.52	0.2947
	Suitable climatic condition	0.0796	3.34	0.2659
	Unique flora and fauna	0.0690	2.89	0.2000
	Various adventurous packages	0.0717	3.01	0.2160
	Organic farming	0.0769	3.23	0.2482
	Surrounded by tea garden	0.0533	2.24	0.1193
	Nearby wildlife sanctuary	0.0755	3.15	0.2372
<b>Weaknesses</b>	Not easily approachable	0.0774	3.24	0.2513
	Financial challenges	0.0744	1.12	0.2326
	Marketing problem	0.0860	3.60	0.3103
	Discriminatory rate of tariff	0.0597	2.50	0.1496
	Language barrier	0.0442	1.85	0.0820
	Minimum support of government	0.0646	2.71	0.1752
<b>Total</b>		<b>1</b>		<b>3.0769</b>

To assign weights to strengths, weaknesses, opportunities, and threats factors, the values are assigned between 0 (least important) and 1 (very important). The assigned weights represent the significance and relative weights of each factor relevant for the study. The total weights given for each IFE matrix and EFE matrix must be equal to 1. The weight “0.00” means “not important”, “0.00 to 0.05” means “quite important”, “0.06 to 0.10” considered as “important” and “0.11 to 0.15” value may be viewed as “extremely important”.

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The rating of each factor is based on the responses given by the respondents (homestay operators) taking the average of all the responses together. The rating of “1” designated as “not influential”, “more than 1 to 2” means quite influential, “more than 2 to 3” is inferred to as “influential” and “more than 3 to 4” termed as “very influential”.

**Table 6.3**  
**Weighted score of External Factors (EF)**

	<b>External factors</b>	<b>Weights</b>	<b>Rating</b>	<b>Weighted score</b>
<b>Opportunities</b>	Opportunity to promote a culture	0.1135	3.86	0.4370
	Employment opportunities	0.1073	3.66	0.3929
	Opportunities to promote unexplored areas	0.0994	3.39	0.3371
	Minimum capital requirement	0.0914	3.11	0.2837
	A long personal relationship with guests	0.0950	3.24	0.3079
<b>Threats</b>	Competition from hotels and resorts	0.0865	2.95	0.2552
	Control of tour operators	0.1088	3.71	0.4037
	Political instability	0.0894	3.05	0.2729
	Purely informal	0.0645	2.2	0.1419
	Leasing to outsiders	0.0633	2.16	0.1368
	Derailing from core concept of homestay tourism	0.0809	2.76	0.2234
<b>Total</b>		<b>1</b>		<b>3.1925</b>

From the IFE matrix, it is shown that the weighted score of the factors including in strengths ranges from 0.1193 to 0.29.47. On the other hand, the factors included in weaknesses range from 0.0820 to 0.3103. Natural beauty has the highest weighted score of 0.2947 among the factors in the strengths followed by unique culture (0.2946), suitable climatic condition (0.2659), organic farming (0.2482), nearby wildlife sanctuary (0.2372), various adventurous packages (0.2160), unique flora and fauna (0.2000), and surrounding tea garden (0.1193). On the contrary, the marketing problem is considered as the highest weaknesses having the

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weighted score of 0.3103 among all the factors followed by road accessibility (0.2513), financial challenges (0.02326), and minimal support of the government (0.1752), arbitrary tariff rates (0.1496), and language barrier (0.0820). In brief, natural beauty is the leading strength, and the marketing problem is the significant weakness of homestay ventures. The unique flora and fauna are found to be the least weighted strength and the language barrier is observed as the least important weakness of homestay tourism.

From the EFE matrix, it is depicted that the weighted score of factors relating to opportunities vary between 0.2837 and 0.4370. On the other hand, the weighted score of the factors relating to threat ranges from 0.1368 to 0.4037. The opportunities to promote culture is found to have the highest strength having a weighted score 0.4370 followed by employment opportunities to the local people (0.3929), opportunities to promote unexplored areas (0.3371), opportunities from long term relationships with guests (0.3079), the minimum capital requirement (0.2837). The tour operators control is observed to be the most probable threats having a weighted score of 0.4037 followed by the political instability of the destination (0.2729), competitions from hotels and resorts (0.2552), diluting the concept of homestay tourism (0.2234), the unorganized form of tourism (0.1419) and leasing to outsiders (0.1368). In brief, opportunities to promote cultural tourism are the most important opportunities to be exploited by the homestay operators, and tour operators' control is the most probable threats to be dealt with by the homestay operators. On the contrary, opportunities to utilize minimum capital to establish a homestay venture is the least important opportunity and leasing to outsiders is the least important threat poised to the homestay venture as perceived by the homestay operators. Overall the IFE matrix and EFE matrix are used to interpret the result of the analysis.

Each relative weighted score is computed in each factor in order to investigate the importance of the individual factors in SWOT analysis. The SWOT analysis of the IFE matrix consisting of internal factors has a total weighted score of 3.0769 as shown in table 6.2. The total weighted score of strengths (S) and weaknesses (W) is found to be 1.8759 and 1.201 respectively.

Therefore, it can be concluded that the weighted score of strengths over weaknesses is 0.6749. On the other hand, EFA consisting of external factors has a total weighted score of 3.1925 as reported in table 6.3. The total weighted score of opportunities and threats is 1.7586 and 1.4339 respectively. Therefore, the total score of opportunities over threats is found to be 0.3247.

### **6.6 SWOT analysis: A discussion**

The Darjeeling is a place bestowed with natural beauty with the suitable climatic conditions. The distinct culture of the folks attracts the tourists in the place. Though, the preference of modern tourists' has changed drastically from resorts and big five-star hotels to environmentally responsible homestay tourism located in pristine and aesthetic settings. Moreover, the domestic tourist prefers to visit in Darjeeling to spend their leisure time in the natural air conditioning climatic condition to avoid the scorching heat of their native places in the plains. The operators perceive that the three factors (natural beauty, unique culture, and suitable climatic conditions) are their main strengths of tourists' arrival in the destinations. As the homestay operators do not only provide food and accommodation but also provide other adventurous activities to the tourists as per the suitability of the destination as shown in table 6.2. The convenience of the location to provide different other additional activities to the tourists is also considered as one of the significant strengths for homestay tourism as perceived by the homestay operators. The researchers especially from biological science prefer to visit the rural areas of Darjeeling to explore themselves with the unique flora and fauna of the hills. For example, the main purpose of researchers visiting Latpancher is that the place is considered to be the breeding ground of endangers species like Salamander and Great Hornbill. Therefore, the availability of unique species is also one of the strengths perceived by the homestay operators. Some tourists usually stay in a homestay for exploring endangered and unique species of flora and fauna. The homestays in Darjeeling hills are mostly concentrated in the non-tea garden areas where they have their ownership rights over their land rather than tea garden areas. Thus, organic farming is mostly centered in non-tea garden areas and homestay operators are able to provide organic

food grown by themselves from their own agricultural lands. It emboldens the prospective tourists' as well as the repeated visitors to visit the destination. The visitors even get interested to explore in the forest to have a glimpse of unique flora and fauna. The wildlife sanctuaries surrounding the destination give even more joy and pleasure to the tourists.

The weaknesses that have been encountered by the homestay operators can never be overlooked for formulating the strategic plan. Despite having strong strengths factors, the homestays operating in Darjeeling hills have to deal with assorted weaknesses as well as shown in table 6.2. In this study, the major weaknesses are highlighted as perceived by the homestay operators for the smooth running of the venture. The marketing problem is the most critical problem faced by the homestay operators. As most homestay owners are concentrated in rural areas and run as a sole proprietorship model, the promotion of the venture incurs high costs and posing financial challenges. Some of the operators are ignorant of the advantages of promoting their products. Therefore, the financial challenges are also one of the weaknesses they are to face in running their units. Resorting to tour operators for the promotion has become their compulsion. As the ventures are running as an informal sector, the rate of tariff varies from one destination to another. There is no other regulatory body to exercise control over the units and the minimal support of the government has always been the major weaknesses as perceived by the operators. Though, the language barrier has the lowest weighted score as shown in table 6.2, and it can be inferred that the language barrier is not a major issue for the homestay operators. Most often, gestures and body language can also be used to interact with the guests as a medium of communication. In many cases, they take the help of tourists' guides for overcoming the language barrier.

The very idea of homestay tourism is to promote the culture of local folks to the guests. The contemporary tourists mostly foreigners prefer to stay in the idyllic settings of homestay to get insights into the culture, customs, and traditions of the local people. Therefore, homestay tourism is the medium of promoting cultural tourism to visitors. Apart from that, homestay

tourism has to some extent curbed the migration of village youths to the popular city in an expectation to make their fortune as perceived by the operators in Darjeeling hills. The renovation of the existing house is sufficient to start up the homestay tourism venture and requires a minimum amount of capital. This is one of the motivating factors to venture into this kind of tourism in the rural areas of Darjeeling. Unlike hotels, the long-term personal relationship with the guest during the stay as well as after their stay has become very prominent in homestay tourism. Most often, positive word of mouth to friends and families has a significant role in attracting prospective visitors to the destination.

In spite of having plenty of opportunities mentioned in the above paragraph, the threats associated with homestay tourism cannot be overlooked. The rampant growth of homestays has allured the high net worth individuals to sneak into the rural areas establishing big hotels and resorts. This has led to the completion among the homestays in Darjeeling hills as experienced by the homestay operators. Exorbitant charges of commission by tour operators for promoting the homestays are the crucial problem faced by the homestay operators. The homestay operators are compelled to link to tour operators in order to promote their products. Darjeeling is a politically very unstable place, the agitation coupled with strikes have hampered the homestay units to a considerable extent in the past as well as may be in the future too. The state government is poised to provide the guidelines to regulate homestay tourism in the state, however, it is not fully implemented and homestay tourism is running purely on an informal basis. The core concept of homestay tourism is being violated in a certain way. Building new residences with more accommodation capacity has become the prevalent practice. Rather than keeping tourists' with family members, the homestay operators are accommodating them to their new residence with individual rooms. This is one of the threats prevalent in homestay tourism in Darjeeling hills.

### 6.7 TOWS analysis

TOWS analysis is the tool to take strategic decisions for any business for the future course of action. This analysis is useful in any kind of organization for their strategic future decision-making. Therefore, the tourism sector is not an exception. Once the internal and external factors are determined using SWOT analysis, the next step is to take the strategic decisions to overcome the negative factors by taking advantage of positive factors. The usage of SWOT analysis is mainly due to its simplicity and it is subjective in nature, for these reasons, the TOWS analysis is introduced. The SWOT analysis is quite useful if it is backed by the TOWS analysis for any study. After the segregation of SWOT elements, the TOWS matrix is developed to provide alternative strategies to investigate the relationship among threats, opportunities, weaknesses, and strengths indicated by SWOT analysis (Wehrich, 1982). The weakness and threats are the internal and external factors respectively which are to be eliminated and avoided taking advantage of positive factors i.e. strengths and opportunities. In brief, the TOWS analysis aims to investigate the way out of avoiding negative factors that adversely hampered the organization by utilizing its positive factors. This analysis examines initially the threats and opportunities followed by weaknesses and strengths. Wehrich, (1982) advocated the four types of strategies:

- i) WT strategies: This strategy is employed in a principle to reduce the weaknesses and avoid threats to the maximum possible extent by the organization. It is also called the Min-Min strategy because the organization can to the best possible extent reduce weaknesses and avoids threats.
- ii) WO strategies: The principles of this strategy are to reduce weakness by taking advantage of all the possible opportunities for the organization. It is also called the Min-Max strategy because eliminating weaknesses are the main aim of the strategy by using opportunities.

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iii) ST strategies: The principle employed in this strategy is also called Max-Min strategy because it aims to avoid threats/risks to the maximum possible extent taking advantage of the usable strengths of the organization.

iv) SO strategies: The principle of this strategy is to utilize the usable strengths of the organization taking advantage of all the opportunities. It is also called the Max-Max strategy because this strategy aims to build both strengths and opportunities to the maximum possible extent.

**Table 6.4**  
**Determining strategic decisions on TOWS matrix**

<b>TOWS MATRIX</b>	<b>STRENGTHS</b>	<b>WEAKNESS</b>
<b>OPPORTUNITIES</b>	SO-Use the strengths to take advantage of opportunities	WO-Avoid weakness by taking advantage of opportunities
<b>THREATS</b>	ST- Use strengths to reduce the threats	WT-Minimise weakness and avoid threats

### 6.7.1 Discussion on TOWS analysis

Apart from SWOT analysis, the TOWS analysis is also conducted employing the data used in the SWOT analysis. The TOWS matrix is identified as a reference used by the different researchers in their previous studies. The usage of TOWS analysis is very relevant as the homestay units operating in the Darjeeling hills are concerned. The internal and external factors have already been determined in the SWOT analysis. Taking these factors in the cluster of threats, opportunities, weaknesses, and strengths (TOWS), further qualitative rather than quantitative analysis is done. The analysis is based on the four principles as shown in the TOWS matrix. These are SO (Strengths and Weaknesses), WO (Weaknesses and Opportunities), ST (Strengths and Threats), and WT (Weaknesses and threats). Each strategy is discussed separately below.

### **6.7.1.1 Aggressive strategy (SO)**

The competitive strategy aims to investigate the relationship between the strengths and opportunities in homestay tourism in Darjeeling hills. This is also termed as a Max-Max strategy in the strategic planning process. The opportunities are to be utilized in such a way so the strengths become stronger to have an ideal futuristic strategic plan in the organization.

- i) As we have seen in the SWOT table 6.2, the unique cultural identity is the main strength of homestay tourism in Darjeeling. The reason behind it is that the tourists' attraction is the function of unique cultural traditions and customs in the offbeat areas. Preserving and promoting cultural identity is an advantageous opportunity for homestay tourism in Darjeeling hills.
- ii) The visitors prefer to explore in the untouched place and enshrine the natural beauty, wildlife sanctuaries, and local flora & fauna of the places in the idyllic setting. This is the opportunity for the homestay operators to take advantage of the strengths of the rural places. The deep-rooted inculcation of protecting the natural beauty, sanctuaries, flora & fauna of the places need to be ensured without environmental degradation due to footfall of tourists.
- iii) Local folks can be given opportunities to carry out guidance in adventurous activities creating a sense of belongingness to the place and also create employment opportunities. The concept of community-based homestay tourism can be promoted to integrate the local people and motivate them to set up a homestay units taking advantage of minimum capital requirement in its establishment.

### **6.7.1.2 Conservative strategy (ST)**

The principle of this strategy is called the Max-Min strategy whereby the threats are to be eliminated taking advantage of the strengths of the enterprise. This strategy elucidates the relationship between the strengths and threats of the enterprise. Based on the SWOT factors of homestay tourism in Darjeeling hills, the following strategic decisions are recommended:

i) The core concept of homestay tourism must not be overlooked as a form of cultural and rural tourism. Homestay tourism can be promoted as cultural and environmentally responsible tourism rather than promoting only for commercial purposes. Increasing the accommodation capacity simply to accommodate a large number of tourists at one point in time to increase profit implicitly and gradually veer off from the core idea of homestay tourism. The local government can take responsibility for a periodical inspection of homestay units in Darjeeling hills to regulate as per prescribed guidelines. In brief, the concept of crystal segregation of homestay and hotels (where a similar kind of hospitality is provided) needs to be done in order to sustain the homestay units operating in Darjeeling in the long run.

ii) Ensuring the satisfaction level of tourists to the fullest possible extent by rendering excellent services to attract more visitors in the future through the medium of positive word of mouth. The bonding of cordial relationship between the hosts and the guests is to be established for the long-term potential of homestays to reach the prospective guests through the medium of recommendation. Because of this, the scope of promotion through external tour operators who charge a hefty commission for sending tourists to the destination can be restricted to a great extent.

#### **6.7.1.3 Competitive strategy (WO)**

The principles of strategy are called min-max because the opportunities should be utilized in such a way so that the weaknesses are reduced to the maximum possible extent. The strategic decision to be exercised in order to eliminate weaknesses by taking advantage of opportunities in homestay units operating in Darjeeling hills are described below.

i) The basic infrastructure of the destination needs to be upgraded by the government in terms of the condition of the road and connectivity to make tourists comfortable to reach the destination. The homestays operating in Darjeeling hills are concentrated in rural areas. The accessible facilities are not up to the mark as preferred by the guests.

- ii) The problem of marketing can be addressed through the channels of having long-term personal relationships with the repeated visitors in the same destination. The footfall of tourists can also be augmented through the medium of positive word of mouth to friends, family, and relatives. It serves the purpose of curtailing the bulk amount spends on the promotion of the homestay tourism product.
- iii) The handling of tourists especially from abroad is one of the challenges that are faced by some of the entrepreneurs in terms of language barriers. Motivation to the hosts in learning language preferably, English is quite recommendable to resolve the language barrier.
- iv) Most of the homestay units operating in Darjeeling hills are run as an auxiliary profession in addition to their farming activities which operators believe is the main source of their livelihood. Homestays concentrated in the rural areas most often face financial challenges due to paucity of working capital. Therefore, to address and resolve this issue, community-based tourism is most preferable whereby every individual in the community who are linked directly and indirectly to homestay tourism come under the same umbrella to get rid of financial challenges to some extent.

#### **6.7.1.4 Defensive strategy (WT)**

The strategy employs the principle of Min-Min strategic decisions. The aim of this strategy is to focus on reducing the weakness in order to avoid threats in the organization. Threats are non-controllable factors that hamper the organization negatively. So in order to defend against the threats, the weakness of the organization is to be minimized. The different strategies to be employed especially relating to homestay tourism in Darjeeling hills are listed below.

- i) The infrastructure of the homestay, units need to be strengthened in view to ensuring a level of satisfaction to the guests in order compete with hotels and resorts in adjoining areas.

- ii) Reliability to the outsiders especially tour operators in promoting homestay units to be curtailed to the maximum possible extent to make the venture more viable and sustainable in the near future.
- iii) Strengthen the relationship of homestay operators with one another to have synergy in running the units so that external threats may have little impact on their operation.
- iv) The guidelines are to be prescribed by the regulatory authority so those hotel owners converting them into homestay arbitrarily may not have any scope of taking advantage in the name of the homestay.

### **6.8 Conclusion**

In this chapter, an analysis has been made taking into consideration the relevant factors that determine the strengths and weaknesses of homestays operating in the hills of Darjeeling. It is evident from the above discussion that the natural beauty of the destination, the culture of diversity, pleasant climatic condition, organic agricultural produce, and accessible wildlife sanctuary, the scope for adventure tourism and, exquisite flora and fauna are the main attractions to the people visiting Darjeeling hills and these may be considered as the strengths of the destination. So far as the weaknesses of the destination are concerned, it is observed that the marketing problem is the main obstacle faced by the homestay operators since they do not have sufficient funds to promote their homestays through advertisements and other promotional avenues. In addition to that, the homestays are located in serene places where it is difficult for tourists' to access those homestays due to poor road conditions. It is evident from the survey that the homestays do not have adequate financial support from the financial institutions for which they depend on the revenues generated from operating the homestays. It has also been observed that language is the major problem that creates miscommunications between the hosts and the guests.

It is clear from the study that the guests are very much interested to know the culture and traditions of the people surrounding the homestays. Further, there are enormous opportunities to

provide employment to a large section of people living beside the homestays. In many cases, it has been observed that the tourists' have no vivid idea regarding the attractive spots in the vicinity of the homestays operating in a particular region. There is no doubt to infer that the main factor behind making a homestay popular depends on the positive word of mouth that further determines the long-term sustainability of the homestays. This can be achieved with a minimum fixed capital as well as minimum working capital to provide better services to the guests. It is also clear from the study that the tour operators having better contacts try to dominate the homestay operators for sending tourists to various destinations. The major threat which is faced by the tour operators in Darjeeling is the political uncertainty and rivalry among different political groups. In most cases, the homestays are organized and run by a single family which has no option but to depend on the local tour operators. As a sequel to this, the homestay operator leases their property to the tour operators at the cost of lower revenues that accrue from running the homestays.

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## SUMMARY FINDING CONCLUSION AND MANAGERIAL IMPLICATION

## CHAPTER VII

## SUMMARY FINDING CONCLUSION AND MANAGERIAL IMPLICATION

**7.1 Introduction**

Darjeeling is known as the queen of hills because of its strategic location and natural beauty. Darjeeling is located at an altitude of approximately 6,700 feet in the lap of great Himalayan peaks. This destination has been a well-known tourist and has attracted numerous visitors over the generations. Darjeeling is famous for its exquisite varieties of rhododendrons, the snow-white magnolias, very rare species of orchids The legendary toy train as well as lush green tea gardens spreading all over Darjeeling are the major attractions to the tourists.

**Plate: 7.1**

Kanchenjunga Towering Over Darjeeling



Source: [www.darjeeling-tourism.com](http://www.darjeeling-tourism.com)

## SUMMARY FINDING CONCLUSION AND MANAGERIAL IMPLICATION

The West Bengal Interim Report identified Darjeeling district as “the most highly frequented tourist destination in all of West Bengal”, with over 5, 00,000 domestic and Around 50,000 premium class foreign tourists, near 10% of total arrival, contribute lion's share to the rupee volume of tourism business in Darjeeling. The major flow of tourists begins in October and ends before Christmas (economic times report, June 2010). The phenomenal growth of the tourism industry has its an impact on the demand-supply gap for hotel rooms during the peak season and as a result of this, stakeholders have started to think of alternative forms of tourism. Rural tourism in the form of homestays and in some cases the tea tourism is getting popular in this region (Das & Roy, 2016). The concept of homestay in the pristine rural area is becoming a major attraction to the tourists who are mostly nature lovers and prefer to stay in rural areas.

The main objective of the tourism policy of the government of India is to promote tourism as an important driver of economic growth to alleviate poverty and generate alternative livelihood for the people living in the rural areas by alternative tourism initiatives. This modest study is to relate different perceptual constructs for drawing meaningful conclusions.

### **7.2 Research Design and Framework**

The study has adopted a causal research design procedure and the study is based on a cross-sectional study for testing a conceptual model considering the prior studies in the field of tourist satisfaction and behavioral intentions. The hypotheses have been formed keeping in view the systematic procedure followed in SEM. The causal relationship among the constructs is also established based on the model. The structured and open-ended questionnaire is developed to collect the data from the field survey. The study is conducted from 2017 to 2019 covering both peak and slack season.

The questionnaires are designed considering similar studies in this area and pre-tested using a small sample of twenty tourists and five homestay operators to purify the items that are not very specific

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and not clear to the respondents. The questionnaire items are designed to measure the service quality, accessibility, destination image, safety & security, and satisfaction of the visitors. SEM technique is applied to establish the causal relationship among the constructs mentioned above. Another questionnaire is framed to study the viability of homestays run by the new generation entrepreneurs.

The homestays are dispersed all over the hill and there is no sampling frame available to the researcher as such, the snowball technique has been resorted to select the homestay operators. After getting the support of homestay operators, the data have been gathered from the respondents using a systematic random sampling technique. The data have been collected after a lot of persuasions and visiting the homestays on several locations to have an adequate sample size for applying the SEM procedure.

The socio-demographic characteristics of tourists' visiting homestays in Darjeeling hills have been collected to have an understanding of the typology of tourists who prefer to stay in homestays. From the survey result, it is evident that the majority of tourists come from different places of the country and around twelve percent of the tourists are foreign nationals. So far as the male and female visitors are considered around fifty-five percent are males and the rest are females. The maximum number of tourists is in the age group of thirty-six to fifty years. The majority of the tourists are service holders followed by self-employed persons. The tourists usually contact tour operators for their stay in homestays and a large section of tourists book their accommodation through destination marketing organizations. A substantial percentage of tourists visit homestays following the recommendations of friends and relatives. It is also observed that the majority of the tourists stay in a particular homestay for less than two days and around thirty percent of the tourists prefer to stay for three to four days.

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### **7.3 EFA and CFA Findings**

It is to be reiterated that EFA has been applied to understand the latent dimensions in the data set for the constructs that have been considered in the study. An orthogonal rotation (varimax) has identified six latent factors with eigenvalues more than one. The results indicate that KMO value is higher than 0.6 which can be considered the adequacy of the sample size is sufficient for drawing inferences. In the subsequent analysis, CFA has been applied to a data set to establish the factor structure. From the CFA results, it is observed that six major dimensions appear distinct, and no miss-loading and split loadings have been noticed. As discussed in detail earlier that all the factor loadings are found to be more than 0.5 which can be considered quite acceptable.

### **7.4 Testing of Normality, Reliability, and Validity**

The skewness and kurtosis of all the variables are also reported to test the departure from normality. It is found in the study that the skewness of most of the variables in the data is under the threshold limit of 3 and kurtosis of less than the cut-off limit of 8. Therefore, the data in the study do not violate the assumption of univariate normality. Furthermore, the Mardia's coefficient (multivariate kurtosis) of 4.572 and the critical ratio of 1.125 are also reported and found less than the threshold limit of 5 and 1.96 respectively. Therefore, the multivariate normality is established. So far as reliability of the scales is concerned, Cronbach's alpha is found to be more than 0.7 which may be considered as the threshold value.

To establish content validity, the inter-item correlation must not be too high. The study has observed the highest correlation coefficient of 0.59 which is less than the threshold limit of 0.90. Hence, the content validity is established. In this study, the loadings of the items in their respective constructs are more than 0.5 as a prescribed limit. The Composite reliability of all the constructs

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taken into the study is found to be more than the cut-off limit of 0.70. Therefore, it can be inferred that construct validity is established in the study.

The result of the study shows that all the items in the study are perfectly loaded in the relevant constructs and the t-value associated with each item in the constructs is significant at 0.05 levels. Furthermore, the AVE of all the latent constructs exceeded the minimum cut-off limit of 0.50 which measures the amount of variance for the specific indicators captured by the latent constructs. It implies that the constructs are sufficiently explained by the respective indicators. Above all, the squared multiple correlations of the individual items also exceeded the minimum cut-off limit of 0.3. Therefore, the convergent validity of the scale is established.

It is observed in the study that all the square root of AVE estimates of each construct are greater than the corresponding inter construct correlation estimates. Therefore, the test of discriminant validity is established in the CFA. Furthermore, the Maximum Shared variance (MSV) and Average Shared Variance (ASV) have also been reported to test discriminant validity. It has been found that the AVE of each construct is greater than MSV and ASV and hence, discriminant validity is established.

### **7.5 Model adopted in the study**

The SEM model has been re-specified by taking into consideration the covariance between safety & security and destination image, accessibility and safety & security, and covariance between accessibility and destination image to get a better result of different fit indices. As a result of re-specification, the relative chi-square has become 1.730 compared to the value of 2.055 in the proposed model. Similarly, the GFI value is increased from 0.882 in the proposed model to 0.901 in the re-specified model. As it is mandatory that the GFI value is to be greater than or equal to 0.90. In the same way, the value of CFI has increased from 0.924 in the proposed model to 0.948 in the re-specified model. Again, the value of RMSEA has been reduced to 0.047 in the re-specified

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model from 0.057 in the proposed model. Due to the improvement in the model by incorporating co-variances the model specification is more appropriate so far its validity is concerned.

### **7.6 Major Hypotheses of the study**

The results of SEM using AMOS are used to test the hypothesis. The z statistic associated with the estimated parameter coefficient is used to test the hypotheses. The model has tested whether service quality affects the satisfaction of tourists and it is observed that there is a positive influence of quality of service provided by homestays on tourists' overall satisfaction. It is also further tested the impact of service quality on the behavioral intention of tourists and the results indicate that service quality is a dominant factor influencing the behavioral intention of the tourists to a considerable extent. Again it is evident from the hypothesis testing results that accessibility to the destination directly influences the tourists' satisfaction. In order to assess the relationship between accessibility and tourists' behavioral intention, it is found that these two constructs are positively associated. However, the relationship is not found to be significant. So far as the safety and security of tourists are concerned, it has been observed that there is a strong positive association between satisfaction and perceived safety & security. It is noteworthy to infer that the image of the destination and tourists' satisfaction are significantly associated. It is therefore concluded that the destination image is a good predictor of tourists' overall satisfaction. Also, the image of the destination is supposed to have a strong association with the behavioral intention of the tourists. However, in this study, it is observed that the relationship is positive but not significant. Lastly, it is also observed that behavioral intention and tourists' satisfaction are significantly associated.

### **7.7 The Mediation Effects**

It is observed from the study that both the conditions of mediation effect as formulated by Baron and Kenny (1986) are satisfied since the independent variable service quality is significantly impacted the dependent variable which is behavioral intention. Furthermore, the independent

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variable service quality significantly affects the mediating variable which is overall satisfaction. As such it can be concluded that satisfaction cannot totally explain the cause of the relationship that exists between service quality and behavioral intention. Therefore, it can be safely concluded that satisfaction operates as a partial mediator in a model.

Considering the independent variable safety & security with the dependent variable behavioral intention without a mediating variable overall satisfaction, it has established a significant positive relationship between the constructs. Furthermore, the relationship is still significant after mediating variable which that is overall satisfaction incorporating into the model. It has signified that the overall satisfaction has not fully explained the relationship between safety & security with behavioral intention. Therefore, overall satisfaction plays the role of a partial mediator in the model.

Again, there is a significant association between independent variable destination images with the dependent variable behavioral intention without a mediating variable overall satisfaction in the model. However, the relationship among them is not significant after incorporating mediating variable which is overall satisfaction. As such, it can be inferred that the mediating variable overall satisfaction fully explains the cause of the relationship between destination image and behavioral intention. Therefore, satisfaction acts as a full mediator in the model.

Similarly, there is a significant relationship of independent variable accessibility to dependent variable behavioral intention. Once the mediating variable overall satisfaction is incorporated in the model, the relationship between them becomes insignificant. It can be concluded that the mediating variable overall satisfaction does fully explain the relationship between accessibility and behavioral intention. Hence, overall satisfaction plays the role of a full mediator.

#### **7.8 SWOT and TOWS Findings**

A modest attempt study has been made for measuring the viability of homestays using both SWOT and TOWS analysis which is to some extent qualitative in nature but findings sometimes give an

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insight of the performance of firms. From the IFE matrix, it is clear that natural ambiance is the most important strength for homestay operators. It is also observed that unique culture, favorable climatic condition, and organic farming are also important to promote a homestay venture.

From the EFE matrix, it is evident that the promotion of culture is an important opportunity for the homestay operators. It is to be mentioned that employment opportunities of local people and opportunities for promoting pristine areas may also be considered vital opportunities for the homestay venture.

From the analysis of TOWS, four distinct strategies are suggested in the study. It has been observed that visitors like to explore the pristine place to enjoy the beauty, serenity, and tranquillity surrounding the destination. It is also observed that the local folks get themselves involved in various activities associated with homestay services.

Indiscriminate growth of homestays may harm the environment where the local government is supposed to take steps so that the environment is not degraded. It is also observed from the informal discussions with homestay operators that the road condition and connectivity are two major hindrances to promote homestay business. There is a dearth of marketing avenues to promote the homestays and attract a large number of tourists without depending on the local tour operators which charge a hefty commission for sending the tourists. It is also revealed during the course of data collection that the infrastructure of the homestay is to be improved to attract tourists to visit the destination where the homestay is located.

### **7.9 Managerial Implications**

In this study, different perceptual variables have been incorporated with the objective of relating these variables with the tourist the satisfaction which is the dependent variable. Overall, tourist satisfaction is associated with regard to the quality of service provided, the destination image, the accessibility factor, and safety & security The findings of the study has revealed that one of the

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main concerns at the homestays is the condition of roads linking this homestay. The road is not properly maintained which adversely affects the behavioral intention which is the most important factor for generating positive word of mouth. The development of infrastructure thus is very important and the local government must take initiative to develop the road condition to generate livelihood opportunities of the rural homestay owners who do not have adequate opportunities to generate additional income to sustain throughout the year. There is a need to involve local authorities and community members to put pressure on the local Government to improve the road condition and transportation facilities to make the destination more attractive and to improve the sustainability of homestays operating in a pristine environment and support a large section of vulnerable people who have ventured into this profession.

The results of this study also reveal that there is a definite relationship between the quality of services provided and tourist satisfaction and it has been observed that quality of service significantly affects the tourists' overall satisfaction. It must be pointed out that the homestay operators do not have the proper training to run their tiny businesses. It is evident from the survey that most of the operators are first-generation entrepreneurs and do not have any formal training as how to run the venture to improve the satisfaction of the guest which is very important for generating positive word of mouth. The concept of homestay has become very popular particularly in underdeveloped and developing countries since it can provide more employment opportunities to the local people and communities as well (.Praveen & Kumara, 2020). Local government and NGOs can organize training programme to impart training to run the homestays efficiently to satisfy the basic requirements of the guests.

To create satisfaction for service recipients in which the homestay business operators are to consider building homestays in an atmosphere that is likely to attract tourists due to the image of the destination. Homestay services must develop a good image in the eyes of customers which will generate positive word of mouth and advertising cost can altogether be avoided (Muangmee, 2020)

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Tourists who visit the homestays covered in this study mostly have expressed satisfaction with the destination image, accessibility, safety & security, and service quality. The visitors are to be convinced about the safety & security aspects through tangible physical evidence as this aspect is considered most important to affect overall satisfaction. Similarly, the frontline staffs involved in providing service is required to instill a sense of confidence among the visitors. As such, there is a need to provide training to the staff to maintain the desired level of service quality to meet the expectation of the visitors (Dzulkifli, 2020)

In the perspective of homestay tourism, visitors' satisfaction is a vital factor since it has a tremendous influence on the loyalty of tourists which popularises the tourism destination. Olorunniwo et al., (2006) have opined that the direct influence of overall quality of service provided significantly impacts the behavioral intention, on the other side, the indirect effect of satisfaction as a mediating role is a robust driving force for the behavioral intention in the context of service delivery. Hence, loyalty is mainly influenced by satisfaction (Chi & Qu, 2008; Yoon & Uysal, 2005). The degree of visitors 'loyalty signifies the positive preferences of tourists' which influences the degree of overall satisfaction. It can be easily inferred that a higher level of tourist satisfaction may generate higher profits as well as higher revenues for the homestay service providers. The perceived level of visitors' satisfaction has significant implications for the homestay tourism stakeholders. Homestay operators must understand the significance of tourists' satisfaction that leads to destination loyalty, repeated visits, spreading a positive word of mouth, and propensity to pay higher prices (Baker & Crompton, 2000; Bigne *et al.*, 2005; Yoon & Uysal, 2005).

### **7.10 Limitations and Scope for further study**

This study has got several limitations that must be addressed at this stage to the inquisitive readers. The one limitation of the study is that the researcher has failed to cover the entire Darjeeling hills due to constraints of time and financial resources. As such, the findings of the study may not be generalized

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for all types of homestays operating in India. The second limitation of the study is that, due to the non-availability of a proper sampling frame, the researcher is compelled to adopt a snowball technique to select the homestays. The other limitation of the study is that a few antecedents of satisfaction are considered for developing a model. In this study, the role of women in running the homestay has not been considered that is also a limitation of the study.

The study has been conducted using some popular constructs that are reported in different literature. A robust study can be undertaken taking into consideration a large number of antecedents variables that affect the tourists' satisfaction. For example, entrepreneurship ability, managerial capabilities, nightlife entertainment facilities, and similar other variables can be incorporated for measuring the satisfaction of the visitors. Future studies may be undertaken to discern whether the gender differences influence the satisfaction of visitors'. In particular, in the hilly region, it requires a lot of physical stamina to roam around nearby places that may not be feasible for the women visiting a destination. As such, the level of satisfaction for the two segments of visitors may differ to a considerable extent if the gender variable is incorporated.

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## APPENDICES

## APPENDICES

## Appendix-1

## Questionnaire for visitors

Dear Sir/Madam,

I am a research scholar pursuing research on Homestay tourism. Kindly spare five minutes of your valuable time to provide responses on the state given below. There is no any right or wrong answer, please choose the correct responses by putting tick (✓) as per your perception.

Nationality:

Gender:

Age: Below 20 yrs.  20-35yrs  36-50yrs  51 yrs. and more

Marital Status: Married  Unmarried

Occupation: Service  Business  Self-employed  Student  Retired

Educational Background: Below Graduate  Above Graduate  Above Post-Graduate

Destination known through: Tour operator  Internet/Websites  Recommendation

Number of days stayed: Less than 2 days  3-4 days  More than 4 days

Purpose of visit: Leisure/Holidays  Visiting friends & relatives  Business

Amount paid per person (including food):

Amount spent for shopping in a locality:

	Strongly	Agree	Can't	Disagree	Strongly
	Agree	Agree	say	Disagree	Disagree

**SERVICE QUALITY**

(SQ1)Service quality of this homestay is good. (Deleted)	( )	( )	( )	( )	( )
(SQ2)Staffs are trustworthy. (Deleted)	( )	( )	( )	( )	( )
(SQ3)Homestay staffs provide prompt services.	( )	( )	( )	( )	( )
(SQ4)Homestay staffs performed services as promised.	( )	( )	( )	( )	( )
(SQ5)The staffs give individual attention to the visitors.	( )	( )	( )	( )	( )
(SQ6)Rooms are neat and clean in this homestay.	( )	( )	( )	( )	( )
(SQ7)Ambience of this homestay is good.	( )	( )	( )	( )	( )

**ACCESSIBILITY**

(ACC1)This destination is easily approachable.	( )	( )	( )	( )	( )
(ACC2)Internet coverage is good in this location. (Deleted)	( )	( )	( )	( )	( )
(ACC3)Transportation system is good in this destination.	( )	( )	( )	( )	( )
(ACC4)The condition of the road is good in this destination.	( )	( )	( )	( )	( )
(ACC5)Telecommunication facilities in this location are good.	( )	( )	( )	( )	( )
(ACC6)Nearby dispensaries are easily approachable. (Deleted)	( )	( )	( )	( )	( )
(ACC7)There is a constant supply of electricity.	( )	( )	( )	( )	( )

## APPENDICES

**SAFETY & SECURITY**

(SAF1)I feel satisfied with the safety measures in this homestay.	( )	( )	( )	( )	( )
(SAF2)Homestay operator acts as a security guardian.	( )	( )	( )	( )	( )
(SAF3)Staffs take care of my belongings. (Deleted)	( )	( )	( )	( )	( )
(SAF4)This homestay maintains the privacy of the tourists.	( )	( )	( )	( )	( )
(SAF5)I feel extremely safe in this homestay. (Deleted)	( )	( )	( )	( )	( )
(SAF6)Local people feel please to greet the visitors.	( )	( )	( )	( )	( )

**DESTINATION IMAGE**

(DI1)This tourist's destination is eco-friendly. (Deleted)	( )	( )	( )	( )	( )
(DI2)This homestay is in a beautiful place.	( )	( )	( )	( )	( )
(DI3)This destination is very popular. (Deleted)	( )	( )	( )	( )	( )
(DI4)This destination has natural attraction.	( )	( )	( )	( )	( )
(DI5)Climate of this place is very pleasant.	( )	( )	( )	( )	( )
(DI6)This destination provides relaxed pace of life. (Deleted)	( )	( )	( )	( )	( )
(DI7)Visitors get new experiences in this destination.	( )	( )	( )	( )	( )

**SATISFACTION**

(SAT1)This homestay provides homely environment. (Deleted)	( )	( )	( )	( )	( )
(SAT2)I felt immense pleasure to be here in this place.	( )	( )	( )	( )	( )
(SAT3)I felt plenty of exciting experiences in this place.	( )	( )	( )	( )	( )
(SAT4)I had good relation with homestay operator. (Deleted)	( )	( )	( )	( )	( )
(SAT5)My visit to this homestay met my expectations.	( )	( )	( )	( )	( )
(SAT6)I am satisfied with my decision to visit in this homestay.	( )	( )	( )	( )	( )

**BEHAVIORAL INTENTION**

(BI1)I want to revisit this destination in near future.	( )	( )	( )	( )	( )
(BI2)I will recommend this place to my friends and families.	( )	( )	( )	( )	( )
(BI3)I will say positive things about this homestay.	( )	( )	( )	( )	( )

## APPENDICES

## Appendix-2

## Questionnaire for homestay operators

Dear Sir/Madam,

I am a research scholar pursuing research on homestay tourism. Kindly spare five minutes of your valuable time to provide responses on the state given below. There is no any right or wrong answer, please choose the correct responses by putting tick (✓) as per your perception.

Commencement Year:

Location:

Number of Rooms:

Number of staffs:

Other activities provided to tourists excluding food and accommodation:

Approximate Average tourists/year:

Tie-up with tour operator:

Please tick (✓) the correct responses as per your views on running the homestay

	Strongly Agree	Agree	Can't say	Disagree	Strongly Disagree
<b>STRENGTHS</b>					
This destination has unique culture.	( )	( )	( )	( )	( )
This destination has natural beauty.	( )	( )	( )	( )	( )
This place has suitable climatic condition.	( )	( )	( )	( )	( )
Unique flora and fauna are available in this place.	( )	( )	( )	( )	( )
There are various packages for tourists' adventure.	( )	( )	( )	( )	( )
This homestay provides organic stuffs to the guests.	( )	( )	( )	( )	( )
This homestay is surrounded by tea garden.	( )	( )	( )	( )	( )
Wildlife sanctuary is nearby to this destination.	( )	( )	( )	( )	( )
<b>WEAKNESSES</b>					
This destination is not easily approachable.	( )	( )	( )	( )	( )
This homestay faces financial challenges	( )	( )	( )	( )	( )
This homestay depends on tour operators for marketing.	( )	( )	( )	( )	( )
Tariff in this homestay is different as than other homestays.	( )	( )	( )	( )	( )
Homestay operator faces language barrier.	( )	( )	( )	( )	( )
Minimum support of the government to homestay operators.	( )	( )	( )	( )	( )
<b>OPPORTUNITIES</b>					
This homestay is an opportunity to promote local culture.	( )	( )	( )	( )	( )
This homestay provides employment opportunity to local people.	( )	( )	( )	( )	( )
Homestay is an opportunity to promote explored areas for guests.	( )	( )	( )	( )	( )
Minimum capital is required to start a homestay venture.	( )	( )	( )	( )	( )
Homestay creates long term personal relationship with guests.	( )	( )	( )	( )	( )
<b>THREATS</b>					
This homestay faces competition from hotels and resorts.	( )	( )	( )	( )	( )
This homestay is controlled by the tour operators.	( )	( )	( )	( )	( )
This homestay is affected by political instability.	( )	( )	( )	( )	( )
This homestay runs purely as unorganized sector.	( )	( )	( )	( )	( )
Homestays in this locality are leased to outsiders.	( )	( )	( )	( )	( )
Homestays in this locality is derailed from the core concept.	( )	( )	( )	( )	( )

## APPENDICES

## Appendix 3

## Assessment of normality (Group number 1) Mardia Coefficient

Variable	min	max	skew	c.r.	kurtosis	c.r.
DI2	1.000	5.000	-.707	-5.216	.911	3.364
DI4	1.000	5.000	-.964	-7.120	3.269	12.066
DI5	1.000	5.000	-.894	-6.597	2.237	8.258
DI7	1.000	5.000	-.882	-6.509	2.721	10.045
SAF1	2.000	5.000	-1.137	-8.393	.642	2.370
SAF2	2.000	5.000	-.545	-4.025	-.081	-.298
SAF4	2.000	5.000	-.514	-3.792	.033	.121
SAF6	2.000	5.000	-.623	-4.597	.752	2.777
ACC1	2.000	5.000	-.445	-3.283	.098	.361
ACC3	1.000	5.000	-.537	-3.963	.356	1.314
ACC4	1.000	5.000	-.483	-3.563	-.020	-.074
ACC5	1.000	5.000	-.597	-4.409	.233	.860
ACC6	1.000	5.000	-.476	-3.512	.421	1.552
SQ3	1.000	5.000	-.600	-4.433	.700	2.584
SQ4	1.000	5.000	-.648	-4.782	.038	.140
SQ5	1.000	5.000	-.372	-2.745	-.145	-.535
SQ6	1.000	5.000	-.930	-6.864	.618	2.282
SQ7	1.000	5.000	-.793	-5.857	.227	.837
BI3	2.000	5.000	-.414	-3.058	-.111	-.411
BI2	2.000	5.000	-.341	-2.520	.476	1.757
BI1	2.000	5.000	-.189	-1.392	.839	3.096
SAT6	3.000	5.000	-.735	-5.424	-.434	-1.603
SAT5	3.000	5.000	-.331	-2.444	-.717	-2.648
SAT3	3.000	5.000	-.450	-3.319	-.676	-2.494
SAT2	2.000	5.000	-.398	-2.936	-.160	-.592
Multivariate					4.572	1.125

## APPENDICES

**Appendix 4****Fit Indices****CMIN**

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	62	455.093	263	.000	1.730
Saturated model	325	.000	0		
Independence model	25	3974.565	300	.000	13.249

**RMR, GFI**

Model	RMR	GFI	AGFI	PGFI
Default model	.032	.901	.878	.729
Saturated model	.000	1.000		
Independence model	.150	.355	.301	.327

**Baseline Comparisons**

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.885	.869	.948	.940	.948
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

**RMSEA**

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.047	.040	.055	.720
Independence model	.194	.188	.199	.000

**Appendix 5****Mediation Test Results****ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	34.637	1	34.637	12.291	.001 <sup>b</sup>
Residual	915.882	325	2.818		
Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), SQT

## APPENDICES

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10.534	.447		23.562	.000
SQ	.089	.025	.191	3.506	.001

a. Dependent Variable: BIT

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	38.149	1	38.149	10.538	.001 <sup>b</sup>
Residual	1176.518	325	3.620		
Total	1214.667	326			

a. Dependent Variable: SAT

b. Predictors: (Constant), SQ

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	16.058	.507		31.689	.000
SQ	.093	.029	.177	3.246	.001

a. Dependent Variable: SATT

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	123.304	2	61.652	24.148	.000 <sup>b</sup>
Residual	827.216	324	2.553		
Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), SATT, SQT

## APPENDICES

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.126	.861		7.118	.000
	SQT	.063	.025	.136	2.581	.010
	SATT	.275	.047	.310	5.893	.000

a. Dependent Variable: BIT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.385	1	46.385	16.674	.000 <sup>b</sup>
	Residual	904.135	325	2.782		
	Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), DIT

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.359	.670		13.976	.000
	DIT	.166	.041	.221	4.083	.000

a. Dependent Variable: BIT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	220.818	1	220.818	72.210	.000 <sup>b</sup>
	Residual	993.849	325	3.058		
	Total	1214.667	326			

a. Dependent Variable: SATT

b. Predictors: (Constant), DIT

## APPENDICES

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.758	.702		16.747	.000
	DIT	.362	.043	.426	8.498	.000

a. Dependent Variable: SATT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113.427	2	56.714	21.951	.000 <sup>b</sup>
	Residual	837.093	324	2.584		
	Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), SATT, DIT

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.305	.881		7.159	.000
	DIT	.072	.043	.096	1.661	.098
	SATT	.260	.051	.294	5.094	.000

a. Dependent Variable: BIT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84.869	1	84.869	31.863	.000 <sup>b</sup>
	Residual	865.651	325	2.664		
	Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), SAFT

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.688	.606		14.348	.000
	SAFT	.204	.036	.299	5.645	.000

a. Dependent Variable: BIT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	303.074	1	303.074	108.052	.000 <sup>b</sup>
	Residual	911.593	325	2.805		
	Total	1214.667	326			

a. Dependent Variable: SATT

b. Predictors: (Constant), SAFT

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.280	.621		18.154	.000
	SAFT	.386	.037	.500	10.395	.000

a. Dependent Variable: SATT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	128.290	2	64.145	25.276	.000 <sup>b</sup>
	Residual	822.230	324	2.538		
	Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), SATT, SAFT

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.226	.839		7.423	.000
	SAFT	.120	.041	.176	2.944	.003
	SATT	.218	.053	.247	4.136	.000

a. Dependent Variable: BIT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.104	1	16.104	5.601	.019 <sup>b</sup>
	Residual	934.416	325	2.875		
	Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), ACCT

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.731	.572		18.747	.000
	ACCT	.070	.030	.130	2.367	.019

a. Dependent Variable: BIT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	148.477	1	148.477	45.259	.000 <sup>b</sup>
	Residual	1066.190	325	3.281		
	Total	1214.667	326			

a. Dependent Variable: SATT

b. Predictors: (Constant), ACCT

## APPENDICES

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.609	.611		22.257	.000
	ACCT	.213	.032	.350	6.728	.000

a. Dependent Variable: SATT

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	106.491	2	53.246	20.440	.000 <sup>b</sup>
	Residual	844.029	324	2.605		
	Total	950.520	326			

a. Dependent Variable: BIT

b. Predictors: (Constant), SATT, ACCT

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.769	.866		7.819	.000
	ACCT	.008	.030	.015	.270	.787
	SATT	.291	.049	.329	5.890	.000

a. Dependent Variable: BIT



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## **Perception of tour operators on the sustainability of Homestay projects: An Empirical Investigation**

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### **Abstract:**

Home stay tourism is gaining popularity all over India in the recent past though it is prevalent in South Asian countries including Malaysia, Thailand, and Indonesia. With the rapid influx of tourists in different destinations and tendency of tourists closer to nature, the Homestay tourism has emerged as a niche tourism market segment which is totally different from conventional tourism services provided by hosts. In this paper, an attempt has been made to study the sustainability of Homestay business by administering a structured questionnaire to the tour operators who mostly send tourists to different Homestays situated in the district of Darjeeling, Kalimpong, and Jalpaiguri. The findings of the study reveal that home stay business suffers due to marketing problems faced by them as they depend on the tour operators. So far as safety is concerned, the tourists do not, in general, feel it is unsafe to stay in home stays. The descriptive statistics and findings of multiple regressions reveal that home stay services providers must take adequate strategies to market their destinations. The findings of the study also reveals that overall service provided by the home stay operators and sustainability can be predicted by the variables considered in the study. The r-square values are found to be significant and the scales used in the study are found to be reliable and valid. Alpha values are found to be on the higher side and the factor analysis justifies the construct validity of the items used to measure various constructs, Managerial implications along with scope for further research have been dealt with in detail.

**Key words:** Home stay, livelihood, performance, service quality, tour operator.

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### **Introduction:**

Homestay tourism is gaining popularity all over India in the recent past though it is prevalent in South Asian countries including Malaysia, Thailand, and Indonesia. With the rapid influx of tourists in different destinations and the tendency of tourists closer to nature, the Homestay tourism has emerged as a niche tourism market segment which is totally different from conventional tourism services provided by hosts. Homestay accommodation has different meanings in different countries.

Different researchers have given the different definition of Homestay tourism as per their perspective. Amran Hamzah & Hairul Nizam Ismail (2003) defines Homestay as a form of accommodation whereby tourists get an opportunity to stay with the private house owner or host, communicate with the host family as well as go through the family's daily routine which in a way let the tourists have a live experience of Malaysian cultures. Chaiyatorn et al., 2010 asserts Homestay as a living place tourism product based on accommodation oriented. The improvement, enhancement and promotion of Homestay depend on local communities. This accommodation ensures their economic, social and cultural aspects of sustainable well beings. The diversity of cultures is the main component to attract tourists in a rural place for the accommodation. As the environment and culture are commoditized, market value is created by the demand of the visitors. When people make money out of tourism, they will realize that natural resources and cultural heritage are the main sources of attraction for tourists and protection of such is essential to have more tourists (Pandey, 1995). The Homestay tourism provides the financial reward to local indigenous community for the conservation of environment and culture (Laurie et al, 2005). Despite the various definitions of Homestay tourism different researchers, the core definition would be the same. Homestay in the ordinary sense is defined as a form of accommodation where the visitors are allowed to stay in a private home in a rural place, provides homemade cuisine and clean accommodation. Visitors are also allowed to take part in a different activities pertaining to the locality. Basically, other adventurous activities are also provided to take part as per the location of the destination to the visitors. Visitors get an opportunity to experience the traditions, customs and cultures of the local people. It is a rural-oriented tourism basically flourished in village areas far away from dean and bustle of congested cities. Rural tourism is demand driven tourism, emphasizes the desire of visitors to experience others culture and lifestyle which is considered as primitive and unique from their own. It includes the activities encompassing from walking, climbing, horse riding, fishing, hunting, seeing culture, heritage, monastery, temples (Kunwar, 1997).

Home stay tourism one of the major tools to eradicate poverty and integrates all activities of tourism like trekking, cultural tourism, agro-tourism, health tourism and eco-tourism. Integration of

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all these activities in Homestay helps to flourish rural tourism in Nepal (Devkota). Homestay tourism offers opportunities for generating and diversifying revenue of local people. The livelihood of the rural people is dependent mostly on agricultural activities. Homestay tourism is the best possible alternative to generate the additional revenue to the people in a locality. The changing pattern in taste and preference of contemporary tourists has triggered the demand of Homestay accommodation in the rural places. They prefer to stay in a place close to nature during their vacation to expose themselves in a free and friendly environment not bounded by stereotype protocols like hotels and motels where similar kind of hospitality is offered. The demand-driven accommodation viz. Homestay has been growing considerably in many countries contributing substantially to the national income of a country and India is not an exception.

Darjeeling, which is one of the famous tourist destinations across the world has had attracted a large number of visitors over the last two decades. Darjeeling is a sanatorium once in a British period first half of the nineteenth century with its embracing climate and scenic beauty further enhanced by the majestic view of Kanchenjunga which is third highest peak in the world, emerged as a queens of the hills attracts the visitors not only from other states but also from around the world. Bhutia (2016) highlights the new dimension of Darjeeling tourism with visitors arriving from near and far, to enrich and experience the flavour of Darjeeling tea and natural beauty. Besides economic importance to Darjeeling's development, it is also considered as a medium of cultural exchange among various nations of the world and the only industry, which generates the maximum number of indirect employment too.

#### **Past Literature:**

Jamaludin, Othman and Awang [2012] intend to explore the feasibility and viability to be a successful Homestay initiative. The researcher has recommended overcoming the barriers in the areas such as language barrier, accommodation facilities to the guests, electricity and bathrooms for the hospitality to the national and international tourists.

Yusof et. al. (2013) explores the current scenario of rural tourism development in Malaysia particularly Homestay program and to analyze the challenges and issues pertaining to Homestay management. The product of rural tourism especially Homestay program provides employment opportunities, inflate the standard of living of local community and create awareness about the importance of environmental preservation.

M. Kwaramba et. al. (2011), have emphasised the Homestay program as a tool for poverty reduction by South African Government and has incorporated Homestay tourism in the list of local economic

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development programmes (LED). Lack of self-management and skill are the factors which hamper the growth and upsurge of Homestay tourism in the region.

Vinh (2013) focusses on the marketing issue to bring the Homestay units in the eyes of the visitors. The study would be helpful to the tourism planners and marketers to get an in-depth understanding that may provide the foundation for the strategic marketing decisions in Homestay tourism services.

Anand et. al., (2012) undertakes the case study in Ladakh from North India. The study aims to reveal the impact of tourism to uplift the local people both socially and economically. The Korzok Homestay has shown success in addressing needs through bio-diversity conservation in the area bringing environmental, economic and livelihood opportunities to the local people.

Bruinink and Slump (1997) find the impact on the foreign tourists is their psychosocial effects. Four types of psychosocial the tourists experience during their holidays in different locations are a feeling of helplessness, a feeling of being unsafe, vulnerability and loss of control and damage to his or her own trusts in others. In this context, the issue of safety and security must gain attention while addressing the holistic aspect of the destination.

Neumayer (2014) highlights the different factors which inculcate the fear psychosis to the visitors visiting the destination such as political violence including terrorism incident, human rights violation and bank's violent events has the negative impact on tourism as tourists are often sensitive to events of political instability in their holiday destination because such event jeopardize a relaxed and unconcerned holiday.

Razalli (2008) describes the internal challenges to be faced by the Homestay operators. The inefficient Homestay management contributes to the poor performance in terms of low levels of service quality and the moderate level of occupancy rates.

In this paper, an attempt has been made to study the sustainability of Homestay business by administering a structured questionnaire to the tour operators who mostly send tourists to different home stays situated in the district of Darjeeling, Kalimpong, and Jalpaiguri.

#### **Objectives of the study:**

The primary objectives of the study are as below:

- 1) To generate a pool of items to measure different constructs used in this study
- 2) To establish the scale reliability and validity

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- 3) To predict the overall performance of Homestay operators
- 4) To summarize the findings and draw managerial implications.

#### Research Methodology:

The present study is descriptive in nature and the objectives of the study are to relate a set of explanatory variables with two dependent variables. The data for the study have been obtained by administering a structured questionnaire to the tour operators of Darjeeling Districts are intimately connected with Homestay operators. The 85 self-administered questionnaires were distributed to the respondents, out of which 71 responded. A snowballing technique has been adopted to collect the data from tour operators regarding the performance and sustainability of Homestay business. After gathering the data various descriptive statistics have been reported. For establishing reliability constructs alpha values have been reported. Factor Analysis has been conducted to establish the scale dimensionality. In addition to this, a multiple regression analysis has been conducted to understand the relationships among several explanatory variables associated with the study.

#### Results and Discussions:

**Table-I**  
**Statistics**

Descriptive	Tangibility	Livelihood	Expertise	Preference	Safety	Responsiveness
Mean	2.8779	3.5869	2.5739	3.6995	2.8028	3.6808
Median	2.6667	3.6667	2.5000	3.6667	2.7500	3.6667
Mode	2.00	4.00	2.50	4.00	2.00	3.33
Std. Deviation	.71545	.77350	.54837	.40690	.62951	.51157

The descriptive statistics of variables considered in our study are presented in Table-I. The table is self-explanatory and the mean, mode and median are very close which suggests that not much of departure from the normal distribution. The other notable thing is that the standard deviation is not very high representing similar types of responses given by the tour operators.

The findings of confirmatory factor analysis simply demonstrate that the loading is distinctly loaded with various dimensions and there is no overlapping in the constructs. The six dimensions appear distinct which establish the construct validity of the scale. The percentage of variance explained is



quite high and the KMO test reveals the model is a good fit as revealed by the chi-square statistic which is significant beyond  $p < .000$ . The alpha values are quite high in spite of smaller numbers of items. This signifies that the scales employed in this study demonstrate the high degree of reliability. Having established the scale reliability and validity, a multiple regression analysis is found to be appropriate to judge the performance and sustainability of Homestay business.

**Table-II**  
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin	Measure of Sampling Adequacy.	.654
Bartlett's Test of Sphericity	Approx. Chi-Square	596.264
	df	190
	Sig.	.000

**Table-III**  
**Total Variance Explained**

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.950	19.751	19.751	3.868	19.339	19.339
2	3.202	16.009	35.760	2.768	13.838	33.176
3	2.017	10.085	45.845	2.271	11.356	44.533
4	1.912	9.558	55.403	2.032	10.161	54.694
5	1.843	9.217	64.620	1.938	9.690	64.384
6	1.023	5.117	69.737	1.071	5.353	69.737

Extraction Method: Principal Component Analysis.

**Table-IV**

Constructs	Cronbach's Alpha	No. of Items
Livelihood	0.790	3
Safety	0.741	4
Tangibility	0.690	3



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Expertise	0.672	4
Preference	0.694	3
Responsiveness	0.628	3

**Table-V**  
**Rotated Component Matrix**

	Component					
	1	2	3	4	5	6
Res1						.698
Res2						.796
Res3						.718
Live1	.872					
Live2	.854					
Live3	.811					
Exp1			.731			
Exp2			.686			
Exp3			.603			
Exp4			.740			
Pref1				.758		
Pref2				.759		
Pref3				.815		
Safe1		.658				
Safe2		.876				
Safe3		.891				
Safe4		.803				
Tan1					.708	
Tan2					.724	
Tan3					.745	

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Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

**Table-VI**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.579 <sup>a</sup>	.335	.273	.62419	1.543

Note: a. Predictors: Tangibility, Livelihood, Expertise, Preference, Safety, Responsiveness .b. Dependent Variable: Performance, c. F=5.372, p<.000

**Table-VII**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Tangibility	.534	.141	.522	3.784	.000
Livelihood	.322	.128	.340	2.507	.015
Expertise	.222	.144	.166	1.544	.127
Preference	.192	.189	.107	1.018	.312
Safety	.397	.123	.341	3.218	.002
Responsiveness	.331	.147	.232	2.256	.027

The regressions results are presented in Table-VI and Table-VII to establish the relationship between the explanatory variables and the dependent variable which is overall performance of Homestay operators. The results of regression amply demonstrate that the goodness of fit is quite acceptable considering the F value which is significant beyond p<.000. The tangibility dimension, livelihood opportunities, safety, and responsiveness significantly influence the overall performance of Homestay operators as revealed by the data obtained from the tour operators. Expertise and preferences of tour operators' attitude towards the performance of Homestay business do not have significant relations.



### Managerial Implications:

The findings of the study reveal that Homestay can be viable livelihood option if the people running the Homestay business should be able to provide professional services as rendered by the hotels. The staff should be properly trained to understand the required knowledge of hospitality business. Similarly, tour operators do not prefer to keep guests in Homestay as revealed by the regression analysis. There are enormous opportunities to run Homestay business to generate livelihood option for the common people living in remote pristine places. However, for better sustainability of Homestay additional benefits need to be provided to the tourists so that tour operators prefer to keep guests in Homestays. The study is based on a snowball sampling and in future random sampling techniques be employed to generalize the findings of similar studies.

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