



## Restarting Homestay Business in Sri Lanka: Challenges in New Normal Conditions of COVID-19 Pandemic

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### Abstract

*This research seeks to analyze the issues that have evolved for running homestays under the new normal conditions of the COVID-19 pandemic in Sri Lanka due to a dearth of studies that have been conducted to determine the rigorous pandemic consequences on homestays. The qualitative research approach was entrusted and direct in-depth interviews were conducted for a sample of sixteen homestay operators in the Ella and Mirissa areas of Sri Lanka which are popular for the homestay concept among foreign visitors. Thematic analysis was adopted consequently to achieve the research objectives. The study's findings reveal the economic, environmental, health and safety, and socio-cultural concerns that have surfaced. It specifically demonstrates that homestay operators are unwilling to make use of the domestic tourist industry to overcome financial difficulties, as well as their prejudice against local visitors and lack of preparedness to launch their operations owing to worries of virus transmission. The fear of respondents to express their opinions leisurely was evident due to the emergence of an extensive Covid wave at the time of data collection. Further, the study covered only two destinations on the island. The outcome of this study recommends that Sri Lankan policymakers re-evaluate the existing guidelines and improve them further while using homestays as a post-pandemic branding tool as the "New Normal Homestay" concept.*

**Keywords: Challenges, Covid-19, Homestays, New Normal Conditions, Way Forward**





## 1. INTRODUCTION

Tourism, as a key business with a significant financial contribution to the global economy, has enhanced in many ways during the last few decades. In today's globe, the tourism industry has developed to become one of the largest and most profitable sectors of the global economy. The tourism business is the third greatest foreign exchange earner in Sri Lanka's economy, which is renowned as a popular tourist destination in the South Asian area. In 2018, the business contributed directly to 4.9 percent of GDP, earning the US \$ 4,380.9 million and attracting 2.3 million tourists (SLTDA, 2018). Despite this, the Easter Attack in April 2019 had a significant impact on the Sri Lankan tourist industry's progressive growth. Following the Easter Attack, a significant drop in visitor arrivals occurred as a result of travel restrictions imposed by several nations. Regardless, thanks to many significant initiatives made by industry professionals in the latter half of the year, this was quickly recovered. Due to the worldwide pandemic of the new coronavirus, the impact of the Easter attack on Sri Lankan tourism marked a 4.5 percent annual reduction in 2019 when compared to 2018, and further, it resulted in a decline of up to 70.8 percent in May 2020. (Central Bank of Sri Lanka, 2020).

Novel Coronavirus (COVID-19) is the most devastating pandemic the world has seen in the twenty-first century, with disastrous consequences due to worldwide travel restrictions and social isolation. While demonstrating the negative implications of exposing oneself to external shocks, the travel and hospitality business has resulted in zero worldwide visitor appearances and, as a result, zero pay period in some countries during the preceding year (Samarathunga, 2020). Sri Lanka is also dealing with the tragic aftereffects of the global epidemic, which it has been immensely knowledgeable about for many years.

Given the current state of the tourism sector, homestays have suffered as a result of their status as a key tourist lodging facility in the nation. According to the SLTDA's guidelines, a homestay unit is described as a "Room in a Sri Lankan house occupied by a family where a visitor and a family interact with each other, allowing the guest to experience the Sri Lankan way of life" SLTDA (2020a). The homestay idea has been adopted in the local context to foster community-based tourism in tourism hotspots and provide financial benefits as a result of tourism. Even though explorers have been requested to recognize the impact of COVID 19 on the tourism sector, no exploration has been noticed in the Sri Lankan environment up to this moment. Homestays, although being a significant contributor to improving regional economic conditions before the epidemic, are currently suffering due to the current pandemic and a variety





of other overwhelming causes. Recognizing these difficulties is critical for surviving and revitalizing the sagging homestay sector in new normal conditions while implementing new government-backed arrangements. In this vein, the goal of this research is to look at the challenges that homestay businesses face in the aftermath of the COVID-19 epidemic to continue and thrive in the tourism sector.

## 2. LITERATURE REVIEW

### 2.1 Homestay Operations

According to many studies, a homestay is described as a family who owns and lives in the house and shares the space and amenities with the visitor. Furthermore, the scholar has distinguished between a homestay and a hotel, which does not share its owner's private space and services with the visitors or does not have the owner's residence on the grounds at all (Lynch, 2003). The next year, Rhodri observed that the difference between a homestay and a hotel is the restriction of private space. A hotel would deny visitors access to its private sections, but a homestay would share its private space with them. According to Hussin (2008), a homestay is a sort of lodging institution in which tourists stay with the host family while experiencing and watching much of the host family's natural lifestyle. According to Kumar (2016), guests live with the host family for a specific amount of time and learn about the local culture, traditions, and lifestyles, providing a unique experience for the guests. Homestay is a relatively new concept in the community-based tourism (CBT) lodging industry that produces revenue. Homestays were first given little attention by local governments since they were not considered an economic activity. However, when the number of tourists visiting a certain region increased, the government recognized the significance of homestays and encouraged people to launch homestay businesses that would contribute to the area's economic development. As a consequence of the government's and other relevant local authorities' constant encouragement and assistance, residents of the region opted to establish homestay units in their homes by adding a few more rooms to their homes and continuing as an occupation and renting the rooms to guests (Gu & Wong, 2010).

Homestays, on the other hand, play an important role in Sri Lanka and are categorized as supplementary accommodation. "Room in a Sri Lankan house occupied by a family where a visitor and a family interact with each other, offering the guest the chance to experience the Sri Lankan way of life," per the SLTDA. The goal of creating a homestay model is to provide tourism advantages to the local community while also meeting tourists' housing needs to foster relationships between local inhabitants and





visitors. (SLTDA, 2020). Since 2007, there has been a steady growth in the number of supplemental institutions throughout the nation. According to the SLTDA's annual statistics report (2018), the accommodation capacity of the additional facilities climbed to 1,855 units (13,457 rooms) in 2018, up from 513 units (5,030 rooms) in 2007. The homestays are spread across the country's numerous regions, with the majority of them being built between 2009 and 2010, following the conclusion of the civil war (J. Ranasinghe, 2013)

## 2.2 Tourism Maneuvers amidst COVID-19 Pandemic

The novel Coronavirus (COVID - 19) epidemic was originally discovered in Wuhan, Hubei Province, China, and has since spread to many other nations across the world. Following the advice of WHO's an advisory committee, the organization's Director-General designated COVID-19 an emerging global pandemic situation due to the intensity of the epidemic. COVID-19 has had significant socioeconomic consequences for the global economy, and to contain the spread of the pandemic, several governments have implemented harsh travel restrictions, forcing the tourism sector to collapse. Since the warnings were made, the tourist sector and its stakeholders have temporarily shut down their operations. (Chinazzi et al., 2020). Many firms, including 75 percent of small enterprises in the hotel industry, will not reopen after the pandemic, according to Goger & Loh, (2020). According to Maria et al. (2020), the hotel and travel business has been the most hit in the European market segment, with the largest unemployment rate and income loss. Per the Baum & Hai (2020), the hotel business should analyze the major areas of the industry on both an international and local level, and develop policies to defend consumer rights.

The transformative changes that may be implemented at multiple levels of the tourism and hospitality sector are discussed in the research, which indicates that these changes can occur at the person, business, and community levels (Hall et al., 2018). According to recent research, the hotel industry would see a significant income decrease, whereas domestic tourism is expected to recover first. According to a recent WTTC research, the consequences of COVID 19 will be five times greater than the 2008 global economic crisis, with a loss of US\$ 2.7 trillion in travel and tourist GDP, a 30% drop. COVID-19 will also result in a 2.9 percent increase in global unemployment and a loss of 100.8 million travel and tourism jobs, a reduction of 31% (WTTC, 2020).

On January 27th, 2020, a Chinese tourist was the first COVID-19 patient recorded in Sri Lanka. She was successfully treated and discharged, and on March 10th, the first Sri Lankan origin patient, a tour guide with a group of Italian visitors, was identified. This is extremely important for the tourist business. (Wickramaarachchi, Perera, &



Jayansinghe, 2020). As of 06<sup>th</sup> January 2022, Sri Lanka has reported 90,063 confirmed cases and 15,083 deaths (Health Promotion Bureau, 2022). The Asian Development Bank estimates that the Sri Lankan tourism industry would lose between US\$ 200 million and US\$ 420 million in income in May 2020, but the true loss will be substantially higher. Employees have been laid off as a result of the epidemic and the closure of tourism businesses for more than a month, leaving many unemployed. This has had a significant impact on tourist enterprises, investors, and their families, as tourism is their sole source of income. (Samarathunga, 2020).

### 2.3 Challenges for Homestay Operations

The challenges for homestays were discovered in a recent research done in 2017 by Jayara. Accordingly, a lack of physical facilities, as well as a paucity of competent labour, a lack of knowledge, a lack of marketing strategies, a lack of cooperation among tourism stakeholders, conservation of natural resources, and ensuring traveller security, are all key issues. Bhan & Singh (2014) did a similar study, and they noticed several problems. According to the findings, deprived infrastructure conditions that include transportation, decent roads, electricity, healthcare, communication and other residential facilities, Lack of accomplished human resources (guides, entrepreneurs, hospitality professionals), lack of proper legal framework, marketing and promotion problems, the poor relationship among key industry stakeholders, lack of awareness about natural and cultural resources, inappropriate management of resources, lack of safe and security for tourists are the challenges that have been identified.

Wijesundara & Ghanapala (2016) examine the problems faced by homestay operations in two Sri Lankan communities; Padavigampola and Seelogama. When it comes to conceptualizing homestays, the country faces a number of issues and challenges, according to the research. These include a lack of understanding of the homestay concept, a lack of skilled human resources; in terms of both management and employees, low attention and active participation of the community, a lack of motivation programs to motivate the operators to further enhance quality, political interference, and a lack of networking.

#### 2.3.1 Economic Challenges

According to a recent study by Varghese et al (2022), there are operational and functional hurdles to economically making homestay enterprises sustainable during trade uncertainties. Following COVID-19, the local market will grow faster than the foreign market, thus the industry should be prepared to meet the demands of the domestic market. Many service providers work in the tourist business, and given the

current situation, they do not profit from tourism operations. As a result, it is critical to safeguard this service in order for the industry to survive in the long run. If this does not happen, the tourist sector will have a difficult time finding enough service providers to engage in tourism activities in the future (Ranasinghe et al., 2020). Businesses with scarce resources and low profit margins, such as homestay businesses, encounter difficulties in recovering from global pandemic shocks (Gössling et al., 2021) and all homestay operators have financially affected (Zagade and Tanpure, 2021).

### 2.3.2 Environmental Challenges

Because of temporary constructions, crises affecting vacation locations might have a negative impact on their marketability (Hough and Spillan, 2005). Following that, the research findings identified the importance of a clean environment in the hospitality industry as a common challenge in developing effective post-pandemic solutions (Mikušová and Horváthová, 2019; Varghese et al., 2022). The COVID-19 has been a blessing to the environment's revival. However, the pandemic has resulted in an increase in the quantities of bio-medical and hazardous waste. Furthermore, the use of plastics has increased while garbage recycling has decreased, which could be a potential problem (Debata et al, 2020) and people's expanding economic activities may result in a disregard for the go green concept due to unexpected hospitality projects as well (CPCB, 2020).

### 2.3.3 Health and Safety Challenges

The impact of the pandemic calamity, COVID-19, is the most difficult worldwide tragedy the century has ever seen. The aftermath of the pandemic calamity would make establishing the "new normal" for the supplementary accommodation business difficult in respect of given health guidelines, and they are currently considering new tourism operating guidelines (Varghese et al., 2022). Tackling crisis management scenarios with supplemental industry practitioners' tactical and operational tactics to preserve their enterprises in new normal conditions is difficult, and hence such approaches should be investigated. Further, according to a recent study conducted by Doan et al., (2022), the epidemic had caused changes in the business environment, such as fewer overseas tourists, cleanliness and sanitary restrictions, and other government-imposed health restrictions, leading operators to alter their methods. Homestay operators were required to obey local health authorities' recommendations in order to respond to safety regulations established to protect people during the pandemic. To begin with, close contact such as body touching, shaking hands, and embraces to greet or farewell



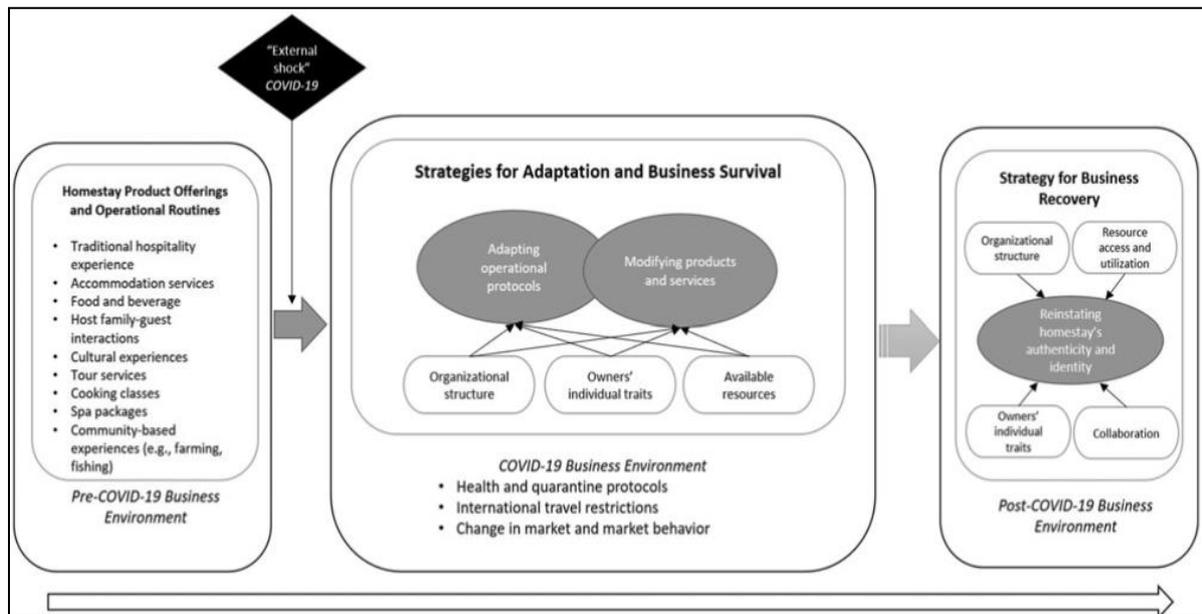
individuals were reduced or abolished. Following these cleanliness protocols altered the homestay providers' hospitality offerings.

#### 2.3.4 Socio-Cultural Challenges

According to recent research by Ranasinghe et al., (2020), the most pressing task is to enhance CBT operations and activities after COVID-19. As a result, the host community's perspective must be re-evaluated, and the community must be motivated to lower risk and attract more visitors to the region. It also suggests that the CBT participating residents and stakeholders be provided with adequate financial and non-financial resources to encourage them to participate in tourist operations. As homestays are classified as small businesses, their inherent characteristics, such as a lack of personnel and a lack of crisis management planning, make them sensitive to the negative effects of external shocks and limit their ability to respond to crises like pandemics (Coles et al., 2021). Another significant problem that the homestay owners had to encounter was ceasing interactions between other family members and their visitors. Except for key staff, guest contacts with the hosts' family members were no longer available (Doan et al., 2022). Moreover, the study's findings revealed that the activities which contain close guest relationships like sharing meals together, offering welcome massage were restricted in Vietnamese homestay context. Although the homestay owners tried to alter the usual market segment and accept bookings from domestic visitors, the effort was not sufficiently met with positive outcome since domestic guests were booked for a shorter time and their lack of interest (Morrish and Jones, 2020; Doan et al., 2022).

The figure below depicts the modifications in Vietnamese homestay procedures as a result of the emergent challenges in the external environment conditions induced by COVID-19.





**Figure 1: Strategies for adapting to and recovering from the COVID-19 pandemic: Insights of Vietnamese homestay owners**

Source: Doan et al., 2022

### 3. RESEARCH METHOD

This study employed a qualitative research design since it is critical to fully comprehend the respondents' psychological behaviours, ideas, and knowledge in order to appraise the situation and discover answers to the research questions. Because the respondents' comprehensive responses are difficult to measure, a quantitative research technique cannot be applied.

The researcher arranged a self-administered interview guideline to achieve research objective. In a qualitative interview, the researcher frequently prepares a guide ahead of time that they can refer to or remember throughout the interview. An interview guide is a list of topics or questions that the interviewer hopes to address during the meeting. The interview guideline comprised of identifying different challenges faced by the homestay operators. The interview guideline listed issues that the researcher thought was likely to be significant. The population is all the homestay operators in Sri Lanka, 08 homestay operators and 08 community people were directly interviewed and an average interview lasted around 20 minutes. Using purposive sampling technique, the primary data was collected in two popular tourist destinations in Sri Lanka; Ella and Mirissa. Prior to scheduling arrangements to see them at a convenient time, the researcher sought verbal agreement from the homestay operators and community members by phone. Before getting their agreement, respondents who

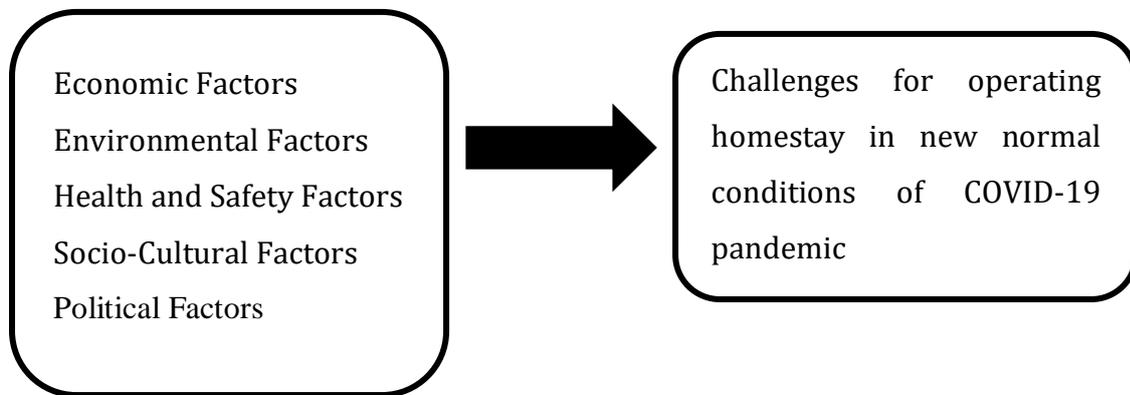


are chosen to represent the study's sample are properly educated about the study's aims and advantages (Cooper et al., 2006).

Each interview was conducted slightly differently since participants were asked to provide responses in their own terms and to highlight topics, they believed were relevant. The interviews were conducted in native language (Sinhalese) since most of the respondents were more comfortable to voice their opinions in the native language. While the interview's opening question was consistent throughout all interviews, the information supplied by each participant influenced how the interview progressed. This is what made doing in-depth interviews both thrilling and demanding. It let the researcher to ask questions, listen to responses, and pick up on signs about when to follow up, move on, or simply let the participant speak without interruption. In addition, the interviews were recorded with their permission using an audio recording device, and their names are kept secret to protect the respondents' privacy. The core data for the research goals were collected through direct semi-structured interviews.

The audio records were then transcribed into English and transcriptions were thoroughly reviewed and studied using thematic analysis, which included recognizing and classifying them into codes. The study of meaningful patterns is known as thematic analysis. In other words, it's about analyzing the data set's themes to find meaning. Most crucially, because this method is guided by research questions, it's not required to find every possible theme in the data; instead, concentrate on the key characteristics that relate to the research questions. In thematic analysis, codes are crucial because they provide as a framework for themes. A theme is a pattern that can be found in a set of data. In other words, it's a theme or notion that appears frequently in your data. Organizing the codes into themes is an effective means of summarizing parts of study data in a way that aids the researcher in answering research questions. In qualitative research, thematic analysis is the most prevalent approach to analysis. The approach's main purpose is to arrive at a description of the nature of the occurrence in question (Creswell, 2013). This is a common qualitative analysis approach that focuses on establishing themes by recognizing comparable data patterns in the responses given by the respondents.





**Figure 2: Conceptual Indicator Model**

Source: Developed by the researcher based on the literature

#### 4. RESULTS AND DISCUSSIONS

The study's goal was to identify the obstacles that face homestay operations in the new normal of the pandemic, and after reviewing the interviewees' transcript statements, economic, environmental, health and safety, and socio-cultural challenges were discovered. Table 1 indicates the respondents' profiles whose opinions and views were taken into consideration to achieve the research objectives;

**Table 1 - Profile of the Respondents**

Respondent Code	Age (Years)	Gender	Hometown
<b>EH 01</b>	42	Male	Ella
<b>EH 02</b>	35	Female	Ella
<b>EH 03</b>	45	Male	Ella
<b>EH 04</b>	65	Male	Ella
<b>MH 01</b>	48	Female	Mirissa
<b>MH 02</b>	64	Male	Mirissa
<b>MH 03</b>	35	Male	Mirissa
<b>MH 04</b>	48	Male	Mirissa
<b>EC 01</b>	53	Male	Ella
<b>EC 02</b>	40	Male	Ella
<b>EC 03</b>	30	Male	Ella
<b>EC 04</b>	40	Male	Ella

MC 01	66	Male	Mirissa
MC 02	31	Female	Mirissa
MC 03	24	Male	Mirissa
MC 04	28	Female	Mirissa

(EH: Ella Homestay, MH: Mirissa Homestay, EC: Ella Community, MC: Mirissa Community)

#### 4.1 Economic Challenges

Lack of Income - In part as the consequence of the global pandemic, economic challenges are the most significant challenge that homestay operators face. Since there was a curtail in the tourist arrivals, the income generation has become zero for them. Due to the limited scope of businesspeople, proprietors needed to go through their set aside cash from the business to cover their daily expenses as they don't have additional means of revenue generation.

*"It's a challenge for us. This is our only source of revenue. We don't have another source of money or a job. We have practically little income right now. We're in a lot of difficulties right now. The biggest problem is a shortage of funds. We need to pay our electricity and water bills, but we don't have the money to do so. We are now paying them with what we have so far earned. The most important thing is that we have another respite period. Many are in a worse state than I am. Even I am in poor health. I don't have any money and can't modify my revenue source or adjust to any situation because I don't have any other income sources."*

- Respondent EH 01, Personal Communication, August 2020 –

Employment Termination - Being assumed a part as a rural business visionary, homestay proprietors had given direct employment opportunities to local people nearby and this has been suspended because of the persistent monetary battle which was obvious beyond a couple of months. Being restless for their future, proprietors needed to fire the work openings offered absolutely because of the eccentric idea of the pandemic.

*"Managing our finances is quite challenging. This business was really important to us. We don't know how to plan our future now that our income has been entirely depleted for a few months. Even the two people who worked here had to be removed. We can't afford to pay them since we don't have any money. Furthermore, once homestays start*

*operating, there will be tremendous competition, and prices will be lower than conventional rates. That will be the case for the first several months, at least."*

- Respondent MH 03, Personal Communication, August 2020 –

**Incongruities in Credit Facilities** – Although the government had granted loan relief measures, it has been difficult for the homestay operators to apply for another loan and the banks have demonstrated to be hesitant to give new loan grants appealed by the operators. Subsequently, this has caused distress to the homestay operators amidst the pandemic.

*"Currently I have several loans to pay. However, we are hoping for a respite for those loans. And, although they claim to be giving out loans at this time, they have not been successful. They are quite tough to come by. It is quite difficult to locate and provide them with the various papers they require; we also need to locate government witnesses. Government employees dislike signing as witnesses. Even banks are hesitant to lend to us these days. That is one of the most serious issues we have.."*

- Respondent EH 02, Personal Communication, August 2020 –

**Projected Low Prices** – The prices for providing accommodation in new normal conditions will have to decrease for the long-term continuation and survival of the tourism industry. Being experiencing zero revenue over the past few months, this situation is a further negative factor when looking for an economically stabilized future; as perceived by the homestay operators.

*"But you know, once homestays begin to operate, there will be fierce competition and prizes will be lower than the standard rates. At least that will be the case for the first few months."*

- Respondent MH 03, Personal Communication, August 2020 –

## 4.2 Environmental Challenges

**Maintaining Destination Cleanliness** - Due to the lockdown situation and travel bans, the areas were deserted with guests and as a result of that, the destinations have cleaned and maintained a comparatively litter-free environment than in the pre-COVID era. Subsequently, there is a significant challenge ahead to maintain the accomplished task with the renewal of international tourism activities in the country.

*"The surrounding environment is now clean since rubbish is not disposed of as often as it formerly was. However, once visitors arrive, this will alter.."*

- Respondent EH 04, Personal Communication, August 2020 –

Environmental Non-Friendly Constructions – The urban entrepreneurs have sought to build temporary constructions in environmentally sensitive areas which are not prone and unable to withstand long term. The locals have shown their displeasure over these metal constructions considering the negative impact on the environment.

*"As time permits, individuals have begun to erect a large number of structures. Because visitors do not show up and they do not earn money as a result. Even along this route, some individuals construct a new structures made of steel and iron. Those are not acceptable."*

- Respondent EH 02, Personal Communication, August 2020 –

### 4.3 Health and Safety Challenges

Delays in Homestay Opening - The study identified that there will be a delay in homestay opening in new normal conditions although international tourist arrivals commenced. Homestay operators are reluctant to open their residences to foreign visitors due to COVID-19 fears.

*"Yes, the government does PCR at the airport and then transports them to quarantine. However, I will continue to wait for a few weeks. You are well aware of the danger. If you follow the news every day, you will see that numerous COVID sufferers have been recognized, and many of them are from other countries."*

- Respondent EH 01, Personal Communication, August 2020 –

Guest-Family Safety Concerns – The interviewed results produced that the homestay operators feel responsible for the guest's health and safety as well as for ensuring their own family's and community's health and safety. They feel burdened if the community accuse them in case of COVID-19 infected patient is found from their homestays. Moreover, they are concerned about their family's health and have a sense of protection for the family member over their outside guests.

*"We must safeguard ourselves, as well as be accountable for the health of our visitors. What will we do if a person staying here is discovered to be a COVID patient? Others will point the finger at us."*

- Respondent EH 02, Personal Communication, August 2020 –

Lack of readiness to implement COVID-19 Health Protocols – Due to their inner struggle of welcoming foreign guests to homestays, the appropriate health measures have not been implemented yet. It was found that homestay operators lack the required practical training on health guidelines.

*"We haven't yet opened the homestay to visitors. As a result, none of them are anything we do. However, when guests begin to arrive in the future, we aim to accomplish such things.."*

- Respondent MH 01, Personal Communication, August 2020 -

"Safe and Secure" Certification - The government is yet to extend the safety certification for the homestay operators and it was uncovered that most of them do not have a clear idea about receiving the certification and its importance of it. SLTDA has developed "Safe and Secure Certification" for tourist facilities based on WHO and Sri Lankan Ministry of Health requirements, with the goal of preserving cleanliness and sanitary procedures. It will instil trust in travellers when it comes to selecting reputable tourism services and other service providers. As a result, not extending the certification to homestays will further disrupt the smooth operation of the specific accommodation units.

*"I have no knowledge of such a thing. If something similar occurs in the future, PHI will alert us."*

- Respondent MH 02, Personal Communication, August 2020 -

#### 4.4 Socio-Cultural Challenges

Downgrading domestic tourists - This study disclosed that although domestic tourism boomed first, homestay operators don't want to accept the domestic market segment. The negative perception on domestic guests with relevance to their behaviour is the key factor influencing the decision. Hence, the privation on the neediness to overcome the current financial struggle by welcoming local bookings was recognized and this situation has led to discrimination against local guests who will play a crucial role in recovering the tourism of the country till the industry becomes stabilized.

*"We also get local bookings from time to time, but we don't accept them. Their conduct is considerably different from that of foreigners, and it might be difficult to deal with them at times."*

- Respondent EH 02, Personal Communication, August 2020 -

Maintaining close interactions with the guests - Unlike pre - COVID era, maintaining close relationships with the guests will be difficult due to health measures in new normal conditions. Hence, giving out a satisfactory experience in the homestays will be challenging especially for the repeat visitors. As a place where the cultural exchange takes place in terms of lifestyle, culinary, language and many other means via close host-guest relationships, virus contamination fears will have a grave impact to deliver an effective service for the homestay guests.

*"We make every effort to provide the finest service possible for them. However, it might be difficult at times to associate with our visitors in the same way that we did previously. I believe that in the future, our returning customers will notice the improvement the most. I'm not sure if that will be a hindrance to our business. However, we will make every effort to please our visitors."*

- Respondent EH 03, Personal Communication, August 2020 –

The tendency towards Non-Tourism Activities – Some of the homestay operators have departed from the homestay business due to the zero income and unpredictable circumstances that the industry is facing. Thus, retaining them in the accommodation sector will be more challenging if the tendency to grow if the tourism industry takes more time to re-boost than the other industries in which they will be able to earn an income rather than engaging in tourism activities.

*"Obviously, there is a tendency of individuals switching to other industries since they need to generate money in whatever way they can if they want to survive."*

- Respondent EC 01, Personal Communication, August 2020 –

## 5. CONCLUSION

The principal objective of this study was to perceive the difficulties of homestay activities under the new normal conditions of COVID-19 of the pandemic. The most critical challenges are distinguished as being economic and health and safety challenges. Moreover, socio-cultural and environmental challenges are identified. It was found that, notwithstanding their critical financial conditions, homestay operators don't seek to enhance their circumstances by making utilization of accessible other options, like taking into account the domestic market. Because of homegrown guests' conduct concerns, homestay operators won't give facilities, in any case, their monetary difficulty. Income generation is the principal challenge given that homestay operators have not had the option to create income. Subsequently, they have needed to lay off their workers and suspend speculation openings because of the unforeseeable idea of future interest. It has likewise obvious that it has been truly challenging for the homestay operators to get credit offices from business banks, despite the fact that the state authority has given direction and given concessions. Besides, homestay proprietors are displayed to respond unfavourably to any assumption that homestay fees will be lower after the tourism industry tasks start to recuperate under new normal conditions. Furthermore, homestay owners are shown to react adversely to any expectation that prices will be lower after tourism operations begin to recover under new normal conditions. Health and safety concerns include delays in opening up homes, the capacity to ensure their health and safety, lack of readiness to enforce COVID-19 health standards and concerns related to the "Safe and Secure" certification provided by the



government to the accommodation sector. Socio-cultural challenges incorporate operators downgrading the acknowledgement of domestic guests, issues of maintaining close relationships with visitors and keeping up with social contact and a propensity towards taking on non-tourism industry activities to earn an income.

The authors of this study also advocate that the Sri Lankan Tourism Development Authority's "Safe and Secure" accreditation be extended to homestays. Furthermore, implementing a comprehensive method for extending "Safe and Secure" certification for homestays could be used to entice unregistered homestay operators who have been dispersed across the country for many years to register with the government database, allowing the Sri Lankan Tourism Ministry to administer their operations more efficiently. In addition, central government policymakers should prioritize the development of specialized financing rules for homestays. Diversification approaches for the homestay company should be developed, such as discovering new market niches, merging revitalized agricultural activities into homestay operations to give a unique experience, and so on. With guests' increased willingness to participate in isolation owing to health concerns, it's more important than ever to develop the guest-host interaction while carefully analyzing the host's attitude. It is strongly advised that homestay providers be made aware of the need of providing housing for domestic guests in the present context, as well as the long-term benefit of doing so. As a result, conducting capacity-building training for homestay operators in areas such as attitude development, health and safety emergency skills development, and an emphasis on cooking and guiding abilities would be advantageous. Provincial ministries should conduct awareness-raising campaigns linked to the need to accommodate domestic visitors with the help of industry experts. To minimize negative economic consequences after COVID-19, a defined minimum price for homestays should be enforced, with continual monitoring and re-evaluation of these requirements. Furthermore, regular routine practices for both the host and the guest should be enforced, with an emphasis on cleanliness, pandemic prevention, and a sterilized atmosphere. Given that certain hospitality industry players have shifted their focus away from homestays and toward agricultural activities, it is suggested that cultivated land be included in community-based tourism operations alongside the homestay model in the new normal. This would make it easier for such stakeholders to restart their hospitality businesses under new normal conditions rather than abandoning the tourist industry entirely. Furthermore, future Sri Lankan destination marketing plans that promote a linked homestay idea that includes the new transitions mentioned should be planned. This might be done in conjunction with the promotion of a "New Normal Homestay" idea aimed at revitalizing the business.



## 6. LIMITATIONS AND STUDY FORWARD

The COVID-19 epidemic in Sri Lanka has been highlighted as the study's primary constraint. Travel restrictions and social segregation were introduced as a result of the pandemic's spread throughout the country. As a result, on occasion, participants will refuse to speak with an unknown outsider. As a result, conducting interviews and obtaining the necessary data for the research is tough. The study was further limited by time and resources due to the fact that it was done during the COVID-19 pandemic. There have been a few studies on the influence of COVID-19 on the hotel sector, but none especially on homestay businesses. As a result, the researcher had difficulty gathering a substantial amount of previous literature. Some respondents may not offer a truthful response, or they overstate the circumstance and give fake interviews, affecting the research's conclusion. Furthermore, while there are other additional sites in Sri Lanka, this study only looks at two that are popular for the homestay idea.

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