Impact of COVID-19: A Qualitative Study on the Challenges Encountered and Strategies Adopted by Homestay Industry

ALWIN OH JIN NENG

MASTER OF PHILOSOPHY

FACULTY OF BUSINESS AND FINANCE
UNIVERSITI TUNKU ABDUL RAHMAN
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By

ALWIN OH JIN NENG

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ABSTRACT

Impact of COVID-19: A Qualitative Study on the Challenges Encountered and Strategies Adopted by Homestay Industry

Alwin Oh Jin Neng

This study aims to uncover the challenges faced by homestay operators during COVID-19 and the strategies they've employed for resilience. It does so by examining multiple homestays in the hardest-hit states through the lens of entrepreneurial resilience. This research sheds light on the challenges confronted by Malaysian homestay operators during COVID-19 and the strategies they've adopted, offering a fresh perspective through the entrepreneurial resilience framework. It is noteworthy that Malaysia's homestay industry differs from those in other countries, due to unique lock-down policies and government support systems. These factors significantly influence how homestay operators recover, as viewed through the entrepreneurial resilience theory. This study employed a qualitative research approach using a single case study methodology, gathering data through semi-structured interviews. The sample size was determined using the constant comparative method, which reached data saturation after the 12th interview. Data analysis was conducted using thematic analysis with a non-linear process, iterated multiple times. The findings indicate that homestay operators faced mental health challenges, including stress, uncertainty, and hoplessness, as well as financial challenges such as less consumer demand and high operation costs

during COVID-19. Participants shared strategies such as self-development (positive attitude and learn new skills) and cost management (zero-cost marketing and aware of government support) to overcome these issues and regain resilience. In summary, this study highlights the remarkable entrepreneurial resilience exhibited by Malaysian homestay operators amidst the challenges posed by the COVID-19 pandemic. These operators have demonstrated entrepreneur emotional and financial resilience by adapting to the unprecedented challenges. The limitation of this study exclusively focuses on registered homestays in Malaysia, particularly in states where homestay operators' income is most affected. Additionally, this study only considers the perspective of homestay operators, without taking into account the perspectives of other stakeholders, which does not provide a complete picture of demand and supply.

Subject Area: HB615-715 Entrepreneurship. Risk and uncertainty.

Subject Area: HD49-49.5 Crisis management.

Subject Area: HB3711-3840 Business cycles.

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CBT	Community-Based Tourism
CMCO	Conditional Movement Control Order
COVID19	Coronavirus Disease of 2019
ECRL	East Coast Rail Link
EMCO	Enhanced Movement Control Order
FMCO	Full Movement Control Order
GDP	Gross Domestic Product
ICT	Information and Communications Technology
MCO	Movement Control Order
MKN	Majlis Keselamatan Negara
MOTAC	Ministry of Tourism, Arts and Culture Malaysia
RM	Ringgit Malaysia
SARS	Severe Acute Respiratory Syndrome
SME	Small and medium enterprises
SOP	Standard operating procedure
UNWTO	United Nations World Tourism organisation

CHAPTER 1

OVERVIEW OF STUDY

This chapter will discuss the study background, problem statement, research question, research objective, significance of the study, and scope of study.

1.1 Background of the Study

Malaysia is blessed with a diverse natural attraction, ranging from scenic beaches, heavenly islands, tropical rainforests, spectacular highlands, and many more. In addition, the country is also popular for its rich cultural heritage resulting from the ethnic diversity – offering myriad experiences which further boost the tourism sector in Malaysia. It is well known that tourism has been a significant contributors to the Malaysian GDP (Malaysian Investment Development Authority, 2021). With the advent of technologies, which practically make travelling cheaper and more accessible, tourism activities have even further increased. The advancement of the internet provides a lot of helpful information to tourists for better understanding of the places, helping them plan or explore their intended destinations. Furthermore, the existence of low-cost airlines has also removed the costly travel barrier, as they offer lower fares than regular airlines.

Generally, tourists' spending is mostly on shopping, accommodation, as well as food and beverages. Statistics indicate that accommodation is ranked as the second-highest spending category after shopping. This is mainly due to the high average length of stay, approximately 7.4 nights (Ministry of Tourism, 2020). Additionally, Malaysia was the fourth most popular destination in East Asia in 2019. Unexpectedly, after the outbreak of COVID-19, Malaysia was ranked as the second most-visited country in East Asia in 2020 (The World Bank, retrieved 2024). Therefore, this highlights the important role of accommodation in promoting and contributing to the growth of Malaysia's tourism sector.

Prior to the outbreak of COVID-19, the homestay programme in Malaysia experienced significant growth, marked by a steady increase in total income since 2012 and a substantial rise in the number of homestay houses, particularly from 2017 onwards (Ministry of Tourism, Arts, and Culture [MOTAC], 2023). Similarly, Kulshreshtha and Kulshreshtha (2019) highlight that the homestay programme is a growing industry, attributed to the increasing preference for rural tourism. Homestay programme is basically a rural tourism product run by the local community (Yusof et al., 2013). With all the natural attractions in Malaysia, homestay programme has the capacity to promote and foster both the rural economic growth and to the country's gross domestic product (GDP) (Akbar et al., 2016; Cheuk et al., 2015; Haldar, 2018; Zamzuki, et al., 2023). This is particularly true when the homestay programme is able to create employment and bring income to the rural community, which redistributes the wealth from the urban to the rural area. Ultimately, it provides

economic diversification, population retention, and income level increase (Castellano-Álvarez et al., 2019).

1.1.2 Homestay programme in Malaysia

The homestay programme is known as a programme that allows tourists to stay with a host family, providing them with opportunities to interact and experience the host's daily life activities while learning about the cultures of rural communities in Malaysia (MOTAC, 2015). The Malaysia Homestay Programme was launched in 1995 in Temerloh, Pahang, aiming to encourage rural communities' involvement in the tourism sector, thereby improving income levels and living standards in rural areas (Muslim et al., 2017). As of 2022, there are 208 homestay clusters in Malaysia (MOTAC, 2022), with the number of clusters in each state listed in Table 1.1.

Table 1.1

Number of Homestay Cluster in each state of Malaysia in 2024

State	Number of homestay cluster
Perlis	4
Kedah	15
Pulau Pinang	10
Perak	11
Selangor	16
Melaka	9
Negeri Sembilan	8
Johor	26
Kelantan	8
Terengganu	7
Pahang	17
Sarawak	49
Sabah	34
Labuan	3

TOTAL	208

Malaysia offers a diverse range of accommodation, including hotels, motels, hostels, guest houses, and homestays. However, this study will focus specifically on homestays registered under MOTAC. Homestays in Malaysia are regarded as alternative tourism products that provide socio-economic benefits to rural development while preserving and promoting the country's heritage and culture (Ramli et al., 2020). The majority of homestay operators belong to the B40 income group, which represents the bottom 40 percent of income earners in Malaysia (Sharma, 2020). Therefore, the homestay programme could serve as a stimulus to boost rural development, encompassing enhancements in infrastructure, economics, social capital, culture, and the environment (Kulshreshtha & Kulshreshtha, 2019; Miraz et al., 2015). Furthermore, it could alleviate poverty, sustain rural communities, and promote gender equality among them (Pasanchay & Schott, 2021). In short, the homestay programme contributes significantly and positively to the Malaysian economy by supporting tourism and rural communities through job creation (Khan et al., 2024).

Malaysia was recognised as an exemplary country in promoting sustainable rural tourism development through its homestay programme at the 2017 Global Tourism Economy Forum, thanks to the concerted efforts of all industry stakeholders (MOTAC, 2017). Furthermore, Homestay Malaysia has received the prestigious ASEAN Tourism Standard Award for four consecutive

terms since 2016 (MOTAC, 2023). This award recognises and promotes the best destinations for travel within the ASEAN region (Chong, 2023).

1.1.3 Impact of Healthcare Crisis

The World Health Organization (WHO) first received a case of unknown cause pneumonia in Wuhan City, China, on 31st December 2019. Subsequently, on 7th January 2021, Chinese authorities identified it as a severe illness belonging to the typical cold virus family, initially named "2019-nCoV," and later renamed "COVID-19" (WHO, 2019). The Director-General of the World Health Organization declared COVID-19 a pandemic on 11 March 2020 (World Health Organisation, 2020).

Figure 1.1 illustrates the fluctuation in the number of daily confirmed new COVID-19 cases in Malaysia during 2020 and 2022. The instability in infection rates prompted the Malaysian government to implement various types of Movement Control Orders (MCOs), resulting in a reduction in inbound tourism activities (Abhari et al., 2022). As a result, COVID-19 caused a significant decline in the GDP contribution to the tourism industry, with figures of only 2% in 2020 and 0.9% in 2021 (Department of Statistics Malaysia, 2021).

Figure 1.1

Daily new COVID-19 cases in Malaysia from 30th January 2020 to 28th September 2022.
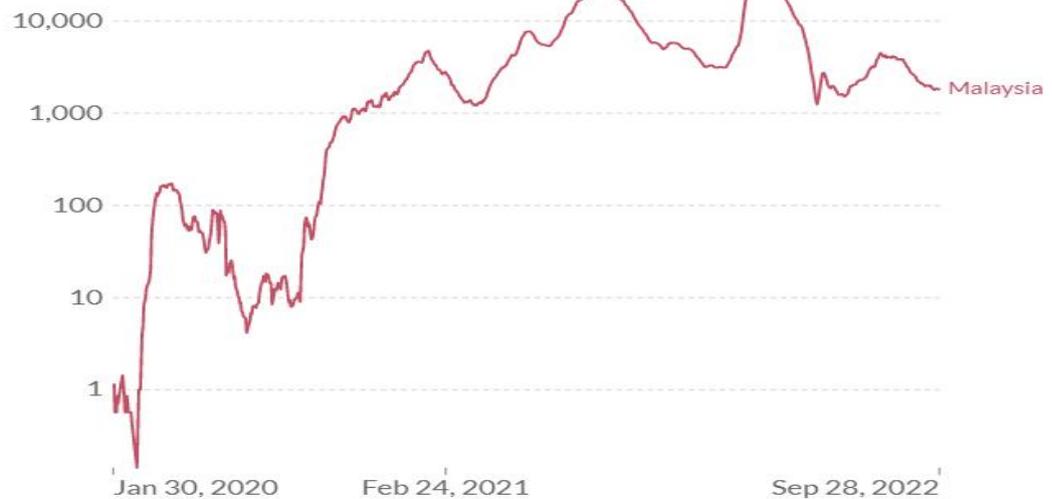
Source: Worldometer (n. d.)

During COVID-19, approximately 204 lodging businesses in Malaysia left the industry due to the challenges of sustaining multiple phases of Movement Control Orders (MCOs) (Syahirah, 2020) and depleted reserves (Malek, 2021). Homestay operators faced additional challenges, competing with hotels offering massive discounts during this period (Hanani, 2020) and dealing with fewer financial resources (Ahmad, 2020).

Figure 1.2 displays a significant drop in Malaysia's total homestay tourist arrivals in 2020, with approximately a 30% decline compared to 2019. In 2021, this figure further plummeted by another 60%. The drastic decline in tourist arrivals can be attributed to the fact that homestay programs primarily cater to the international market (Ramele, 2022). Similarly, Lim (2020) reported a significant reduction in their homestay occupancy rate, experiencing

around a 60% decrease throughout the MCO period, maintaining only a 30%

occupancy rate due to the accommodation of some frontline workers.

Figure 1.2

Total Number Tourist Arrival for homestay programme in Malaysia from

2018-2021

Source: Ministry of Tourism, Arts, and Culture (2022).

Figure 1.3 depicts a drastic drop in income for Malaysia's homestay

operators in 2020 and 2021 due to a declining number of tourist arrivals

(Ramele, 2022). Some homestay operators exited the programme, venturing

into other business fields (Amin, 2022).

Figure 1.3

Total income of homestay programme by state from 2018 to 2021.

Total income of homestay programme by state
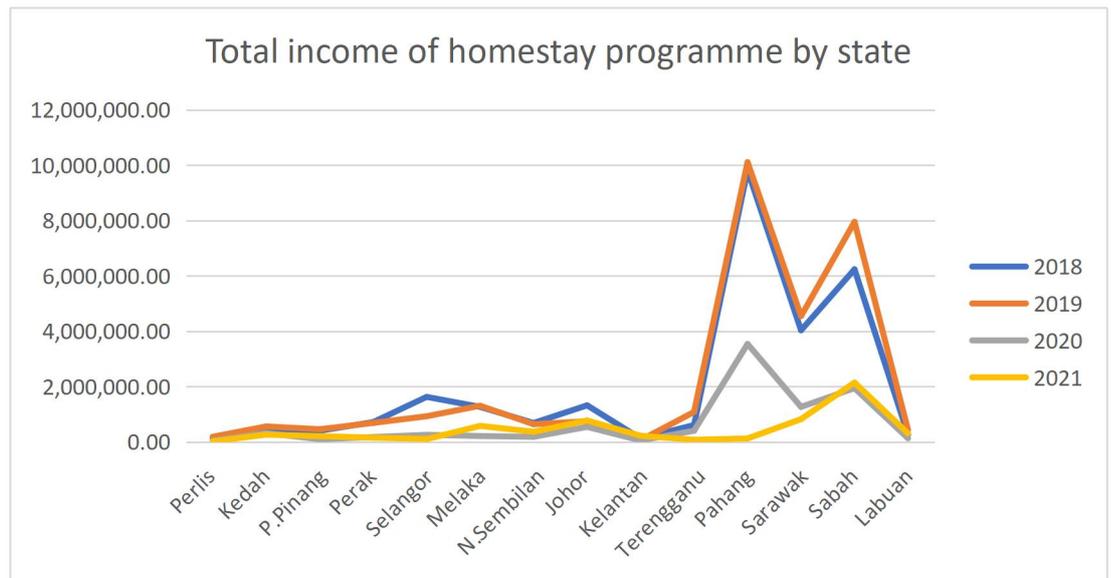
Source: Ministry of Tourism, Arts, and Culture (2022).

1.2 Problem Statement

This study focuses on the homestay industry because it has recently gained considerable traction within the Malaysian tourism sector. This recognition further solidifies the Malaysian homestay programme as one of the central pillars of the nation's tourism industry (Chong, 2023; MOTAC, 2023). However, the outbreak of COVID-19 has severely affected the homestay programme, resulting in income losses and prompting some operators to exit the programme, leaving behind abandoned premises (Ramele, 2022).

The homestay programme, which primarily caters to the niche market of community-based tourism, has been particularly impacted by social distancing measures, as its main appeal lies in immersive cultural experiences and community engagement ("Malaysia tempts travellers to check niche market," 2023). The implementation of social distancing policies by the

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government has disrupted social integration, leading to behaviours of social isolation (Monfared et al., 2021). In short, it is imperative to examine this niche tourism industry and understand how it copes with the challenges posed by COVID-19.

Furthermore, there is a limited bosy of literature regarding the specific impact of the COVID-19 pandemic on the homestay programme in Malaysia. While existing studies, such as those conducted by Lim and Lee (2020), Kunjuraman and Hussin (2017), Nor and Awang (2017), and Pusiran and Xiao (2013), have addressed the challenges faced by Malaysia's homestay operators, their focus has been either on individual homestays or specific states within Malaysia. Unfortunately, these studies do not encompass the broader impact of the unprecedented COVID-19 pandemic on the homestay programme as a whole. Given the pandemic's extensive ramifications on the global tourism sector, it is crucial to comprehensively investigate its effects on the homestay programme in Malaysia.

In essence, homestay programs serve a niche market and contribute to sustainable rural development. However, past studies have lacked exploration of the operator perspective (Hafizah et al., 2022; Suwandana, et al., 2022; Zulkefli et al., 2021), particularly regarding the challenges they face during unprecedented times. Therefore, this study aims to fill this gap by examining the homestay context and providing valuable insights into the dynamics of this niche tourism industry, particularly in the face of unexpected challenges such as the COVID-19 pandemic.

Undeniably, the nation has weathered a few health crises prior to COVID-19, such as the Spanish flu, Nipah virus, and severe acute respiratory syndrome (SARS). However, none has had an impact as severe as COVID-19 (Gössling et al., 2020). As reported by the World Bank (2020), the consequence of COVID-19 is not comparable to other previous health crises, and COVID-19 is considered the deepest recession since World War II. Moreover, a recent risk modelling conducted by a London-based disease forecasting company suggested that there is a 27.5% probability of another deadly pandemic by 2033 (Pringle, 2023). Hence, the Malaysian homestay programme needs to have a future plan in place to deal with such challenges (Hafizah et al., 2022).

Therefore, given the significant role played by the homestay industry in the Malaysian tourism sector, and coupled with the high probability of another deadly pandemic in the near future, research is needed to investigate the challenges faced by homestay operators due to COVID-19. Subsequently, it is also equally important to explore strategies to overcome these challenges. Analysing these challenges and strategies is important to better prepare homestay operators for facing future health crises. It allows them to prioritise which challenges need immediate attention or solutions. Additionally, it enables industry players to share their experiences in handling problems during the pandemic and learn from each other. Ultimately, this could help homestay operators sustain their businesses and survive in the event of another pandemic in the future.

1.3 Research Question

1. What are the challenges faced by homestay operators due to COVID-19 pandemic in Malaysia?
2. What are the strategies adopted to overcome the challenges faced by homestay operators during COVID-19 pandemic in Malaysia?

1.4 Research Objective

General Objective: To identify the effects of COVID-19 pandemic on Malaysia homestay operators and the strategies that could be implemented by the homestay operators.

Specific Objectives:

1. To investigate the challenges faced by homestay operators due to COVID-19 pandemic in Malaysia.
2. To explore the strategies to overcome the challenges faced by homestay operators during COVID-19 pandemic in Malaysia.

1.5 Significance of Study

The significance of this study is to provide valuable insights and knowledge to the homestay programme in Malaysia. It aims to address gaps in existing knowledge and offer practical solutions to overcome the unprecedented challenges faced by homestay operators. The findings of this research will be relevant to both academic researchers in the field of rural tourism industry and policymakers involved in shaping related policies. By shedding light on the impact of the study's subject matter, this research can contribute to the improvement of the homestay programme in Malaysia. Additionally, the homestay programme can serve as a learning experience of how alternative tourism in rural areas significantly contributed to the rural economy and development, while preserving Malaysia's culture during COVID-19 (Khan et al., 2024; Ramli et al., 2020).

1.5.1 Significance for Academia

The study at hand aims to address the limitations of prior research, which predominantly focused on singular perspectives on the homestay programme, with a narrow focus on either a single homestay unit or specific states (Lim & Lee, 2020; Kunjuraman & Hussin, 2017; Nor & Awang, 2017; Pusiran & Xiao, 2013). However, such singular perspectives might not be sufficient to fully comprehend the unprecedented challenges brought about by the COVID-19 pandemic. Therefore, this study aims to bridge these gaps by adopting a comprehensive approach, focusing on multiple homestay units and

several states that have been heavily impacted by the pandemic regarding their income.

By investigating a broader spectrum of homestay establishments across multiple states, this research will provide a more holistic understanding of the impact of COVID-19 on the homestay programme in Malaysia. The findings of this study will be valuable for academia as they offer a comprehensive perspective, shedding light on the diverse challenges faced by homestay operators during this extraordinary time. This research will contribute to existing knowledge and enrich the body of literature surrounding the effects of the pandemic on the tourism industry, specifically within the context of the homestay programme.

Previous studies used to determine the criteria for sustaining the homestay programme and sought to understand the challenges of the homestay programme through quantitative methods (Balasingam & Bojei, 2019; Kasim et al., 2016; Miraz et al., 2015; Ramli et al., 2015; Pusiran & Xiao, 2013). However, a qualitative study is able to provide rich information on experiences, contexts, and phenomena (Cleland, 2017). Therefore, this study intends to provide an in-depth understanding of the impact of COVID-19 by exploring the complexities and nuances of the challenges faced by homestay operators due to the pandemic. Furthermore, the qualitative approach allows for understanding the challenges and impacts of the pandemic on the homestay programme in the context of the local culture and community. This opportunity to closely interact with homestay operators enables the expansion of existing knowledge and adds

depth to the understanding of the homestay programme in the face of unprecedented challenges.

Earlier research has focused on the common challenges faced by homestay operators in their operations, as evidenced by studies conducted by Gantait (2016), Kunjuraman and Hussin (2017), Lim and Lee (2020), Radović et al. (2020), Sood et al. (2017), and Su et al. (2019). However, this study contributes to the body of knowledge by focusing on the unprecedented challenges the homestay industry faces due to the COVID-19 pandemic. To the best of the researcher's knowledge, research that incorporates how the COVID-19 pandemic affects Malaysia's homestay programme is still lacking. This is a clear gap that this study intends to fill. The significance of this study to academia is even more apparent because this is the first time Malaysia has ever experienced such a severe health crisis.

Previous research has extensively discussed several strategies that could benefit the homestay programme, such as promoting the homestay through community-based tourism programmes (CBT) (Bhuiyan, 2019; Bhuiyan, 2019a; Dawayan et al., 2019; Haniza Mohamad & Hamzah, 2013). However, they lack consideration of the impact brought on by the pandemic. Thus, this study attempts to contribute by examining the strategies that Malaysian homestay operators could adopt to sustain their business and overcome the challenges imposed by the pandemic. In short, this study will provide a more comprehensive review of the challenges faced by homestay operators and assess the strategies adopted to survive the pandemic. Therefore, this study

could provide helpful insights for homestay operators in the future to deal with the sudden severe disruption caused by the pandemic.

Contrary to studies that argue the absence of prior research on a theory or phenomenon in a specific country as an insufficient reason to proceed, Lindgreen et al. (2020) suggest that a more compelling rationale lies in understanding that underlying factors in different countries yield varied results for a theory. For instance, the outcomes of entrepreneurial resilience can differ from one country to another due to the dynamic interaction of both internal and external factors, as highlighted by Hedner et al. (2011). Similarly, Wilujeng et al. (2021) identified a broad spectrum of factors, including social, economic, financial, and current market performance, that influence entrepreneurial resilience. Therefore, this study adopts the entrepreneurial resilience theory to guide the research in the context of Malaysia, recognising that resilience results can vary across different countries. For instance, Loong and Usamah (2022) found that the number of implemented lockdown policies can impact the economy, potentially leading to a recession. Consequently, the implementation of various lockdown policies can result in different outcomes for entrepreneurial resilience.

1.5.2 Significance to the Homestay programme

This study delves into the perspective of homestay operators by addressing the questions of "what" and "how." Understanding the challenges faced by homestay operators during the pandemic's negative impact enables

them to assess their vulnerabilities during difficult times and identify the necessary actions to prepare for similar situations in the future.

On another note, understanding the question of "how" involves examining the strategies adopted by homestay operators in their efforts to overcome the challenges posed by the COVID-19 pandemic. Hence, this study uncovers the linkages between the challenges and the strategies adopted by homestay operators to address them. Additionally, by gathering information and feedback from a diverse range of homestay operators, this study might uncover different or unique strategies implemented by the participants. Therefore, the findings of this study can be shared among homestay operators, enabling them to learn from one another's experiences. As highlighted by Tanvir and Baig (2020), knowledge sharing is essential for the tourism industry to effectively enhance their profit and promote innovation through shared information.

Ultimately, this study provides valuable insights into how homestay operators deal with challenges during a pandemic, preparing them to respond to any sudden, severe pandemic disruptions in the future.

1.5.3 Significance for Policy Makers

The Malaysian government plays a crucial role in promoting the homestay industry, and it should not be sidelined in the pandemic recovery plan, as it is equally important as other hospitality industries (Ramele, 2022).

The findings of this study may reveal the challenges and problems faced by the homestay industry at the ground level. As such, policymakers could utilise this information to formulate effective strategies aimed at supporting and mitigating the adverse impacts of the COVID-19 pandemic on the homestay industry. In short, this study could raise policymakers' awareness regarding the hardships faced by homestay operators. By providing insights into the challenges faced by these operators, policymakers can strategically devise policies and strategies to address the root causes of these challenges.

1.7 Scope of Study

The scope of this study is limited to homestay operators registered under the Ministry of Tourism, Arts and Culture (MOTAC), Malaysia. With the homestay programme being one of the key initiatives in Malaysian tourism that has gained considerable traction in recent years, research in this area is crucial. Additionally, focusing on registered homestay operators provides a clear sampling frame for conducting the research, unlike unregistered homestays, which lack a database for sampling purposes.

Furthermore, the concept of homestay programmes promoted by MOTAC differs from unregistered homestays. The latter primarily focus on providing accommodation services without offering recreational activities (Nor & Awang, 2017). As such, they deviate from the study's purpose of selecting homestay operators that promote rural tourism and benefit local communities, particularly those belonging to the B40 income range.

1.8 Organisation of Chapters

Chapter 1 provides the background of tourism and the homestay programme in Malaysia, highlighting the potential significant impact of the Covid-19 pandemic on homestay operations. It identifies the problem statement, leading to the formulation of research objectives and questions. Additionally, it underscores the significance of the study to academia, industry, and policymakers.

In Chapter 2, a comprehensive review of relevant literature is presented, focusing on various aspects within the context of tourism and the homestay industry. This includes the conceptual framework, examining key concepts and theoretical underpinnings guiding the study. The chapter also explores the impact of COVID-19 on the tourism and homestay industry, discussing significant disruptions and challenges caused by the pandemic.

Chapter 3 discusses the research methodology used in this study. It elaborates on sample selection, research instruments, data collection, and data analysis methods employed.

Chapter 4 delves into the research findings and their respective discussion based on collected interview data. Themes emerging from the

interview sessions are presented to address research questions and achieve research objectives.

Finally, Chapter 5 summarizes the main research findings, presents the study's contribution, implications, and limitations, and offers recommendations for future research.

CHAPTER 2

Literature Review

This chapter will explain the theoretical review and review of past literature on health crises, challenges faced by homestay operator, and the conceptual framework of this research.

2.1 Resilience Theory

Resilience theory is a multi-disciplinary concept, lacking a fixed definition that universally applies across all fields due to its diverse applications. It gained prominence in the late 1990s within organisational resilience (Chen et al., 2021). The widespread adoption of resilience theory has extended its application to various specialties and areas of study, encompassing individuals, families, communities, social work, policy governance, cross-cultural aspects, and the development of resilience by identifying its attributes (Van Breda, 2001). Consequently, resilience has been conceptualised differently in diverse contexts, including individual resilience, family resilience, organisational resilience, societal resilience, cultural resilience (Southwick et al., 2014), and entrepreneurial resilience (Branicki et al., 2018).

Resilience theory typically involves several stages: (1) the initial outbreak of a disaster affecting the business, (2) the business's response or adaptation to the disruption, and (3) the process of recovering from the disruption and returning to normal equilibrium (Corner et al., 2017). Therefore,

resilience can be understood as a dynamic process wherein individuals face adverse events or acute life events, adapt to the situation, and glean lessons from the experience (Southwick et al., 2014).

2.1.1 Entrepreneur resilience

The majority of past scholars view entrepreneur resilience as the ability to rebound after experiencing a disruptive event or failure (Ayala & Manzano, 2014; Branicki et al., 2018; Duchek, 2017; Fatoki, 2018; Martinelli et al., 2018; Manzano-García & Ayala, 2013). At the same time, "ability" views an entrepreneur's capability in different dimensions, such as emotional, cognitive (Branicki et al., 2018; d'Andria et al., 2018), social, and financial resilience (Hayward et al., 2010).

Entrepreneurial emotional resilience can be described as the favourable adjustment of behaviour and emotions to confront adversity (Salisu et al., 2020). Entrepreneurs with optimism will help them deal with unpleasant feelings and lead to positive adaptation to the worst situation (Bullough et al., 2014; Manzano-García et al., 2013; d'Andria et al., 2018). Also, the entrepreneur with optimism is essential for growth in resiliency because it positively influences emotion and behaviour when it requires adjustment to deal with adversity (Ayala & Manzano, 2014). Similarly, being self-confident is vital for the entrepreneur as it reduces the emotional cost of adversity and helps the entrepreneur move forward by learning and seeking alternative

solutions (Duchek, 2017; Wall & Bellamy, 2019). In addition, entrepreneurial resilience tends to associate with the characteristic of hardiness and preservation (Ranil et al., 2019). Likewise, Fisher et al. (2016) suggested that entrepreneurs with hardiness tend to believe in themselves and can successfully adapt to changes and deal with stressful situations to achieve their goals. In short, positive emotion is critical for the entrepreneur to maintain a healthy range of emotions and be resilient enough to adapt to a dire situation.

Cognitive resilience can be described as the entrepreneur having a positive adjustment because they believe in their capability to control the outcome and destiny (Hayward et al., 2010). Similarly, Branicki et al. (2018) study show that entrepreneurs tend to believe in having control over problems by planning and inventing something new instead of doing nothing. While d'Andria et al. (2018) shared a different view of cognitive resilience, as the authors mentioned, the entrepreneur first must achieve emotional stability and improve cognitive flexibility to use causal logic to evaluate the current situation and make the correct decision to obtain their primary goals. Additionally, emotional stability helps the entrepreneur initiate cognitive change and seek a new path to fulfilment in the same situation (Corner et al., 2017). Therefore, entrepreneur cognitive resilience cannot stand alone as it involves various processes, from coping with emotions to cognitive changes.

Social resilience refers to the ability of the entrepreneur to preserve or build up the relationship with stakeholders when the time of failure (Fredrickson, 1998, as cited in Hayward et al., 2010). Likewise, Cooper et al.

(2013) proposed that social support is one of the crucial personal resources in building personal resilience. The authors explained social support as sociability and personal awareness of the environment to build a solid mutual benefits relationship. Entrepreneurs with social resilience can access different perspectives from their social network to get a better decision making process outcome with less emotional impact and more assurance from a different view of business advice (Wall & Bellamy, 2019). Also, social support from the closest family will protect against negative emotions when indecisive towards disruptions. Besides the emotional benefits gained from social support, Hayward et al. (2010) established a positive correlation between social support and financial resources. For instance, entrepreneurs with a strong social network, including stakeholders, family, and friends, can leverage these connections to secure financial resources. Consequently, social constraints emerge as a notable barrier hindering entrepreneurs from obtaining business funding (Pham & Talavera, 2018). In short, social resilience can act as a resource to buffer negative emotions and provide linkage to access financial support from their social network.

Financial resilience is the entrepreneur's ability to access financial resources based on their decisions and efforts (Hayward et al., 2010). Having adequate financial resources is one of the significant factors that could influence the entrepreneur's resilience (Schutte & Mberi, 2020). Meanwhile, Dewi et al. (2021) provide a different view where financial resilience is the ability to deal with financial problems and the capacity of the entrepreneur to react towards adversity. It is also believed financial resilience is closely related

to financial literacy and capacity, so entrepreneurs with these skills will have better knowledge in dealing with a financial shock (Dewi et al. 2021). Financial literacy is essential due to its views as the person's financial knowledge or concept that could affect the person's decision and swiftness of emergency preparedness (Lyons et al., 2020). In short, financial resilience is not merely about how the entrepreneur accesses financial resources during a crisis. However, also it includes the financial literacy of the entrepreneurs and how they decide any related financial decisions.

In summary, this study employed the theory of entrepreneurial resilience as a framework to address the research questions. This theory suggests that entrepreneurs, including homestay operators, have the capacity to devise strategies for recovery and adaptation in the face of challenges, such as the COVID-19 pandemic. By applying the lens of entrepreneurial resilience theory, this research can effectively navigate the complexities of the problem at hand, providing a focused and purposeful approach throughout the study. This framework will not only aid in analysing the data but also enhance a deeper comprehension of homestay operators' responses and coping mechanisms amidst the challenges posed by the pandemic.

2.1.2 Resilience studies on homestay programme

Sari et al. (2022) employed a quantitative study approach to examine the resilience of homestays during COVID-19. However, their findings indicated that a majority of homestay operators tended to avoid the situation without making necessary adjustments, often transitioning into the agricultural sector. This suggests that homestay businesses may not exhibit resilience, as they struggle to adapt to the challenges brought about by COVID-19. Additionally, Supian et al. (2022) highlighted how the resilience of homestays in Malaysia has been negatively impacted by COVID-19, emphasising challenges such as a lack of commitment, marketing, financial resources, and proper management. Although homestays, especially those targeting high-end tourism, have been severely affected by COVID-19 due to the high investment costs associated with luxury products, and homestay operators mainly rely on international tourists, whose use of these products generates profits that offset the high-cost investment (King et al., 2021). In essence, COVID-19 acted as a catalyst, revealing hidden challenges within the homestay business. Consequently, less resilient homestay businesses tended to close down rather than adapt to the new tourism environment. While these past studies focused on problems encountered, this study aims to delve deeper by examining both the problems faced by homestay programmes and their adaptive strategies, ultimately contributing to the regeneration of homestay business resilience.

Conversely, Doan et al. (2023) suggested that to overcome the impact of COVID-19, homestay operators should adapt to current regulations, modify

their products, and emphasise the authenticity of the homestay experience. Additionally, Hafizah et al. (2022) identified four dimensions of resilience—government response, technology innovation, local belongingness, and consumer and employee confidence—that can aid homestays in Malaysia to build resilience against the challenges of COVID-19.

Furthermore, Suwandana et al. (2022) explored homestay business resilience using a capital approach, including human, economic, social, and physical capital. They found that these capital elements positively influenced homestay business resilience, contributing to sustainability. Similarly, Sun et al. (2023) advocated for the use of agglomeration strategies to build homestay resilience during COVID-19, emphasising the importance of business clusters collaborating to develop strategies against the pandemic.

In line with Amir et al. (2015), four factors influencing community resilience in homestay programs—motivation to participate, flexibility in adapting, good relationships with authorities, and consideration for the natural environment—were identified. Zamzuki et al. (2023) concurred that these factors are crucial during COVID-19 to enhance the resilience of homestay programme. Lastly, Ghapar et al. (2015) highlighted the essential role of government support in helping homestay programme in Malaysia maintain business resilience through future direction plans, engagement, and commitment.

Moreover, Noorashid and Chin (2021) adopted the resilience framework from Sharma et al. (2021) to address homestay resilience during the COVID-19 pandemic. They reported that a majority of homestay businesses are grappling with financial issues due to their self-funded nature. The challenge of sudden massive bookings at the end of movement restrictions was also emphasised, leading to difficulties in ensuring the quality of the homestay experience. By employing Sharma et al.'s (2021) framework, Noorashid and Chin (2021) found that homestay businesses, to cope with COVID-19, must respond swiftly, diversify their products, have access to government support, and adopt technological advancements. Ultimately, homestay businesses have transformed to adapt to the new environment in the tourism industry, contributing to the creation of job opportunities and innovative roles (Noorashid & Chin, 2021).

In summary, past studies often focused on specific phases of the resilience theory. Therefore, this study delves into the complete process of resilience, starting from the problems encountered at the outbreak of COVID-19 and the specific challenges faced by homestay programs. It then proceeds to explore how homestay programme devise strategies to cope with these problems. Additionally, past studies tended to overlook the perspective of homestay operators (Korber & McNaughton, 2017). For instance, while they addressed challenges faced by homestay programme, they overlooked the challenges faced by operators when managing the homestay programme. Therefore, this study provides a more comprehensive review that includes the

perspective of operators, utilising entrepreneurial resilience and covering the entire resilience phase.

2.2 Empirical Review

2.2.1 COVID-19's Impact on the Tourism Industry

Sun et al. (2020) note distinctions between SARS and COVID-19 in fatality and transmission rates. COVID-19, with a higher transmission rate (Nussbaumer-Streit et al., 2020), exhibits longer onset times and variable symptom severity (Wong et al., 2020). Hafiz Hanafiah et al. (2021) highlighted diverse impacts of health crises on tourism and economic recovery, emphasising COVID-19's uniqueness due to its global spread and disruptions.

Based on Liu et al. (2020) COVID-19 has an impact on the overall economy that are still difficult to measure except the pandemic is over. They mentioned that the impact on the economy will depend on how serious the COVID-19 spread and how the government reacts to the situation such as implement tighter lockdowns and social distancing. For instance, Hu and Lee (2020) note that stringent government lockdowns negatively affect accommodation bookings, limiting travel opportunities. Similarly, Priyadarshini (2020) suggests that the tourism industry faces more significant challenges when travel bans are in place for extended periods.

The tourism sector bears a substantial brunt from the pandemic due to travel restrictions, both domestically and internationally, and the closure of

national borders (Karabulut et al., 2020; Sönmez et al., 2020). Additionally, Çetin and Kara, (2020) argue that travel bans from affected countries may not effectively control COVID-19 cases but can significantly impact the economy and tourism industry.

However, Yang et al. (2020) argued that travel activities would expose individuals to a higher risk of getting infected by the virus, prompting the government to implement travel restrictions to break the chain of transmission. While lockdown policies may control COVID-19 spread, they adversely affect tourism destinations (D'Orazio et al., 2021), particularly since tourism heavily relies on international visitors (Karim et al., 2020).

Besides that, Alwi et al., (2020) said people tend to avoid travelling due to afraid of possible transmission during the travel. Correspondingly, Menegaki (2020) agrees that the impact of COVID-19 on the tourism industry depends on the duration of the pandemic and the precautionary policies taken to address the virus. In addition, during the outbreak of COVID-19, the tourism industry was especially vulnerable due to the coinciding peak travel season, resulting in revenue losses and the need to refund reservations made before the pandemic. Also, Menegaki (2020) mentioned that countries that rely on the tourism business as one of the main income sources will be severely affected such as the Asian countries that gain significant income from the tourism industry.

Furthermore, some of the tourism businesses are struggled to pay off their invoices and trying to lay off certain employees to reduce the cost

(Gössling et al., 2020; Kaushal & Srivastava, 2021). Likewise, Gössling et al. (2020) have shown a major decline in the number of employees working in the lodging industry, leading to an increase in the unemployment rate, as most hotel businesses have laid off half of their workers. Additionally, Karim et al. (2020) found that in Malaysia's tourism industry, there is a tendency to reduce employees' wages and encourage them to take unpaid leave.

According to Bhuiyan et al. (2020) social distancing affects the tourism demand due to immobility, while globally lockdown will affect the output of tourism products due to the low productivity of tourism workers. For example, Chan and King (2020) mentioned that some local village has put on the banner to inform outsiders are not allowed to enter the village and lead to a huge impact on the rural tourism industry such as homestay, because tourist arrival is one of the sources of income for the homestay operator.

Furthermore, Hafiz Hanafiah et al., (2021) claim that the lockdown has led to a huge reduction in tourism demand. For example, an increase in the strictness of lockdown policies would decrease global booking, also the increase in the new COVID-19 cases in the country will decrease global booking in that country (Hu & Lee, 2020). Hafiz Hanafiah et al., (2021) discussed the profit and return of investment in the tourism industry is below average compared with the normal period.

Moreover, Yang et al., (2020) said that social distancing and travel bans caused the decline occupancy rate of hospitality industry. According to Hao et

al. (2020), COVID-19 has worsened the performance of the hotel industry and significantly affected its business model, including converting it into a quarantine station, which might trigger unpleasant memories. It was also found that tourists tend to avoid places that have been affected or have become quarantine areas (Altuntas and Gok, 2021). Similarly, Menegaki (2020) stated that the demand for lodging services is affected, as tourists are concerned about the cleanliness of the hotel and feel insecure when the hotel cannot provide evidence that it has been properly sanitised. Alwi et al. (2020) support the idea that hygiene issues would be the main concern before visiting a country, and it can influence their decision.

Jones and Comfort (2020) emphasised that the hospitality industry urges for support provided by the government, especially in the financial and marketing areas. Managers from the tourism industry face difficulties in complying with the rules and practices during the pandemic. They also need to make some difficult decisions, such as employee lay-offs and salary cuts (Demir et al., 2021). These decisions are critical because any wrong decision could affect the business operation and their mental health. In summary, COVID-19 has multifaceted effects on the tourism industry, encompassing business performance, customer preferences, and management decision-making.

2.2.2 Challenges Faced by the Lodging Industry During Health Crises

During SARS, tourism activities were significantly reduced due to isolation, quarantine, and travel restrictions implemented to curb the disease's spread via international travel (Smith, 2006). A parallel situation unfolded during the occurrence of COVID-19, severely impacting the tourism industry due to travel restrictions, both domestically and internationally, and the closure of national borders (Karabulut et al., 2020; Sönmez et al., 2020). Previous studies on both SARS and COVID-19 have unveiled recurring themes in the lodging industry.

The tourism industry took a hit from SARS, inevitably affecting the lodging sector, where the decline in tourism income signaled a decrease in revenue during the epidemic (Zeng et al., 2005). Research demonstrated that hotel occupancy rates plummeted during SARS, with average room rates dropping by as much as 10 percent compared to the year preceding the outbreak (Henderson & Ng, 2004; Kim et al., 2005; Pine & Mckercher, 2004). Ooi et al. (2013) highlighted a fall in hotel occupancy rates in Malaysia during the SARS outbreak due to declining tourism demand. Additionally, Overby et al. (2004) explained that the hotel industry faced challenges due to travel restrictions and the prohibition of nonessential travel, resulting in numerous booking cancellations and refunds, causing substantial revenue losses. Turning to COVID-19, Hafiz Hanafiah et al. (2021) asserted that the lodging industry is impacted by the pandemic, with travel bans and lockdowns leading to a significant reduction in tourism demand and cancellations for reservations

made before the pandemic. Furthermore, Yang et al. (2020) explained that social distancing measures and travel bans caused a decline in the lodging industry's occupancy rate.

Moreover, Braden et al. (2013) indicated that one challenge faced by the hotel industry is the difficulty in stopping the spread of SARS within hotels, leading to super-spreading due to the lack of air ventilation under a central compressor. The virus could contaminate the surrounding environment, including floor carpets, elevators, and corridors. Ensuring the hygiene of the accommodation industry becomes a challenging task, as the virus could easily spread in confined areas. Regarding COVID-19, Menegaki (2020) stated that the demand for lodging services is affected, as tourists are concerned about the cleanliness of the hotel and feel insecure when the hotel cannot provide evidence of proper sanitation. Alwi et al. (2020) supported that hygiene issues would be the main concern before visiting a country and could influence their decision.

In addition to visible challenges, some are harder to identify, such as mental health issues. Ivkov et al. (2019) asserted that a manager's ability directly influences a hotel's resilience during crises. Managers with past crisis experience tend to respond more effectively. Similarly, AlBattat et al. (2014) argued that businesses with crisis experience are more likely to develop emergency plans and mental health coping strategies, reducing the impact and shortening the recovery process. However, Malaysia's history has never

included such crises, leaving homestay operators with zero experience, consequently facing both tangible and intangible challenges.

The SARS outbreaks caused psychological distress and anxiety in workplaces, necessitating moral and psychological support to prevent elevated anxiety levels and distress (Maunder et al., 2006). For instance, during extreme times like the SARS outbreak, the hotel industry faced significant income loss and uncertainty, testing management and leadership's ability to cope with extreme stress (Blayney & Blotnicky, 2010). Furthermore, Bonn and Rundle-Thiele (2007) and Blayney (2006) highlighted the tremendous stress faced by lodging industry management teams, as they are required to make swift decisions under pressure and within limited time frames. Likewise, Anderson (2006) found that management teams experienced significant stress due to their inability to react to crises, often stemming from a lack of reliable information for devising effective strategies.

Meanwhile, the result of COVID-19 has brought a lot of uncertainty to the hotel authorities even after travel restrictions have been lifted. Hence, hotel authorities have taken a more reactive approach to the business, causing owners to be upset about the decision (Bayat, 2020). Similarly, Hemmington and Neill (2021) shared that authorities felt stressed due to uncertainty toward government regulations. Moreover, Kabra (2022) found that small and medium enterprise hotel owners faced mental health challenges such as anxiety due to illiquidity, inflexibility, and being unprepared for the crisis.

In conclusion, the historical impact of health crises on the lodging industry underscores the need for proactive measures and a comprehensive understanding of the challenges faced. As Malaysia navigates unprecedented challenges, it becomes imperative to delve into both tangible and intangible aspects, ensuring a resilient and adaptive homestay programme in the face of future uncertainties

2.2.3 Challenges faced by Homestay programme

This section discusses previous studies that explore the challenges faced by the homestay programme. The pandemic has magnified some challenges that are faced by the homestay programme, indicating that the challenges faced by the homestay operators could be existing problems worsened by the pandemic or challenges driven by the pandemic. Similarly, Fegert et al. (2020) support the idea that COVID-19 could worsen existing problems when lack of attention is given.

One of the significant challenges faced by the homestay programme is the lack of financial resources and difficulties in accessing funds. For instance, Malaysian homestay operators often grapple with limited facilities due to a shortage of capital and inadequate financial support (Kunjuraman & Hussin ,2017; Lim & Lee, 2020). Kunjuraman and Hussin (2017) also emphasised that the scarcity of financial resources represents one of the most formidable obstacles for Malaysia's homestay operators. This shortage hampers their ability to invest in essential facilities for upgrading their homestays,

thereby discouraging local participation in the programme. Furthermore, a substantial number of participants dissuade their descendants from entering the homestay industry (Sood et al., 2017).

Moreover, Malaysian homestay operators face disadvantages in promoting and advertising their services because they predominantly rely on traditional word-of-mouth strategies, given their lack of an online platform or website to enhance their visibility (Choy et al., 2017). Similarly, research by Mohd Mushin and Norzaidi (2020) reveals that Malaysian homestay operators are less inclined to collaborate with travel agencies and tend to use phone calls as the primary means of conducting their service processes. As a result, Malaysia homestay operators are inefficient in promoting and marketing their products (Zulkefli et al., 2021).

During the COVID-19 pandemic, certain Malaysian homestay operators found themselves grappling with diminished market demand. To navigate this challenging scenario and contend with competition from the hotel industry, some operators opted to shift their business model to a part-time basis (Kamaluddin et al., 2022). This strategic adjustment allowed them to adapt to the altered landscape brought about by the pandemic.

In a similar vein, Hafizah et al. (2022) highlighted the substantial income losses experienced by homestay operators during the COVID-19 period. This underscores the formidable challenges they faced and the imperative to reconsider and modify their business strategies to weather the impact of the

pandemic. Notably, these adjustments were made within the context of intense competition with other segments of the accommodation industry.

In conclusion, this literature review provides valuable insights into the challenges faced by the homestay programme, both in its pre-pandemic state and in the context of the COVID-19 pandemic. It highlights the persistent financial constraints experienced by Malaysian homestay operators and their difficulties in securing funding. Additionally, the review highlights their reliance on traditional promotional methods and the need for greater digital presence and collaboration with external partners to enhance their visibility and attract a wider customer base. Furthermore, the pandemic has necessitated adaptability among homestay operators, leading to the adoption of part-time business models to navigate the evolving market conditions.

2.2.4 Strategies for Homestay programme

Dawayan et al. (2021) highlighted that Malaysia's homestay programme has been in existence for quite some time; however, it still lags behind compared to other tourism businesses. They emphasised that marketing strategies have a direct impact on the homestay business performance but require sufficient resources to conduct marketing and promotion. In short, having supporting resources is critical for the homestay programme to develop and grow.

The Malaysian government has been focusing on community-based tourism, providing favourable opportunities and policies for the homestay programme to develop (Bhuiyan, 2019; Bhuiyan, 2019a). Similarly, the success of the homestay programme strongly depends on the collaboration between the community and the government, with both parties putting in efforts to promote the homestay programme (Shwetasaibal & Mukunda, 2020; Ramli et al., 2015; Yusof et al., 2017). Lim and Lee (2020) found that training and financial resources provided by the government help homestay operators improve their management skills.

Meanwhile, Ilham et al., (2019) shared that training empowers the local community to better manage the programme, while providing motivation is a crucial aspect that allows homestay operators to understand the significance of the homestay programme to the local community. Similarly, increasing the quality and quantity of homestay operators through strategies such as providing management skill training and encouraging local community involvement is crucial (Nurfadilah et al., 2024). In short, Gaikwad (2018) suggested that having a long-term systematic plan for human resources development is effective in managing the homestay.

However, even though the government has given priority to community-based tourism and formulated a favourable environment for the homestay programme, certain steps and strategies are still needed to better develop the programme, such as community participation, and training and development for human resources (Bhuiyan, 2019). Likewise, Demolingo et al.

(2021) shared that increased community participation is a critical strategy for the successful deployment of the homestay programme, as the local community comes together to make decisions that best suit local needs. Similarly, Junaid et al. (2020) suggested a strategy of sharing the benefits of community-based tourism homestay programme deployment to raise awareness and increase the commitment of the local community. Aside from community participation, focusing on the sustainability of the programme is essential so that homestay leaders should actively recruit young people to participate in the homestay programme, ensuring the business is passed from generation to generation without being abandoned (Farhana, 2017).

Homestays face stiff competition, as there are various types of accommodation service providers in the market. Worse still, homestay operators need to compete with unregistered homestays that label themselves as homestay businesses, demotivating homestay operators from continuing the programme (Nor & Awang, 2017; Pusiran & Xiao, 2013). Therefore, Sukserm et al. (2020) suggested that a positioning strategy is crucial for the homestay programme to differentiate from others, such as using cultural symbols and the uniqueness of the natural environment. For example, homestay operators should conduct promotions that emphasise the authenticity of the cultural attractions of the local community and environment (Dey et al., 2020; Kulshreshtha & Kulshreshtha, 2019). Zulkefli et al. (2021) pointed out that this promotion will promote the actual concept of the homestay programme while dispelling any wrong or exaggerated image or misunderstanding of the homestay programme. Similarly, forming one's own homestay brand with rural

destinations and attractions could differentiate the position from other accommodation services. Doan et al. (2023) shared that reinstating the authenticity of the homestay is one of the strategies that can recover from the impact of COVID-19, as unique cultural experiences tend to attract sustainable incoming customers and achieve great satisfaction.

Furthermore, digital marketing is crucial for the homestay programme, as it helps to access broader markets (Ardani & Poetranto, 2022). Yong and Hassan (2019) suggested that using social media as the medium of digital marketing would be beneficial for the homestay programme to grow. Sahoo and Mukunda (2020) agreed that using social media to promote is beneficial because it can upload video visual content that spreads the uniqueness and information on the homestay faster. Meanwhile, Zu et al. (2022) suggested that homestay operators should use a platform that can capture customer preferences and behaviour so that it can promote the homestay based on customers' needs.

Sawatsuk et al. (2018) shared that a homestay programme with well-structured management practices from leadership is essential for the sustainability of the homestay. Similarly, homestay operators should have a standardised system to promote or conduct the business among the community (Zhang & Wang, 2023). With experienced entrepreneurs, they could share the skills and knowledge on managing the homestay operation (Zulkefli et al., 2021).

Additionally, cost management, such as controlling labour costs and reducing production costs when organising homestay trips, is an important strategy. This includes calculating the costs of workshops, such as cooking and tour performances, and seeking the lowest-cost methods (Dungtripop & Srisuwan, 2021). Cost efficiency and human resource allocation are key strategies used to respond to the crisis (Pavlatos et al., 2020). For example, some homestays in Malaysia reduced the frequency of service maintenance due to low occupancy rates (Asyraff et al., 2024). Therefore, having sound financial management knowledge is crucial for homestays, as it helps maintain a healthy cash flow while keeping operational costs low (Pamungkas et al., 2023).

In summary, government support is crucial to stimulate the growth of rural tourism homestay programmes, but the local community must also be committed to the programme for it to serve as a strategy for generating alternative income sources. Therefore, community involvement and empowerment are essential for the success of this programme. Homestay operators need to understand their position and the advantages they possess, such as cultural experiences and attractive locations. Additionally, homestay operators should exploit digital marketing to reach a broader customer base, and a systematic plan is crucial for achieving sustainable growth. Finally, homestay operators must have knowledge of financial management, including control of financial resources and operational costs.

2.3 Conceptual Framework

The conceptual framework as shown in (Figure 2.1) of this study aims to investigate the challenges faced by homestay operators and explore the strategies to overcome these challenges in the context of the COVID-19 pandemic. Previous studies on homestay programme have primarily focused on challenges faced under normal circumstances without any crisis (Lim & Lee, 2020; Kunjuraman & Hussin, 2017; Nor & Awang, 2017; Pusiran & Xiao, 2013). Consequently, there is limited knowledge about how a health crisis like COVID-19 would impact homestay programme. As a result, there is a research gap in understanding how homestay operators devise strategies and navigate through the challenges posed by the pandemic.

During the COVID-19 pandemic, the operational effectiveness of homestay programmes in Malaysia is hypothesised to be impacted by three primary factors: the severity of the health crisis, governmental regulations, and fluctuations in market demand. It is posited that as the health crisis escalates, governmental regulations tighten, and market demand fluctuates, homestay programme operations will face increasing challenges, necessitating adaptive responses from homestay operators to mitigate disruptions and sustain business continuity

The second proposition of this study posits that government regulations, such as movement restrictions implemented during the COVID-19 pandemic, have significantly altered tourist behaviour, thereby creating specific

challenges for homestay operators in Malaysia. These challenges are expected to manifest in various aspects of operations, sustainability, and the overall well-being of homestay operators. Through empirical investigation, this study seeks to elucidate the nature and extent of these challenges faced by homestay operators during the COVID-19 pandemic.

The third proposition of this study posits that homestay operators demonstrate entrepreneurial resilience by strategically responding to disruptions induced by the COVID-19 pandemic. This resilience is characterised by their ability to bounce back, adapt, and recover from challenges through proactive utilisation of entrepreneurial skills, innovative thinking, and adaptive capacities. Through empirical investigation, this study aims to examine the strategies and approaches employed by homestay operators to overcome disruptions and sustain their operations amidst the pandemic-induced challenges.

By analysing the interplay of the impact of COVID-19, disruption faced by homestay operators, and the outcomes of entrepreneur resilience in the context of the homestay programme, this study seeks to contribute valuable insights into how the hospitality and tourism industry can effectively respond to and recover from disruptive events like the COVID-19 pandemic. Understanding the challenges faced by homestay operators and the strategies they employ will not only assist in enhancing the resilience of this sector but also provide practical implications for policymakers and homestay operators in the tourism industry to better prepare for and respond to future crises. Figure

2.1 illustrates the conceptual framework, depicting the sequential stages involved in becoming a entrepreneurial resilient homestay operator.

Figure 2.1

Conceptual Framework.
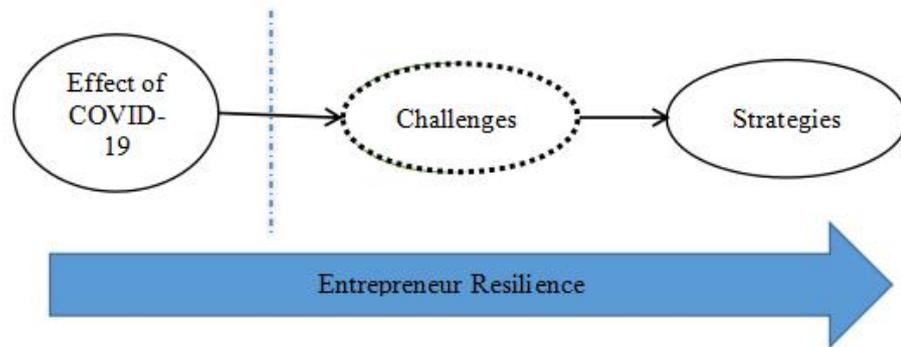
2.4 Chapter Summary

This chapter has presented a comprehensive review of the theoretical foundations and empirical studies related to the challenges faced by homestay operators. Entrepreneurial resilience has been selected as the focal point of this study, primarily because it employs the lens of resilience to examine how homestay operators adapted to and rebounded from the challenges posed by the pandemic. This perspective is instrumental in shaping the conceptual framework of our study.

Additionally, this study incorporated a conceptual framework to visually illustrate the assumptions and anticipated relationships in this research. This framework offers a structured framework for understanding the key variables and their interconnections, guiding the reader towards a deeper comprehension of study's theoretical underpinnings and research design.

CHAPTER 3

Methodology

This chapter will discuss the research methodology employed in this study, covering various aspects such as the research philosophy, research design, sampling design, research process, and method of data analysis.

3.1 Research Philosophy

Guba and Lincoln (1994) underscored the importance of defining research paradigms in qualitative research, as they shape the researcher's ontology, epistemology, and methodology, influencing their worldview, beliefs, and assumptions. Research philosophy, as the foundational concept in developing the overall research process, guides the formulation of research questions and the collection of data to address them (Creswell, 2007).

In this study, the objective is to investigate the challenges faced by homestay operators during the COVID-19 pandemic in Malaysia and explore strategies to overcome these challenges. To align with this objective, an interpretivist approach has been adopted. Interpretivism allows researchers to explore the subjective experiences and perspectives of homestay operators, providing insights into their lived experiences and the meanings they attribute to their circumstances.

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Based on Bunniss and Kelly (2010) interpretivism reflects human subjectivity to find multiple truths instead of trusting one universal truth. They also mentioned that interpretivism involves interpretation and understanding how the phenomenon affects the object's personal experience. Therefore, this study will interview the homestay operator to understand how COVID-19 affect their personal experience, such as exploring the challenges on their homestay programme. Also, this study will understand the homestay operator experience in terms of how they cope with COVID-19 and their experience in implementing the strategies.

Drawing from Crotty's (1998) conceptualisation, ontology can be understood as the exploration and investigation of the nature of existence and being. In a similar vein, Levers (2013) offers a more accessible perspective on ontology, encapsulated in the question of whether researchers perceive the existence of a singular reality or embrace the notion of multiple coexisting realities. Ontologically, the interpretivism paradigm holds that there is no single truth so it will take the relativism ontology. For example, Levers (2013) mentioned that humans have subjective experiences, so everyone experiences differently. Thus, this shows that multiple experiences will be given multiple realities. Based on the research objective of the study, the researcher believes that there is no single truth in this scenario as every homestay operators will be impacted differently by COVID-19, and they will perceive and react differently based on their experience of COVID-19. Therefore, this study looks into every targeted homestay operator to understand the reality, such as their challenges and strategies. Furthermore, this study recognises that homestay operators have

diverse experiences and perspectives, and their reactions to the pandemic may vary. It acknowledges that each homestay operator operates within their own unique context, with different beliefs, experiences, and understandings of how to navigate the challenges posed by the pandemic. Therefore, this study takes into account the multiple realities of homestay operators and strives to encompass a spectrum of viewpoints and experiences. The goal is to offer an in-depth comprehension of the challenges and resilience exhibited within the homestay industry amidst the COVID-19 pandemic.

Epistemology is concerned with how researchers acquire knowledge, and it is closely related to the researcher's ontology or understanding of reality (Corbetta, 2003). In this study, an interpretivist paradigm will be adopted, which aligns with a subjectivist epistemology. According to Siti Bahari (2010), subjectivism is focused on understanding social life through social interactions and subjective experiences. Killam (2013) emphasises the importance of adopting an emic approach, which involves engaging deeply with the research subjects and understanding their experiences. This approach recognises the relativity of truth and the need to communicate and empathise with the research participants. Therefore, in this study, the researchers will seek to understand the experiences and perspectives of homestay operators by immersing themselves in their situation. This involves conducting interviews and engaging in meaningful conversations with the target respondents, rather than maintaining a distant and detached stance. By adopting an interpretivist paradigm and subjectivist epistemology, this study aims to capture the rich and

nuanced experiences of homestay operators during the COVID-19 pandemic and gain a deeper understanding of their challenges.

Lastly, the methodology encompasses the methods and techniques employed by the researcher to collect and analyse data in line with their ontological and epistemological beliefs (Corbetta, 2003). In this study, a qualitative approach will be adopted due to the understanding that each homestay operator has unique experiences and perspectives. To develop a comprehensive grasp of their realities, it is necessary to engage in direct communication with them. Therefore, the interview method will be utilised to engage in meaningful conversations with homestay operators and explore their experiences, beliefs, and challenges in-depth. The qualitative approach allows for a rich and detailed exploration of the homestay operators' perspectives and provides valuable insights into their experiences during the pandemic.

3.2 Research Design

This study utilises a qualitative approach, specifically a single-case study, to meet the research objective

3.2.1 Qualitative Approach

In this study, a qualitative approach was employed to conduct the research, considering the influence of the study's philosophical foundation and the recognition of different worldviews. The emergence of the global COVID-

19 pandemic has resulted in diverse experiences among homestay operators, leading to the existence of multiple realities. The objectives of this study are to examine the challenges encountered by homestay operators and explore the strategies they have adopted during the pandemic. To gain a comprehensive understanding of these challenges and strategies, it is crucial to engage in subjective discussions with the homestay operators themselves and empathetically comprehend their difficulties.

Based on Tetnowski and Damico (2001), the complexity of the qualitative approach is intended to provide rich descriptive data and focus on the participant's perspective. Therefore, they mention that predetermined expectations should be recognised and removed, if possible, to avoid affecting the researcher's interpretation and to shift the focus to the participant's perspective. This study strives to eliminate all predetermined expectations and concentrate on the experiences shared by homestay operators, immersing in their perspective. The aim is to provide rich findings about what they have been facing during COVID-19 and the strategies they have used to overcome these challenges.

Furthermore, Cleland (2017) emphasises that the qualitative approach is well-suited for situations where numbers are insufficient to evaluate or represent the complexity of a situation, such as human experiences. As a result, the qualitative approach becomes relevant when research objectives cannot be easily quantified. For instance, in this study, the examination of the unprecedented challenges faced by homestay operators and the strategies

employed to address these challenges cannot be adequately represented in numerical terms. Moreover, Weil (2017) points out that qualitative studies are capable of capturing contextual nuances and uncovering the realities and experiences surrounding a phenomenon. This study, a qualitative approach is employed to depict the impact of COVID-19 on homestay operators in Malaysia, providing a descriptive account of their experiences.

3.2.2 Single Case Study Qualitative Research

Case study research involves studying a real-life context by thoroughly exploring and investigating a specific case using various resources such as interviews, observations, reports, and related documents (Creswell, 2007). Similarly, a case study offers a comprehensive understanding by exploring a specific group, individual, or phenomenon (Sutrman, 1997, as cited in Starman, 2013). Furthermore, Creswell (2007) emphasises the significance of case studies as they capture real-life incidents or cases without losing data over time. Therefore, the case study approach is deemed the most suitable for addressing the research objectives, as this study examines a specific case—the homestay—within the broader context of tourism. It involves in-depth examination within this context, exploring various challenges faced by homestay operators amidst the COVID-19 pandemic and the strategies devised by them. Lastly, the study aims to provide a comprehensive understanding by interpreting the findings to offer specific insights into how it impacts the homestay programme.

Single case study is an experiment that focuses on one or many same conditions, thereby justifying its use as a single case study (Yin, 2003). In this study, a single case study approach was employed to examine the challenges faced by homestay operators registered under MOTAC, who have received similar support from the government. Yin (2003) further argues that one rationale for using a single case study is when the case represents a unique situation that is uncommonly observed. In Malaysia, after independence, there has been minimal experience with zoonotic diseases in history for such a prolonged period (Hisham et al., 2021). Thus, COVID-19 is considered a unique case for all Malaysians, providing an opportunity for this study to explore the challenges brought by COVID-19 to the homestay industry in Malaysia. In short, this study exclusively seeks to understand the experiences of registered homestay operators, constituting a single-case study. It concentrates solely on the challenges faced by registered homestay operators, omitting consideration of unregistered homestays and stakeholder problems.

Using the single case study approach enables the examination of a unique phenomenon such as COVID-19 and facilitates the exploration of temporal variations, such as the challenges faced by homestay operators before and during the pandemic. For instance, during the interview sessions, participants may elucidate the negative changes brought about by COVID-19 and attribute them to the challenges faced by their homestays.

In conclusion, the case study approach is deemed to be the most appropriate research methodology for this study. Case studies are particularly

suited to addressing "how" and "why" questions, which align with the research objectives of understanding how COVID-19 presents challenges to the homestay industry and how they overcome the challenges

3.3 Sampling Design

3.3.1 Sampling Element

The target population of this study consists of homestay operators in Malaysia, particularly those registered under MOTAC. This study was conducted in the Malaysian context because it is believed that underlying factors influencing resilience differ from those in other countries.

Additionally, this study focuses solely on homestays with official licenses from MOTAC that have undergone various training with MOTAC, and homestays that actively engage with MOTAC, such as submitting monthly income and total tourist arrival data. In the context of this study, the term "homestay" refers not merely to accommodations registered under MOTAC, but to lodging facilities offering cultural experiences, traditional lifestyles, rural economic activities, recreation, and environmental preservation (MOTAC, 2021). Therefore, this excludes other types of accommodation services, such as unregistered homestays or AirBnB. This deliberate selection allows for a comprehensive comparison between the pre-pandemic and post-pandemic

periods, enabling homestay operators to better comprehend the significant challenges brought about by COVID-19.

Moreover, another sampling element in this study is the operator role of the homestay programme, specifically the owner of the homestay who operates the business. This is because having the right person with a better understanding to provide the answer is essential, as the one overseeing the business can provide the actual situation. Below, table 3.1 shows the total number and clusters of registered homestay programme in each state of Malaysia in 2022

Table 3. 1

Total number and clusters of registered homestay programme in each state of Malaysia in 2022

State	Cluster of homestay	Number of homestay houses
Perlis	3	47
Kedah	15	211
Pulau Pinang	10	138
Perak	11	121
Selangor	16	595
Melaka	9	115
Negeri Sembilan	8	145
Johor	25	441
Kelantan	8	124
Terengganu	7	115
Pahang	16	304
Sarawak	46	568
Sabah	31	391
Labuan	3	82

Source: Ministry of Tourism, Arts, and Culture (2022).

3.3.3 Sampling Size

Determining the sample size in a qualitative study would depend on the research paradigm of the study (Boddy, 2016). It has been suggested that a single sample size would be highly adequate if the constructive paradigm guides the study and requires in-depth research. However, if the qualitative study is driven by the positivism paradigm that would like to represent the whole population and try to generalise the result, it would require a significant participant to avoid being criticised when evaluating the study.

However, Fusch and Ness (2015) mentioned that one size does not fit all research, as there are many different types of research. Also, they suggest not quantifying a sample size; instead, take what it can get. Similarly, Saunders et al. (2017) suggest that saturation shall be reached when there is no new code gathered from the respondents and the recurrence of a considerable amount of the same code. Also, they suggest that saturation could be reached even when additional data is collected from the participants but cannot generate a new theme. Hence, this study will not quantify the sample size before interviewing because the researcher should take what can get and reach the saturation instead of setting a predefined sample size (Fusch & Ness, 2015) and performing semi-structured interviews until reaching the saturation with no new data gathering that able to formulate a new theme from the participant (Saunders et al., 2017).

However, Marshall et al. (2015) highlighted that it is still important for qualitative studies to provide a clear justification for the final sample size. This is because some qualitative researchers have been criticised for using data saturation as a benchmark or indicator to determine the sample size without providing sufficient details on how they apply the concept of data saturation. In light of this, the next section will discuss the constant comparative method, which will serve as a guide for the researcher to determine when data saturation has been achieved. This method will help ensure that the data collection process is comprehensive and that the sample size is sufficient to address the research objectives effectively.

3.3.3.1 Constant Comparative Method

According to Glaser and Strauss (1967), the constant comparative method involves four stages: (1) comparing codes with each other in each category, (2) integrating the defined categories, (3) delimiting the category and theory, and (4) formulating the theory. However, in this study, only the first and second stages of the constant comparative method will be employed as the main aim is to gain insight into how COVID-19 has impacted the homestay industry. Furthermore, Kolb (2012) has elucidated that the constant comparative method is utilised to ascertain the appropriate sample size for qualitative studies by means of data saturation. This method involves a continuous comparison with previously collected data, and through these iterative steps, it becomes possible to identify the absence of new codes, thereby confirming the attainment of data saturation.

By adopting the constant comparative method, the researcher will be able to identify data saturation and increase the verification of the analysis (Boejie, 2002). For instance, after conducting the first interview, the data will be subjected to coding, and codes will be assigned to specific categories. As subsequent interviews are conducted, the codes obtained from the second interview have been compared to those from the first interview, and any new codes are added. This iterative process continues until reaching data saturation, signifying that no further codes or themes are appearing.

To ensure a systematic and rigorous analysis, the researcher will proceed with transcription and translation after each interview and will perform data coding analysis. The constant comparative method has been repeated for each subsequent interview, comparing the new data with the previous data to identify any emerging patterns or themes. This process will continue until the 12th interview, at which point data saturation is achieved, with no new codes or themes expected to surface. This is supported by Sandelowski (1995), who mentions that a sample size of 10 is sufficient for a homogeneous sample. On the other hand, Guest et al. (2006) found that, on average, 12-13 interviews are sufficient to reach data saturation for studies focusing on non-probabilistic samples such as purposive sampling techniques. Additionally, a systematic review by Hennik and Kaiser (2022) found that saturation was reached with a sample size between 9-17 for in-depth interviews, regardless of homogeneous or heterogeneous study populations. However, it is important to note that the benchmark for sample size acts as a guideline rather than attempting to

predefine the sample size of the study. This is because in qualitative studies, it is not about the number of samples but what is done with them (Emmel, 2013).

3.4 Research Process

The research process will commence with data collection by inviting the targeted participants. Following that, this study will prepare a set of interview guide questions, consisting of open-ended inquiries for discussion during the interview sessions. The third step involves conducting a preliminary interview as a test run to assess the effectiveness of the interview guide. After making necessary amendments to the interview guide based on feedback from the preliminary test, proceed to conduct the actual interviews.

Next, after conducting the interviews, the study transcribed and translated the data. Once translated into English, the data was input into NVivo software for organisation. This involved renaming files, adding file details, and providing descriptions. Additionally, memos were created after reading the data, utilising the annotation function in the NVivo software. The study then proceeded with coding the data and categorising it if applicable. After conducting the analysis, the process continued with the next participant until data saturation was reached. Once data saturation was achieved, all files and codes were categorised

Finally, data analysis will be carried out to generate themes and interpret the findings. The overall research process flow is depicted in Figure 3.1.

Figure 3.1

Research Process flow
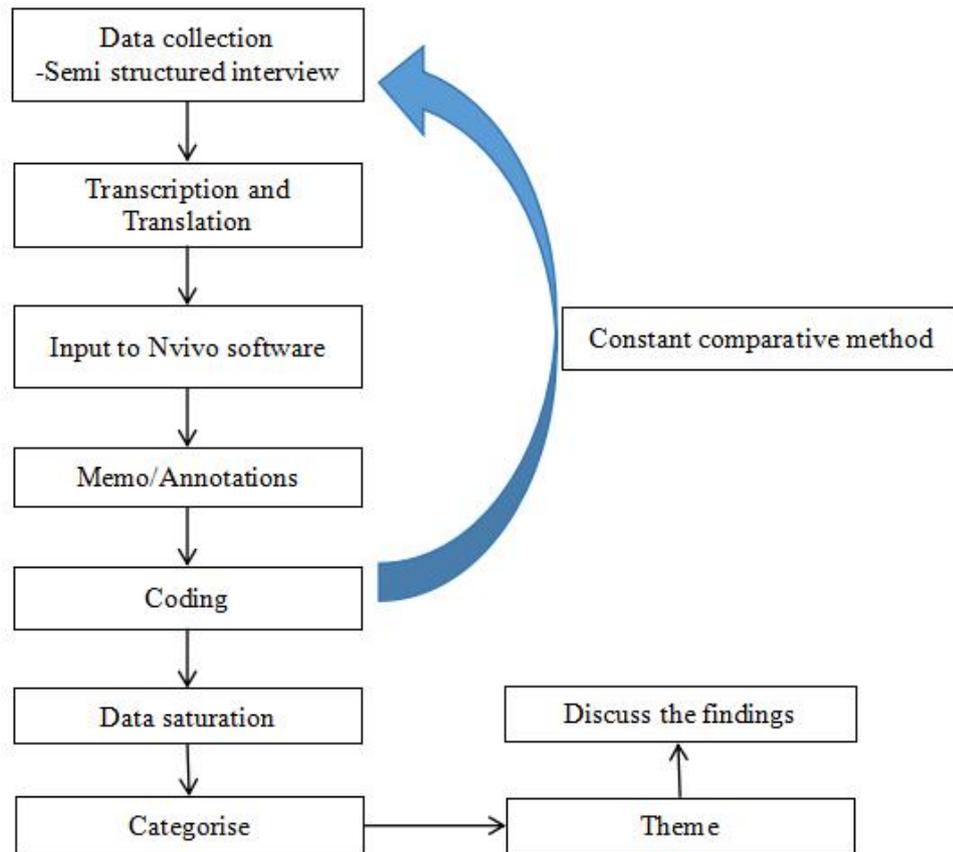
Note: This figure illustrates the research process flow of this study, starting from data collection to the final step of discussion. This process is not linear due to the adopted method, which is the constant comparative method. This approach involves repeating the first to fifth steps after obtaining additional participants until data saturation is reached, without any new themes emerging.

3.4.1 Data Collection

An interview guide is developed, including a list of predetermined interview questions and a contact list of respondents (Turner, 2010). The initial stage involved contacting the targeted participants via email or phone calls. It was important to introduce myself and the research topic to ensure participants had a better grasp of the purpose of our contact.

After communicating with the targeted participant and confirming their availability for an interview, a formal invitation letter was sent to them, including the research topic, interview date, time, and mode. Prior to the interview day, a reminder was sent to the participant to confirm their attendance, to prevent any chance of forgetting the interview, and to obtain double confirmation that they will be attending the interview session.

Moreover, formulating simple and short guideline interview guides is essential such as the central question and follow-up question, while all the questions should remain open-ended, neutral, and transparent (DeJonckheere & Vaughn, 2019). DeJonckheere and Vaughn (2019) emphasised that the question should avoid jargon and some leading language to avoid miscommunication and bias. They also suggested the question context setting should be from general narrowed down to more in-depth questions. In addition, the interview guide should address what the participant experienced during this phenomenon (Creswell, 2007).

3.4.2 Researcher's Role

According to Austin and Sutton (2015), qualitative research aims to understand human feelings and thoughts in order to provide valuable insights for future researchers who may conduct studies in the same field using different methods, such as mixed methods.

The role of the researcher in this study is the main instrument of the study, which requires the researcher to understand the Malaysia homestay operator's thoughts and feelings. For instance, the researcher is tasked with actively listening to and empathising with participants, aiming to accurately understand and interpret their shared experiences. Austin and Sutton (2015)

Austin and Sutton (2015) suggest that qualitative researchers should maintain reflexivity to minimise bias during data collection. After the outbreak of COVID-19, the media has exaggerated the negative impact of COVID-19 on the tourism and accommodation industries. Therefore, forming a pre-understanding of the situation and predicting the results would be a fatal error when conducting this study.

This study employs a strategy to minimise researcher bias by maintaining reflexive notes to serve as reminders. For example, during initial preliminary interview, it was found that giving examples to the interviewee would influence their answers and they tend to just agree with the example

without providing their own feelings and experience. Additionally, during the preliminary test, it was found that asking questions too quickly minimised participants' willingness to share their thoughts. Therefore, through the lesson of preliminary interview the research role should not be in a fast pace and providing example to the interviewee. In summary, these reflexive notes contribute to the evolution of the researcher's understanding and skills in conducting interviews, ensuring unbiased access to participants' thoughts.

3.4.3 Sampling Location

The sampling location is determined based on the percentage changes in total homestay income in 2020 compared with 2021. This approach is chosen because larger changes in income would indicate a more significant impact of COVID-19 on the homestay programme. For instance, if the income change for Pahang state is 98.85% compared to Malacca's 97.57%, it implies that homestay income in Pahang state experienced a larger decline than in Malacca state during the pandemic. By evaluating states with significant declines in total income, the study aims to gain a broader understanding of the specific challenges faced by them. As highlighted by Chin (2022) states that homestay operators rely on income generated from the homestay programme to cope with inflation and living costs.

This study conducted interviews based on the discussion above by selecting the states where homestay operators' income was most affected. The number of participants obtained from each state is not tally due to the response

rate from the homestay operator, as some had rejected the interview due to personal reasons such as busy schedules and being admitted to the hospital. Some severe cases are that the homestay has been permanently closed. Furthermore, some of the homestay operators could not be reached through their listed contact numbers and email addresses. Consequently, the response rate has been low, with only a 16.22% success rate in inviting participants. It is necessary to carefully select homestay operators who meet the specific criteria. Even among the selected participants, there remains the possibility of them declining the interview invitation. Therefore, during the data collection process, if a state does not respond or decline participation, the study will move on to the next state in accordance with the sequence outlined in Table 3.2. The finalised sample size included 3 participants from Pahang, 2 from Melaka, 1 from Terengganu, 1 from Selangor, 2 from Sabah, and 3 from Perak.

Formula of changes in the total income:

$$\Delta \text{ Homestay total income } = \frac{\text{Income 2020} - \text{Income 2021}}{\text{Income 2020}} * 100$$

Table 3.2

Changes in total income for each state of homestay programme

State	Homestay income 2020 (RM)	Homestay income 2021 May (RM)	Changes	Changes in %
Pahang	3,532,171.56	40,547.00	3491624.56	98.85
Melaka	206,100.00	5,000.00	201100	97.57
Terengganu	390,520.00	13,100.00	377420	96.65
Selangor	252,255.00	17,240.00	235015	93.17
Sabah	1,790,314.23	318,632.39	1471681.84	82.20

Sarawak	1,173,955.36	229,901.00	944054.36	80.42
Perlis	33,233.76	8,060.00	25173.76	75.75
Perak	145,739.00	35,435.00	110304	75.69
Kedah	289,341.60	114,107.00	175234.6	60.56
Johor	432,841.00	231,929.00	200912	46.42
Pulau Pinang	78,870.00	64,050.00	14820	18.79
Negeri Sembilan	158,615.00	128,838.99	29776.01	18.77
Labuan	112,200.00	158,617.00	-46417	-41.37
Kelantan	24,424.00	185,920.00	-161496	-661.22

Note: The changes in total income for each state in the homestay programme between 2020 and 2021. Source: Ministry of Tourism, Arts, and Culture (2022).

3.4.4 Interview Guide

Based on Boyce and Neale (2006), an interview guide is a structured list of questions or topics to be discussed with the participant during the interview. The questions in the guide are designed to be open-ended, allowing the participant to freely describe their experiences, feelings, and thoughts on the subject. The purpose of using open-ended questions is to encourage the participant to provide detailed and comprehensive responses, without being influenced by specific prompts.

During the interview, the researcher will ask the questions from the interview guide in a non-directive manner, allowing the participant to respond naturally and express their perspectives without feeling constrained. For example, instead of directly asking the participant if they felt stressed during

the lockdown period, the researcher would ask how they felt during that time, allowing the participant to express their emotions freely.

However, if the participant requires further clarification or elaboration on a particular question, the researcher may provide examples or ask follow-up and probing questions for a more comprehensive insight into the participant's experiences. This approach ensures that the interview remains open and flexible, allowing for a rich and insightful exploration of the participant's thoughts and feelings on the topic of interest.

Moreover, the creation of a well-structured interview guide is essential for facilitating the qualitative interview process (Krauss et al., 2009). In the context of this study, the interview guide comprises three distinct sections entrepreneurial resilience. These sections revolve around the challenges encountered by homestay operators and the strategies they employ to enhance resilience.

3.4.5 Recruitment of Participants

The participants of this study were selected from the Ministry of Tourism, Arts, and Cultural Malaysia (MOTAC) database, which contains the contact and details of registered homestay operators. After downloading the list of homestay operator details, participants were contacted via phone call to confirm if they met the criteria and inquired if they were interested in participating in the interview. If they expressed interest, an official invitation

email was sent to the participant. This email described the purpose of the interview, the research topic, and assured them of the interview's privacy and confidentiality. Additionally, the email included details of the interview such as the date, time, interview channel, and the invitation hyperlink.

Furthermore, it is important to consider that not all participants routinely check their email. Consequently, following confirmation from the participant, the interview details are sent to their WhatsApp to ensure they receive all the necessary information for the interview session. Additionally, one day before the interview, a notification is sent to the participant via WhatsApp messaging to confirm their availability for the following day's interview. However, it's worth noting that some participants did not prefer using Microsoft Teams for the interview session. In such cases, the interview channel was switched to WhatsApp for the sake of convenience.

3.4.6 Semi-Structured Interview

Semi-structured interview is effective when collecting open-ended data, examining participants' feelings and thoughts about a particular issue, and profoundly understanding some sensitive issues (DeJonckheere & Vaughn, 2019). Furthermore, semi-structured interviews provide an advantage to the interviewer to explore or discuss the topic more deeply and to get more detail on the topic (Mathers et al., 2002). Therefore, it will be helpful to adopt semi-structured interviews when the researcher needs more knowledge or knowledge about the subject (Mathers et al., 2002). Thus, this study adopted a semi-

structured interview; using the method can encourage two-way communication and come with some additional questions to follow up on specific issues which require the interviewee to have further elaboration.

Furthermore, the semi-structured interview is the most suitable approach for addressing the research objectives of this study. This method involves open-ended questions that enable homestay operators to delve into their challenges and experiences in greater detail. This flexibility allows us to explore unexpected insights because the questions do not limit homestay operators, and we can follow up on interesting points raised by the participants. For example, when we asked participants if they used any online marketing platforms, some of them shared some new informations, such as their participation in a newly created government homestay website.

To gain a comprehensive understanding of the challenges and strategies employed by homestay operators, it is crucial to facilitate in-depth two-way communication. For instance, while the impact of the pandemic on homestay programs might appear similar on the surface among homestay operators, the specific challenges faced by each homestay owner can vary significantly due to factors such as business liquidity, high fixed costs, employment status, personal financial situation, and adaptability to the pandemic. Consequently, each homestay programme encounters distinct challenges, necessitating tailored strategies for addressing them. Moreover, the responses of homestay operators to these challenges can differ widely based on their individual behaviours and attitudes. Therefore, semi-structured interviews provide the comfort

participants need when answering questions, as opposed to merely responding with 'yes' or 'no,' which would restrict their ability to express their experiences

.

Mathers et al. (2002) suggested that active listening in the semi-structured interview is critical to gather as much information as possible. Also, putting more time into listening and less speaking of opinion would prohibit bias from being introduced in the interview session. The semi-structured interview is less rigid in the question and allows the interviewee to elaborate further so that it might express any off-topic issues. Hence, Mathers et al. (2002) emphasised that the interviewer should be able to bring back the interviewee to the point where needed to be discussed.

This study employed online face-to-face interviews as the primary approach for data gathering. The interviews were conducted in two languages: (1) Bahasa Melayu and (2) English. The choice of language was based on the interviewee's comfort and ability to effectively express their thoughts and knowledge. Before commencing the interview, participants were asked to confirm their consent to record the session. They were assured that the recording would be strictly for academic purposes, maintaining privacy and confidentiality. If participants agreed to use Microsoft Teams for the interview, the recording would be done using the Microsoft Teams software. However, if participants preferred to use WhatsApp, the recording would be done using a smart-phone placed beside the laptop during the video call. The interview session covered all three sections of the interview protocol and included some

follow-up questions for clarification. The duration for each interview ranged between 40 to 60 minutes.

3.4.7 Preliminary Interview

Teijlingen and Hundley (2002) mentioned that the preliminary interview is essential for a good study design where the preliminary interview is performing a trial run for the research and could provide insight or warning about which part of the study could be failing. After developing interview questions, it is essential to run a preliminary test that can estimate the interview duration and not organise it in a high-paced interview (DeJonckheere, & Vaughn, 2019). Also, the preliminary interview could improvise the interview guide, such as determining the question's appropriateness (Majid et al., 2017).

The purposive sampling technique was adopted to select a specific individual. For this purpose, two homestay operators from the registered homestay community were invited to participate in the preliminary test. It was essential to involve these homestay operators in the preliminary interview to determine the common language used within the community and ensure effective communication. Before the preliminary interview began, the participants were asked to introduce themselves and provide information on their language preference, allowing the researcher to accommodate their needs appropriately the participant for the preliminary interview.

In this study, one homestay operator from Selangor (Homestay Bougainville) and one from Perak (Homestay Sungai Klah) were selected for the preliminary study. During the preliminary interviews, it was observed that providing examples when explaining questions to the participants often resulted in closed-ended responses, with participants simply answering 'yes' or 'no.' Therefore, it was understood that providing examples to the participants could lead to a critical error and hinder their ability to elaborate on their experiences

After conducting the preliminary interview, it became evident that some questions elicited similar or duplicate responses from participants due to the structured nature of the interview. Consequently, the interview guide was revised to eliminate redundant questions and provide participants with greater flexibility in offering comprehensive responses. For instance, the question regarding the profit and cost before COVID-19 or Movement Control Order was removed, as it overlapped with the inquiry about participants' perceptions of current business performance. Additionally, prompts at the end of questions, such as providing examples like frustration, anxiety, or helplessness, were omitted to prevent participants from providing mere yes or no responses or being influenced in their answers. The revised interview guide now offers guidance to the researcher while allowing for open-ended inquiries that encourage participants to freely articulate their thoughts and provide a holistic view of their experiences.

The preliminary test can enhance the researcher's interview skills (Majid et al., 2017). For instance, after a participant provides an answer to a question, subsequent questions should delve deeper into the response or explore different aspects unrelated to the previous one. Otherwise, participants may feel that the question has already been addressed and may not provide additional information. It's important to note that data collected during the preliminary test will not be incorporated into the actual data analysis.

3.4.8 Purposive Sampling Technique

This section discusses the chosen sampling technique for this study and how it aids in selecting suitable participants for fulfilling the research objectives. The study aims to comprehend the challenges faced by homestay operators and the strategies they employed during the COVID-19 pandemic. The purposive sampling technique, as outlined by Palinkas et al. (2015), involves selecting samples with specific experiences or expertise in a particular field. Therefore, to gain insights into the unique experiences of homestay operators in Malaysia during the COVID-19 pandemic, this study employs the purposive sampling technique.

Purposive sampling consists of a few steps to ensure the participant best fits the study objectives. The first step was defining the participant's criteria in addressing the research objectives. In the second step, the strategies for the purposive sampling technique were defined for selecting the participants. The

last step involved contacting the participants to confirm that they met the criteria established in the first step.

Based on this, Tongco (2007) purposive sampling should define the criteria or qualities of the participant. In this study, purposive sampling consists of 4 criteria :

(1) Participants should have been registered under the Ministry of Tourism, Arts, and Culture Malaysia (MOTAC) for at least three years. This requirement ensures that the homestays have been in operation both before and throughout the COVID-19 pandemic

(2) The participant shall be either homestay operators or individuals in managerial positions directly involved in managing the homestay programme. This is because they would have more knowledge in various perspectives, such as financial resources, human resources, accounting, and auditing.

(3) The participant's homestay shall continue to operate throughout the COVID-19 and without quitting the homestay industry. This is because quitting the homestay industry during COVID-19 would indicate that he/she cannot answer the second research objective and did not go through the process of resilience. In addition, participants who do not meet the specified criteria may be considered as low-frequency information providers and may not contribute high-quality data to the study.

(4) The participant should agree to have the interview session recorded. Because to ensure the fullness and accuracy of the data without omit of important information compared to written interview scripts (Rutakumwa et al., 2019).

In the initial phase, the focus was on identifying the Malaysian states most significantly impacted by COVID-19, experiencing the most adverse effects. This involved a meticulous assessment to identify the regions where the pandemic had posed the greatest challenges. Subsequently, the list of registered homestay operators in Malaysia was carefully categorised according to these severely affected states. For instance, the first state chosen was Pahang, a region profoundly affected by the pandemic. Following insightful interviews with the available participants from Pahang, the study then extended its investigation to the second state, Malacca, ensuring a balanced and consistent representation of participants.

After downloading the file provided on the MOTAC official website, which includes information on all registered homestay operators, the first state chosen for investigation was Pahang. Subsequently, the data was filtered to focus on homestay operators located in Pahang. Participants were then randomly selected from the pool of operators listed in the MOTAC file for Pahang. To maintain the rigor of the study's insights, an additional layer of scrutiny was applied, delving into the details to confirm the suitability of each participant. Upon identifying potential participants, direct communication channels such as email, phone calls, or WhatsApp were utilised to verify their compatibility with the criteria established through purposive sampling. If a participant does not meet the outlined criteria, the process seamlessly progressed to the next random homestay operator on the list, maintaining a steadfast alignment with the states predominantly affected by COVID-19.

In conclusion, the research methodology deployed a systematic and comprehensive approach that encompassed two distinct phases. The first phase meticulously identified the states in Malaysia most adversely affected by the pandemic, with Pahang emerging as a prime example. This careful selection allowed for targeted interviews and insights. The second phase employed a multi-tiered participant selection process, combining randomness and stringent criteria verification. This approach ensured that participants represented both the affected states and the desired quality standards. Together, these two phases facilitated a nuanced and insightful exploration of the challenges and strategies embraced by homestay operators in the face of the COVID-19 pandemic, ultimately contributing to a well-rounded understanding of the subject matter.

3.5 Data Analysis

Data analysis in qualitative research is a process of coding that reduces vast amounts of information or data into each theme or code and presents the data in a table or discussion (Creswell, 2007).

After conducting the interviews and attempting to use various software for transcription and translation, it was decided not to rely on any software for this process. This decision was made due to the language involved, which includes dialects and abbreviations that could be challenging for the software to

accurately interpret, potentially leading to the loss of important data or misunderstanding of meanings.

As a result, the transcription and translation processes were conducted manually. This study uses a combination of verbatim translation and standard translation during the translation process. This choice is based on the idea shared by Halcomb and Davidson (2006) that verbatim translation can capture both data sensitivity and cultural nuances.

For example:

Original Text: *Tapi bila ada bantuan MOTAC itu kita rasa bolehlah bantu kita sikit ganti balik TV yang rosak.*

Verbatim Translation: *However, when there is assistance from MOTAC, we feel that it can help us a bit to replace the damaged TV.*

Standard Translation: *But when we receive assistance from MOTAC, we feel that it can help us to replace the damaged TV a bit.*

In this example, both sentences seem to convey similar meanings. However, upon closer examination of the verbatim translation, it appears to emphasise minimal assistance, whereas the second sentence focuses on the act of receiving assistance itself. The phrase 'a bit' in the second sentence describes the extent to which the assistance is helpful. This implies that the assistance is indeed beneficial but may not completely cover the replacement cost. Nevertheless, Poland (1995) has mentioned potential problems with verbatim translation due to structural differences that could accidentally alter data. Given

that most of the interviews were conducted in Bahasa Melayu, which has sentence structures differing from English, this study adopted both verbatim and standard translation. For instance, after comprehending the entire sentence's meaning, the translation process starts with the first word to perform a verbatim translation. This approach allows for a pre-understanding of the sentence's conveyed meaning and ensures that the translation doesn't alter the original intent. Finally, the translation incorporates non-dictionary words as highlighted in the study by Seale (1997). These include hesitations, pauses, and other non-dictionary words used to convey and emphasise the participant's tone.

This study has adopted the translation process suggested by Tyupa (2011), which involves several steps: forward translation, back translation, back translation review, and finalised translation. The initial step is to listen to the recording and perform the forward transcript in the source language, which in this case is Bahasa Melayu. During this process, the transcription is done word-for-word, pausing the recording tape after each sentence to ensure accuracy.

To facilitate the transcription review and analysis, a specific timeline is implemented in the transcription process. For instance, after the participant has finished explaining a particular question, a time frame is noted between 2 and 5 minutes, indicating the exact point in the recording where the explanation for that question ends. For example, if the interview starts at 00:00:12 and the participant completes the explanation of the first question at 00:02:08, the next row of the transcription will include a time frame of 00:02:08. This systematic

approach makes it easier to locate and review specific sections of the transcription based on the specified time frames. By using this meticulous transcription method, the researcher can accurately document the participants' responses in their original language and maintain a clear reference for reviewing and analysing the data effectively.

The second step involved the forward translation process, which translated the source language (Bahasa Melayu) to the target language (English). The forward translation directly translates the entire sentence to the target language without adjusting the grammatical form of the source language. This version of the forward translation is easier for conducting the back translation (Brislin, 1970). For example, a participant said that "Kebanyakan klien ni dah kurang berjalan sikit dari sebelum COVID" (Most clients are a bit less active than before COVID). directly translated to "Most of these clients are walking a little less than before COVID-19.

The third phase of the translation process includes conducting a back translation, which entails translating the previously translated transcript from the target language (e.g., English) back into the source language (Bahasa Melayu), all without consulting the original transcript.

After completing the back translation, the next step is to compare the back-translated version with the original transcription in the source language. During this comparison, it requires carefully examines the differences and discrepancies between the two versions. This thorough review helps to identify

any potential issues in the translation process, ensuring that the meaning and context of the participants' responses are accurately preserved in both languages. To enhance the accuracy and reliability of the translation, the back-translated version is also reviewed by an expert bilingual, someone proficient in both the source and target languages. Any ambiguous or questionable choices of words used in the translation are further discussed and clarified with the bilingual expert to ensure the most accurate representation of the participants' responses.

After finalising the translated version, the data file will be imported into the NVivo Pro 20 software (student version) using the import function. The file will be renamed with an abbreviation of the first capital letter of the state and the name of the homestay. The next step involves reading through all the documents in their entirety and adding annotations to each document to enhance their comprehensibility without requiring a full reread of the entire paragraph.

Lastly, the final step involves creating the code by right-clicking the "Codes" section to add "new code" by filling in the name and description. For instance, the homestay operator said, "we have prepared the mask, but mostly they come they know the SOP, so they will have their mask and follow the SOP" so to code this sentence will name the code as prepare the mask. At the same time, the description section mentioned that participants would prepare masks for the incomer during COVID-19. In short, the initial data analysis

stage involves organising and sorting the data, such as transcription, translation, annotation, and creating codes that can answer the research questions.

3.5.1 Thematic Analysis

Braun and Clarke (2012) mentioned that thematic analysis is a powerful method to access the participant's experiences, thoughts, and behaviours. The authors also further explained two main branches of thematic analysis, the inductive and deductive approaches to help identify the themes. The inductive approach is used when analysing the data without any pre-existing theory or concept, so the theme is entirely driven based on the raw data collected (Nowell et al., 2017). In contrast, the thematic analysis deductive approach would be the other way where the researcher has the pre-existing theory or framework to guide the researcher in specific data collection and with the specific finding to explain the existing theory or concept (Kiger & Vrpio, 2020).

This study has adopted the thematic analysis method to analyse the data because it aligns well with the study's research questions, which aim to understand the homestay operator's situation during COVID-19. Specifically, this study used a deductive approach to analyse the data and generate themes, drawing upon the resilience theory to examine the challenges posed by COVID-19 and how the homestay operators coped with the sudden disruption using their strategies.

Based on Braun and Clarke (2012), the thematic analysis consists of six significant steps, and it might repeat the previous steps when any new data is included or any new theme requires further investigation (as cited in Kiger and Vrpio, 2020). Therefore, this study follows the six steps of thematic analysis as suggested by Brau and Clarke (as cited in Kiger and Vrpio, 2020). In addition, the data analysis has not been conducted in a linear or one-way fashion because the study incorporates constant comparative analysis to determine the data collection process and whether it reaches saturation. As a result, the data analysis process will be iterated through specific steps. For example, after conducting the first interview, will perform the thematic analysis and proceed to another interview until the data reaches saturation so that the data analysis process will be recursive instead of one-way finished up the data analysis process.

The first step of the thematic analysis is to acquaint ourselves with the raw data collected rather than try to do the coding process (Kiger & Vrpio, 2020). The previous section explained that the initial data analysis process would be considered part of familiarising the data, which consists of transcription, forward translation, back translation, back translation review, and annotation while reading the translated documents.

In the second step of thematic analysis, initial codes are generated to organise and categorise the data. As suggested by Kiger and Vrpio (2020), codes should be well-defined and specific to selected phrases, ensuring they do not overlap with other codes. To facilitate this process and avoid confusion, the

use of a codebook or code template is recommended, helping to define each code precisely and ensuring that the chosen codes accurately represent the data. In this study, the utilisation of NVivo software assists in generating codes. By inputting all the relevant information regarding the code details into the software, new codes can be easily created and filled with necessary descriptions. For instance, when creating a new code in NVivo, the code's name and a detailed description can be specified. The software also offers the convenience of extracting a codebook, serving as a reference during the coding selection process. With the assistance of NVivo software, the coding process becomes more efficient, enhancing the organisation and analysis of the data.

Moreover, in the third step of thematic analysis, themes are developed by carefully analysing, comparing, categorising, and graphically mapping the generated codes (Kiger & Vrpio, 2020). This approach aligns with the concept of inductive thematic analysis, as proposed by Braun and Clarke, which involves deriving themes directly from the original data without being influenced by pre-defined theories. This ensures that the themes closely represent the participants' experiences and perspectives. In this study, the theming process involves organising and categorising the codes, followed by a comparison to identify patterns and connections among them. By grouping relevant codes together, the researcher can create meaningful and insightful themes that encapsulate the key aspects of the data. To enhance understanding, graphical mapping is employed to visually illustrate the relationships between the codes and themes, providing a clearer and more comprehensive view for both the researcher and the reader. These visual representations aid in

reviewing and validating the identified themes, contributing to the overall rigor and trustworthiness of the study's findings.

In the fourth step of thematic analysis, a thorough review of the identified themes is conducted. This step involves employing a two-layer analysis process, as suggested by Braun and Clarke (as cited in Kiger and Vrpio, 2020). The authors shared that the first layer of analysis should examine the code within the themes, whether it is appropriate or adequate to support the themes, or whether the theme well represents the coded date. Therefore, the authors shared that this step would consist of removing, adding the code, or even removing the themes and falling back to the previous steps. While the authors also explained that the second layer of analysis would look into the themes being created that are well fit or demonstrate the research question. In this study, after completing the theme mapping and re-analysing the codes, they belong to the theme, or the themes could well explain the codes. For example, in the first layer of reviewing by using the visual map, it questioned the researcher whether the codes belonged to the themes and what is the connection between the codes and the theme. So by going this step, it will consist of removing or adding some code from the themes. Meanwhile, constantly referring back to the research question and determining how the themes can answer the research question will be the second layer of reviewing the themes. Once the review process has been done, it will change on the theme map, ensure the connection between the theme and codes, and be able to discuss in a synchronised and logical manner.

In the fifth step of thematic analysis, the identified themes are defined and named to provide a clear and descriptive representation of their content and meaning. As suggested by Braun and Clarke (as cited in Kiger and Vrpio, 2020), naming the themes is essential as it allows the researcher to communicate the essence of each theme to the reader effectively. The names of the themes should be concise yet informative, providing insights into the key findings and answering the research question. In this step, name the created themes based on the relationship between the codes that are being selected. Again, examine the name of themes representing the relationship between the codes. Thus, this study has constructed two themes for the challenges and four for the strategies.

The last step consists of producing a report that discusses the finding of the themes, interpreting the data, and clarifying the larger question of why choosing the specific themes (Kiger & Vrpio, 2020). The last step of the thematic analysis will be written in the next chapter, describing each selected theme and discussing it based on the research question.

3.5.2 Credibility

Based on Galdas (2017), researcher bias potentially occurs when the researcher tries to influence the study based on their role and assumption. For example, bias could occur while formulating the research objective, data collection, sampling technique, and targeted population. Hence, in this study, it

is vital to be an active listener during the interview session without trying to provide other experiences or judgement to influence the interviewee.

Audit trail, such as maintaining a detailed log of research activities and documenting every piece of data throughout the study, could enhance the validity of the study by keeping records of all previous activities related to the research (Carcary, 2009). Likewise, Kleijn and Leeuwen (2018) suggest that an audit trial is a process that starts from the beginning; the researcher keeps all the related documents and the raw data obtained during the research. Similarly, Barriball and While (1994) suggest that audio tapes help validate the data, reduce the error rate of the researcher, and ensure the completeness of the data that the participant shared. To ensure the study's validity, this research recorded the interviews and maintained the audio recordings. This approach allows for reference in cases of abundant information that might be missed if relying solely on handwritten notes during the interviews. For example, when performing the transcript or data organisation process, it could help to refer back to the audio to ensure the meaning is what the participant meant to be delivered.

Moreover, Creswell (2007) mentioned that member checking strategy is one of the most critical ways to ensure the validity of the study because, during the interview, the researcher could interpret the idea provided by the respondent and re-phrase the sentences back to the respondent to ensure the researcher captured idea is aligned with the respondent. Therefore, during the interview, this study would clarify with the participant where the answers they

provided could be more precise and will provide them the transcript after the interview to get their feedback. Also, during the data analysis stage, if there is any unclear issue will contact the participant via phone.

Peer debriefing is a critical aspect of the research process, as it involves seeking feedback and validation from other knowledgeable individuals in the field. As suggested by Creswell (2007), the purpose of peer debriefing is to subject the study methodology, rationale, and justification to rigorous examination and critical questioning. In this study, peer debriefing was conducted to ensure the robustness and validity of the research design and methods. An expert in the field was involved in validating the interview guide, ensuring that the questions asked during the interviews were appropriate, relevant, and aligned with the research objectives. The expert's feedback helped to refine the interview guide and ensure that it effectively captured the relevant information needed to address the research inquiries. Another expert focused on questioning the targeted participant selection process. This scrutiny helped to ensure that the purposive sampling technique was employed to select the homestay operators was appropriate and aligned with the study's objectives.

3.5.3 Dependability

Noble and Smith (2015) emphasised that reliability is essential in qualitative research because, without an appropriate method undertaken in one research, it will be questionable for the final result of the research. Hence, this

study will adopt three techniques to ensure the final result is consistent and trustworthy.

First, perform the preliminary interview before actually interviewing because the preliminary interview could help the researcher to gain a better understanding of the interview guide questions that are clear and understandable for the participants. For example, the same question should be delivered same key point to the participant (Taherdoost, 2022). Otherwise, during the interview session, respondents will interpret differently or get the wrong idea. Thus, this study conducted the preliminary interview to ensure the interview guide was straightforward and easy to understand for the participants.

Second, Creswell (2007) mentioned that the researcher might use the audio recording during the interview to enhance reliability. For example, when transcribing the data, the researcher could stop and replay the critical message to ensure the accuracy and consistency of the message intended to be delivered by the respondent. Thus, during the transcription process, the audiotape has been replayed several times to ensure that the result accurately reflects the intended meaning of the participant.

Lastly, based on Creswell (2007) developing a codebook to define each code that represents a specific meaning able to enhance the research result reliability. This is because a codebook could guide the researcher in identifying which code to put for the statement. For example, NVivo software provides the function of a codebook as it compiles all the created codes with descriptions so

that when doing the data analysis can open the codebook and refer to the codebook and look for whether any existing same codes; if not, it will create other new codes.

3.5.4 Ethical Concern

Based on Creswell (2007) researcher should disclose the study topic in depth to the participants, especially the purpose and the nature of the study, so that participants are aware of the topic and they could decline the interview invitation whenever they feel that is a sensitive topic that could harm them. Hence, when contacting the targeted participants, the research topic was explained, and they were sent the official invitation letter containing specific study information upon acceptance of the interview. Furthermore, before initiating the actual data collection, this study obtained ethical approval (U/SERC/286/2021). The application, which encompassed details about the study subject, purpose, and interview guide, was submitted to the university.

During the interview session, the interviewer will not share their personal experience with the interviewee as it could lead to researcher bias (Creswell, 2007). Thus, this study will ask open-ended questions and encourage the respondent to further elaborate on their experience instead of sharing the researcher's thoughts with the participant.

Lastly, during the interview session, the interviewee could request to stop the recording whenever they feel that the information is sensitive and, if

reported, could harm the individual. Thus, before the interview, the participants would be informed that audio recording is primarily for educational purposes, and they would have the option to request the cessation of recording if they feel uncomfortable answering during the interview session.

3.6 Chapter Summary

In this chapter, the discussion commences with the exploration of research philosophy, emphasising the influence of researchers' worldviews on the chosen approach to address the research objectives. Understanding how these worldviews impact the chosen approach leads to the adoption of a case study approach in the research design. Once the research design is confirmed, the focus shifts to the sampling design, wherein participant criteria are carefully outlined before selection.

After establishing the participant criteria, the research process proceeds. Initially, an interview guide is formulated and tested through preliminary interviews, with questions refined based on participant feedback. A semi-structured interview approach is chosen to facilitate open-ended discussions and gain a comprehensive understanding of the homestay operators' experiences.

Subsequently, the data analysis process is explained, with a focus on the thematic analysis method. The study employs an inductive thematic analysis

approach, allowing themes to emerge from the data itself rather than being influenced by pre-defined theories.

Overall, this chapter provides a comprehensive overview of the research design, methods, and progress, highlighting the choices made to ensure the study's reliability and validity in exploring the challenges faced by homestay operators during the COVID-19 pandemic.

CHAPTER 4

Results and Discussion

This chapter present the study's findings and discussion on homestay challenges and strategies during the COVID-19 pandemic.

4.1 Participant Profile

According to Pickering (2017), participant profile is crucial as it serves the purpose of providing the reader with an understanding of the demographic characteristics of the participants. This information guides the reader and allows future researchers to generalise the results based on the specific demographic characteristics of the location. Table 4.1 shows the participants profile that participated in the research.

Table 4.1

Participant Profile

Participant	Homestay Name	Years of experience	Language Spoken	Platform
P1	Homestay Kampung Pantai Sepat	14 years	Malay language	Whatsapp
P2	Homestay Leban Chondong	12 years	Malay language	Whatsapp
P3	Homestay Sungai Pasu	21 years	Malay language	Whatsapp
P4	Homestay Kampung Alai	23 years	Malay language	Face to Face
P5	Homestay Kampung Pulai	15 years	Malay language	Face to Face
P6	Homestay Kampung Rhu	14 years	Malay language	Whatsapp
P7	Homestay Penampang	7 years	English/Malay	Whatsapp
P8	Homestay Walai Tokou	21 years	Malay language	Whatsapp
P9	Homestay Chenderoh	8 years	Malay language	Whatsapp
P10	Homestay Gopeng	17 years	Malay language	Mircosoft Teams
P11	Homestay Kampung Beng	18 years	Malay language	Mircosoft Teams
P12	Homestay Banghuris	28 years	Malay Language	Whatsapp

Note: This table presents a list of homestay programs that have been interviewed, along with the years of experience, language medium used during the interview, and the platform used for conducting the interviews.

This study collected data from 12 participants using the semi-structured interview. Most of the participants were interviewed via online video calls, such as WhatsApp and Microsoft Teams, while only two participants were interviewed in person. Additionally, all the participants were fulfilling both

roles as owners and operators of their homestay businesses. During the interviews, participants shared the year they started their homestay programs. It is noteworthy that all of the homestay operators had been in the business for more than three years, which allowed them to have a deep understanding of the disruptions caused by COVID-19. Additionally, the choice of language medium used in the interviews was determined based on the comfort level of the homestay operators, ensuring effective communication and data collection.

4.2 Objective 1- Challenges

This section sheds light on the challenges encountered by homestay operators amidst the COVID-19 pandemic. Figure 4.1 provides a visual representation of two prominent themes: (1) mental health issues and (2) financial challenges.

Figure 4.1

Challenges faced by homestay operator
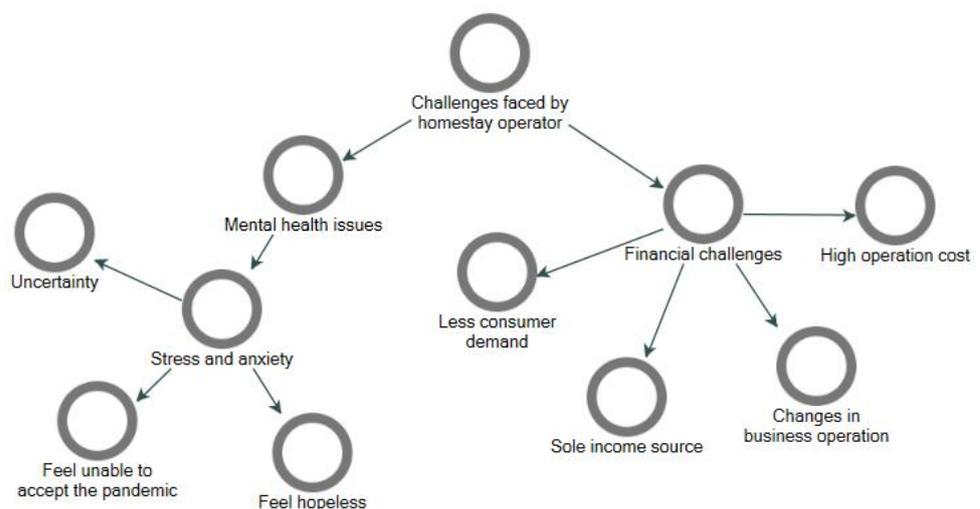
4.2.1 Theme 1 - Mental health issues

The interview found that out of 12 homestay operators, nine had expressed mental health issues during COVID-19. In addition, the participants express various negative emotions such as stress and anxiety. These findings indicate that COVID-19 has had a significant impact on the mental health of homestay operators, potentially through various mediating effects that influence their thoughts. Poor mental health will affect the business performance and the ability to sustain the business due to the inability to make sound decisions (Rajgopal, 2010), a decrease in productivity (Sachiko & Isamu, 2016), increasing the likelihood of losses (Johnson et al., 2015) and demotivate entrepreneur to stay in the industry (Stephan, 2018). Figure 4.2 illustrates that three major factors, namely uncertainty, feeling unable to accept the pandemic, and feeling hopeless, are linked to stress and anxiety.

Figure 4.2

Theme 1 - Mental health issues
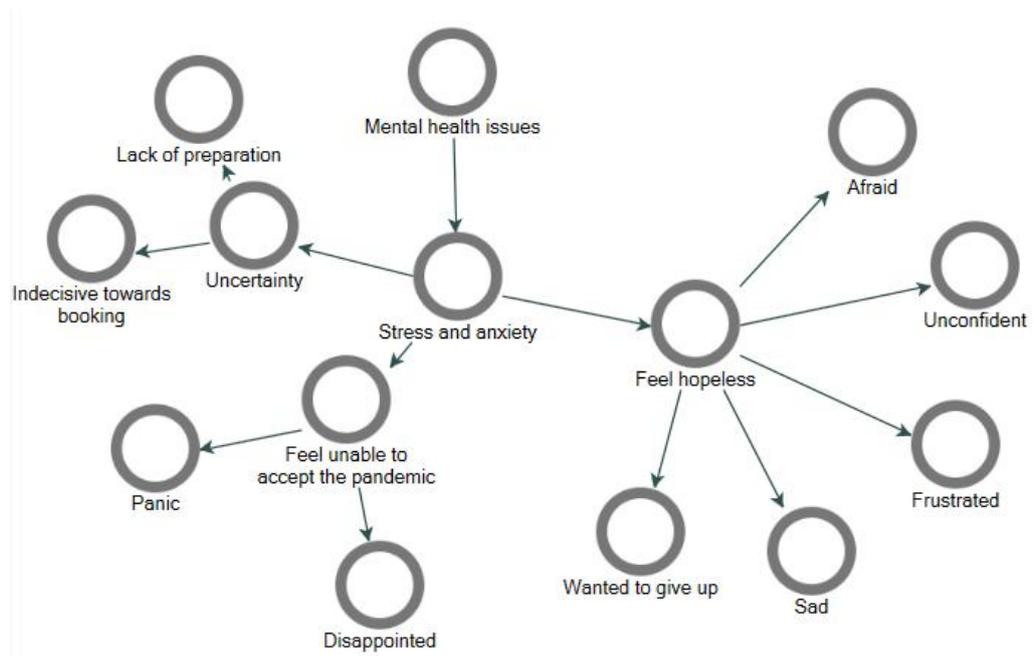
Based on the findings, it is evident that feelings of uncertainty, inability to accept the pandemic, and feel hopelessness have manifested as stress and uncertainty among the homestay operators. This complex interplay between psychological states is supported by Daviu et al. (2019), who differentiate between stress and anxiety as distinct psychological states with interactions mediated through sub-cortical nodes. For instance, participant P10 articulated her anxiety concerning the potential repercussions of COVID-19, which subsequently translated into heightened stress levels. She specifically expressed anxiety regarding cases involving individuals who had travelled from other countries and contracted the virus. Consequently, her escalated stress levels contributed to a noticeable weight loss during that period.

Participant P10: Feeling really down. Yes, I have been dealing with anxiety and stress. In the month of December, I had just returned from Phuket, and in early February, I had a work promotion in Indonesia. Then, on March 15th, the MCO started, and I have been feeling down since then. The first COVID case was confirmed on the day I returned from abroad. It's been almost two months now, and my anxiety has been pretty severe. I have even lost 12 kg in the last three months.

Several participants (P6, P7, P10, P11, P12) mentioned experiencing stress during COVID-19, particularly when the government enacted the MCO. One of the primary reasons for their stress is the heavy reliance on income

generated from their homestay programme, which serves as their sole source of income.

Participant P7: I have been feeling a bit stressed, and I have had to think about what kind of promotions I should do to encourage people to stay in my homestay.

Additionally, participant P7 expressed feeling stressed as she had to determine the necessary actions and promotions required to attract guests to stay at her homestay. On the other hand, other participants experienced stress due to concerns about the risk of contracting the virus and the prolonged waiting period for the government to lift the Standard Operating Procedures (SOPs) and restrictions. Therefore, during COVID-19, homestay operators faced stress from two perspectives: the performance of their homestay programme and personal health factors.

In conclusion, stress could affect homestay operator well-being in terms physical or mental. For example, the participant was over-stressed and experienced severe weight loss. This result is also in line with the research conducted by Corner et al. (2017), which found that stress negatively impacted the well-being of entrepreneurs. Consequently, it affects their resilience and limits their cognitive decision-making flexibility. For example, a long period of highly stressful situations will impair the prefrontal cortex (PFC), affecting the working memory and narrow cognitive and decision-making (Sandi, 2013). Hence, developing coping abilities and stress management is crucial to

maintain well-being and entrepreneurial resilience (Kipkosgei, 2022). For example, Baron et al. (2016) mentioned that positive adaptation of entrepreneur resilience is crucial to overcome stress and avoid negative feelings.

4.2.1.1 Uncertainty

Based on Anderson et al. (2019), uncertainty is considered a form of negative mental state that can have a detrimental impact on mental health. For example, Anderson et al. (2019) shared that when the patient is dealing with a cancer illness, and the treatment cannot ensure the patient can control the condition, the patient might experience negative mental health. This study found that the majority of homestay operators experienced a high degree of uncertainty due to COVID-19, which is considered one of the most unprecedented health crises ever faced in Malaysia. The crisis was new to them, as they had never experienced such a high infection and fatality rate, which claimed numerous Malaysian lives (Hashim et al., 2021).

Participant P6: When I get to know about COVID. When announce the MCO we did not expect how long will be… how long this homestay will be closed, so we rely on the income, it's stress too. Wait and wait for the government to open when the COVID is end. We can't estimate … one year two year or three year… We can't expect that what it will happen in 2 to 3 months.

Moreover, Han et al. (2011) explained three different sources of uncertainty: (1) randomness of the upcoming event. (2) reliability and

credibility of the information. (3) having multiple possible outcomes for the event. For example, participant P6 claimed that he never knew what would happen in the upcoming months as it might have another new dreadful wave of COVID-19. Therefore, the randomness of the upcoming events (COVID-19) and the multiple possible outcomes (implementation of MCOs) has made the homestay operator feel uncertain during COVID-19. For example, he mentioned that he couldn't estimate how long the pandemic would last, which reflects the uncertainty about the future. He provided a sequence of timelines, "one year, two years, or three years" which indicated that he believed it could have multiple outcomes for this situation.

Participant P3: ...have some bookings from Pahang for Raya festival, but had to put them on hold because of waiting for further notifications or directions from the Ministry.

Besides, participant (P3) also mentioned that she was unsure about the SOP plan implemented by the government because she saw that some places in Pahang had loosened the SOP while some did not. Thus, with the uncertainty of the SOP plan, she was confused and indecisive about whether she should accept the bookings, which caused the loss of potential customers during COVID-19. These results align with the study of Anderson et al. (2019), in which the feeling of uncertainty is a negative mental state. Eventually, it turns out to be bad mental health. Likewise, Moors et al. (2013) explain that the actual mental state of uncertainty could be the determinant of leading to certain negative emotions or mental health. In short, the participants in this study

initially felt uncertainty brought about by COVID-19 and the lockdown SOP. This mental state will lead to negative mental health such as fear, indecision, sadness, unconfident, or frustration.

Participant P8: During that period,we are really do not know, we are really do not know what to do. Since, we do not have preparation.

Based on the participant's statement, he experienced uncertainty during COVID-19, which made it difficult for him to react to the situation. COVID-19 is new to the homestay operator, so he does not have sufficient knowledge to tackle the situation and had no plan or preparation for COVID-19. A homestay operator without preparation will feel unequipped to handle the problems brought by COVID-19. For example, during the sudden outbreak of COVID-19, homestay operators may experience a complete loss of income, putting their cash flow at risk due to a lack of a financial contingency plan. Additionally, unprepared homestay operators may face increased pressure when adapting to the pandemic, feeling overwhelmed by decision making and existing responsibilities.

4.2.1.2 Feel unable to accept pandemic

Based on the participants' accounts, it becomes apparent that experiencing difficulty in accepting the pandemic represents a prevalent emotional response to COVID-19. In line with this, Popa et al. (2020) assert that acceptance serves as a valuable coping mechanism for effectively managing stress. The concept of acceptance revolves around recognising and

embracing the factual nature of a situation, thereby potentially enhancing overall psychological well-being. In contrast, the research by Carver et al. (1993) highlights the adverse consequences of denial, a response characterised by evading or rejecting acknowledgement of a stress-inducing factor. This tendency towards denial tends to exacerbate stress levels and can have detrimental effects on mental health. Therefore, cultivating a sense of acceptance may prove instrumental in promoting better emotional and psychological resilience in the face of challenging circumstances such as the ongoing pandemic.

Participant P2: So, I felt like I couldn't go out; all of us had to stay at home, and this lasted for four months in 2020. Initially, I couldn't do anything about it. At first, I couldn't accept it. At first, most people couldn't accept it either, as it brought problems that disrupted our normal lifestyles.

In some of the severe cases where the participant (P2) was unable to accept the problems brought by COVID-19 as it primarily affected their lifestyles and the homestay programme performance.

Participant P8: At first, we panicked because our workers needed to be paid, and then our monthly income dropped to zero. ZERO, So panic. Suddenly it comes we do not prepare for that.

Based on the participant's statement, it is evident that he experienced panic for several reasons: (1) the need to pay his workers' monthly salaries, (2)

the absence of any income, and (3) the lack of preparation. When the participant mentioned that his monthly income had dropped to zero, he faced significant financial challenges. He was obligated to pay his workers' salaries despite the absence of any income sources, which contributed to feelings of panic and anxiety. In short, the participant felt panicked due to being unprepared for the impact of COVID-19 and the resulting financial difficulties he had to deal with.

Based on Polivy and Herman (2000) people tend to be disappointed due to over expectations. As a result, they lose control over their life and confidence due to the reality that does not meet their goals and expectations. For example, participants felt disappointed as the expectation did not meet reality. They expect that in the year 2020, the economy will be outstanding due to the ideal of Vision 2020 (Wawasan 2020). However, unfortunately, the outbreak of COVID-19 had affected the economy and caused a lockdown for consecutive periods.

Participant P4: Before COVID-19, our business was doing well. It had been thriving since 20... until 2020, and during that time, we were following the Wawasan 2020 vision. However, like everyone else, we were severely affected by COVID-19. The economy declined, and political stability became a challenge

Participant P2: In 2020, at the beginning, I felt that it was a new experience for Malaysia because of the lockdown. I had expected Malaysia in

2020 to make significant progress due to the Wawasan 2020 vision, but it seemed like we needed to hold on. I felt like we couldn't go out, as all of us had to stay at home, and this lasted for four months in 2020.

Both of the participants (P2, P4) had provided the same expectation for the year 2020. However, they had mentioned that the economy was down due to COVID-19 and the politic was unstable too. In addition, homestay operator P2 pointed "*for this pandemic, it was not able to do anything*" and required to "*hold on*" to the idea of Vision 2020. Based on the participants' statements, they were disappointed as the gap between expectation and reality was enormous. The result is aligned with the research by Wilco et al. (2003), as the authors stated that reducing the expectation level and acknowledging unforeseen circumstances could avoid disappointment. As a result, participants are disappointed due to the expectations for 2020 in Malaysia. However, COVID-19 has become a significant nightmare for them due to many unexpected circumstances, such as lockdown SOP and economic downturn.

4.2.1.3 Feel hopeless

Participants consistently conveyed feelings of hopelessness when confronted with the challenges posed by COVID-19. This sentiment aligns with research conducted by Zhang et al. (2022), which establishes a direct link between stress and feelings of hopelessness. Stress has the potential to intensify emotions of hopelessness, thereby potentially amplifying the manifestations of anxiety and depression. In a parallel vein, the current study's findings echo this

connection, indicating that participants experiencing hopelessness exhibited concerns about their business performance and future prospects.

Participant P1: Among 16 of operators some of them already give up and HOPELESS. When COVID-19 outbreak they feel hopeless and some of them gave up.

Participant (P1) pointed out that few homestay operators in their community wanted to give up the business in their organisation as they felt hopeless during COVID-19. The participant also shared that those homestay operators were less engaged in the homestay programme after creating the organisation. When hit by COVID-19, it will further negatively reinforce their feelings, so they want to give up and feel hopeless in the homestay's prospect. Therefore, this is aligned with the study by Wong et al. (2021), where the disruption in society or the economy will cause depression.

Participant P8: I can see that the business is not able to recover for the coming first and second and third year due to the pandemic.

The participant provided a sequence of years in which he expected his business would not recover. Consequently, the negative expectation for the future caused him to feel hopeless about the recovery of his business performance. This result is supported by the study of Beck et al. (1974), where hopelessness is defined as having negative expectations for the future and viewing the future in a negative light. Likewise, research by Kasapoğlu (2022)

and Lee (2020) revealed a positive correlation between anxiety related to COVID-19 and feelings of hopelessness. In short, COVID-19 could directly or indirectly affect the homestay operator's mental health by bringing up new or existing problems and reinforcing the negative feeling.

Participant P8: We knew that we needed to prepare, so it was sad afterwards. Truly, it was a very sad situation. The first MCO was the worst, as we were not allowed to go out. On March 18, 2020, we were instructed to stay at home, and that was indeed a sorrowful time. We realised that we should have been better prepared beforehand.

The participant felt sad because, initially, they were unable to react to the sudden outbreak of COVID-19. However, as time passed, they realised they should have been better prepared. Consequently, during the first MCO, they felt a deep sadness as they were confined to their homes without any activities to engage in. Meanwhile, the other participant (P10) felt sad due to her recent return from Phuket after conducting promotions in Indonesia. However, within a month, the government announced the MCO, which caused her to feel sad due to the realisation that her efforts would not yield the expected results and her failure to attain her goals. This result aligns with the findings of the study conducted by Jones et al. (2013), where it was observed that individuals experiencing the realisation of failing to achieve their goals often experience sadness.

Similarly, participant (P1) feel frustrated due to no progression on the homestay programme and have the expectation on good investment return on the business.

Participant P1:   I feel frustrated because I had just started the organisation, and the return on investment had not shown any favourable results yet. This frustration was natural. However, we all understood the situation, so we decided to continue doing what we could. We carried on with our daily lives as usual. When the COVID-19 outbreak occurred, we maintained our usual routines. Unfortunately, we didn't receive any interesting news from the homestay programme.

Based on the participant's statement, it is evident that she feels frustrated due to the lack of favourable results from their investment. Although she acknowledges the situation, she still experiences frustration. As she mentioned, "*we decided to continue doing what we could. We carried on with our daily lives as usual.*" Additionally, the phrase "*no interesting news*" suggests a lack of positive updates for their homestay programme, which adds to the participant's frustration and a sense of hopelessness towards the current situation.

A couple of participants (P6, P8) shared that they had the intention to further invest in the homestay programme. However, due to the outbreak of COVID-19, they had no choice but to defer their plans.

Participant P6: I want to make improvements to my homestay, and I may consider taking out a loan in the future. For now, I am maintaining it as it is. I'll let it stay as it is for now.

Based on the participant's statement, he mentioned his intention to further invest in the homestay programme by taking a loan. However, the phrase "*for now, I am maintaining*" indicates that he lacks confidence in taking the loan. He has a feeling that the outcome of further investment may not be positive, which inhibits him from pursuing further investment.

Participant P8: We felt a lack of confidence during that period. While we had plans to add or repair toilets and make other improvements, when we considered the financial situation at the time, we hesitated to invest because our income was uncertain. We lacked confidence in increasing both the quantity of rooms and other amenities.

Similarly, this participant had thoughts of repairing and further renovating their homestay to improve their services. However, the homestay operator mentioned that financial constraints had prohibited him from proceeding with the plan, leading to a lack of confidence. This is because he fears that a negative outcome could trigger a negative feedback loop, worsening his financial situation. For instance, he expressed a lack of confidence in further investing due to a lack of income. If he were to invest more in the business and the outcome falls short of expectations, he would face even greater financial constraints, leading to further loss of confidence. In short,

the participants expressed a lack of confidence in making decisions regarding their homestay programme. The outbreak of COVID-19 has hindered their plans to further invest in the business, leading them to maintain the status quo. They fear a negative feedback loop, in which unfavourable outcomes could worsen their financial constraints and further diminish their confidence. The financial limitations and potential risks have contributed to their lack of confidence in pursuing expansion and renovation plans.

A couple of participants (P4, P6) expressed their fear of COVID-19 due to personal health concerns and the impact of movement restriction policies on their business performance.

Participant P4: We felt afraid you know? We afraid. Before that have one person who died due to the COVID-19 during the first MCO all people are scared.

Participant P6: We can't expect that what it will happen in 2 to 3 months, and we always afraid that will have another new wave.

Participant P4's statement shows that they were afraid of the MCO, leading them to hoard food supplies for their village. On the other hand, the other participant expressed their fear due to uncertainty about the future, including the possibility of another deadly wave of COVID-19 or the implementation of another MCO.

In conclusion, homestay operators with low emotional resilience as entrepreneurs tend to experience feelings of unconfidence, inability to accept the situation, hopelessness, and frustration when they are unable to effectively adapt to the challenges posed by COVID-19. This finding is consistent with the research conducted by Zayadin et al. (2022), which highlights that entrepreneurs often express a lack of confidence in uncertain environments, leading to de-motivation and hindered reactions to the situation. Moreover, the impact of COVID-19 has discouraged entrepreneurs from engaging in innovative entrepreneurial activities to mitigate the risks associated with the pandemic, as noted by Kuckertz (2021).

An example shared by one of the homestay operators further supports this conclusion. The operator expressed uncertainty about the latest SOP and, as a result, chose not to accept any clients despite having received bookings. This behaviour aligns with the findings of research conducted by Shepherd and Patzelt (2017), which suggests that entrepreneurs, when making decisions in high-uncertainty contexts, are more inclined to accept lower profits.

Table 4.2

Theme 1- Mental health issues

Stress and anxiety	Category	Frequency	%	Excerpt
Uncertainty	Feel uncertain	7	18.42%	When I get to know about COVID. When announce the MCO we did not expect how long will be… how long this homestay will be closed, so we rely on the income, it's stress too. Wait and wait for the government to open when the COVID is end. We can't estimate … one year two year or three year… We can't expect that what it will happen in 2 to 3 months. - P6
	Indecisive towards booking	1	2.63%	...have some bookings from Pahang for Raya festival, but had to put them on hold because of waiting for further notifications or directions from the Ministry.- P3
	Lack of preparation	1	2.63%	During that period,we are really do not know, we are really do not know what to do. Since, we do not have preparation. . So we knew that need to do the preparation.- P8
Feel unable to accept the pandemic	Reluctance in acknowledging	1	2.63%	At first, I couldn't accept it. At first, most people couldn't accept it either, as it brought problems that disrupted our normal lifestyles.-P2
	Panic	5	13.16%	At first, we panicked because our workers needed to be paid, and then our monthly income dropped to zero. ZERO, So panic. Suddenly it comes we do not prepare for that..-P8

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	Disappointed	6	15.79%	In 2020, at the beginning, I felt that it was a new experience for Malaysia because of the lockdown. I had expected Malaysia in 2020 to make significant progress due to the Wawasan 2020 vision, but it seemed like we needed to hold on. I felt like we couldn't go out, as all of us had to stay at home, and this lasted for four months in 2020. - P2
Feel hopeless	Wanted to give up	2	5.26%	Among 16 of operators some of them already give up and HOPELESS. When COVID-19 outbreak they feel hopeless and some of them gave up..-P1
	Sad	2	5.26%	We knew that we needed to prepare, so it was sad afterwards. Truly, it was a very sad situation. The first MCO was the worst, as we were not allowed to go out. On March 18, 2020, we were instructed to stay at home, and that was indeed a sorrowful time. We realised that we should have been better prepared beforehand.. -P8
	Frustrated	1	2.63%	I feel frustrated because I had just started the organisation, and the return on investment had not shown any favourable results yet. This frustration was natural. However, we all understood the situation, so we decided to continue doing what we could. We carried on with our daily lives as usual. When the COVID-19 outbreak occurred, we maintained our usual routines. Unfortunately, we didn't receive any interesting news from the homestay programme- P1
	Unconfident	4	10.53%	I want to make improvements to my homestay, and I may consider taking out a loan in the future. For now, I am maintaining it as it is. I'll let it stay as it is for

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				now; if I decide to upgrade, I haven't done that yet. - P6
	Afraid	8	21.05%	We felt afraid you know? We afraid. Before that have one person who died due to the COVID-19 during the first MCO all people are scared. - P4
	Total	38	100%	

4.2.2 Theme 2 - Financial challenges

This section will discuss the financial challenges articulated by the participants. During the interviews, participants shared their experiences regarding the financial challenges they encountered. Figure 4.3 illustrates the four main financial challenges faced by homestay operators: less consumer demand, sole income sources, changes in business operations, and high operational costs.

Firstly, there has been a significant decrease in consumer demand, resulting in fewer bookings and reduced revenue. This decline in demand can be attributed to factors such as travel restrictions, cancellation of bookings, and changes in the marketing and promotion packages.

Secondly, many participants rely solely on their homestay business their primary source of income. With the impact of COVID-19 on the tourism industry, their income has been heavily affected, leaving them with limited financial resources to sustain their operations and meet their personal financial obligations.

Additionally, the participants mentioned that they have been facing high operation costs. The cost of maintaining the homestay, including staff wages, and property maintenance, remains relatively constant, even during

periods of low occupancy or closure. This puts additional financial strain on the operators, as they need to cover these costs without sufficient revenue.

Furthermore, the participants noted that they have had to adapt their business operations due to COVID-19. This includes implementing new safety protocols, and purchasing personal protective equipment. These changes often require additional investments and expenses, further contributing to the financial challenges faced by the homestay operators.

Figure 4.3

Theme 2 - Financial challenges
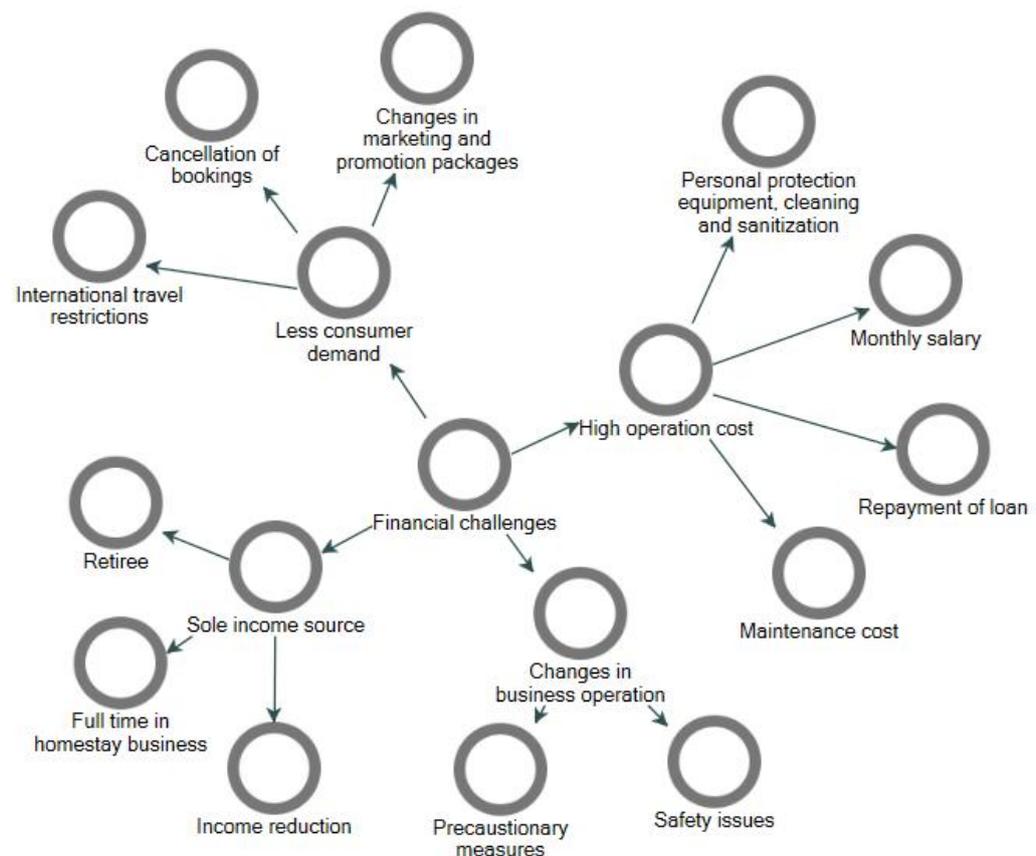
4.2.2.1 Less consumer demand

Some homestay operators (P1, P5, P8) mentioned that the absence of foreign tourists would significantly reduce their revenue because their activities are aimed at the foreign tourist market. For example, participant P8 was located in Sabah, and most homestay activities are related to outdoor activities that mainly target the international customer segment. However, activities targeting international tourists are not feasible. Thus, they cannot sell tourism packages when the border is closed. This result is aligned with the study by Gössling et al. (2020) because the fall in international tourist arrival would impact the demand for the product.

Participant P8: We have a jungle track available, but unfortunately, we are unable to offer jungle tracking experiences. There is no demand for these activities, and they are typically included in international tourism packages, making it challenging for us to sell them. Unable to sell.

Meanwhile, participant P1 provided a list of countries such as "*Korea, Taiwan, Indonesia, and Singapore*" to show that previously had a lot of foreign tourists, but not for the current situation. She also added that before COVID-19, they tried to organise a group of tourists to visit the homestay so that the income obtained from the tourist would be sufficient for them. In short, homestay operators that target international tourists will not be feasible due to border closure. Thus, most of their tourism packages that targeting international tourists will not be able to sell as well due to no international tourists, and domestic tourists will be less interested.

Participant P1: Before the pandemic we will try to get a group of tourists to cover 2 to 3 months homestay operation.

Besides that, COVID-19 exacerbated more severe issues than the tourism packages that were unable to sell, which were the packages that were sold out before the outbreak of COVID-19. Furthermore, when the sudden implementation of MCO requires the homestay operator to cancel all the sold tourism packages, the homestay operator must fully refund the customer who booked the homestay before the MCO. Therefore, this will further worsen the situation where the homestay operators have limited incomes but must refund all customer's deposits.

Participant P4: If really not able to come then I will return the deposit. Some ppl scolded me to return only half of the deposit. But I will not do that.

Participant P6: Actually we provided two options because we wanted to ensure that people could choose what suited their situation best. One option was to refund the deposit, but we also suggested rescheduling for another date. This way, customers could decide based on their preference. However, to be honest, we really didn't want to forfeit their deposit, as we felt sorry for the customers, and we were willing to refund regardless of the circumstances

For example, Participant P4 usually receives half of the homestay charges as deposits, and some people suggested that he should only refund half

of the deposit amount. However, despite facing criticism and being called "stupid" by some individuals, he insisted on refunding the entire deposit. On the other hand, another participant shared that he provides two options to his customers: either to postpone their travel date or receive a full refund. Based on his statement, he seems more inclined towards customers choosing an alternative date, which suggests that he may face financial constraints in providing full refunds. Nevertheless, if the customer chooses a full refund, he will still honour it, as he mentioned his understanding of the situation and expressed empathy towards his customers. This result agrees with Menegaki's (2020) research that the tourism sector would face the problem of refunding all the deposits acquired from the reservation before the pandemic outbreak.

All participants agreed that no domestic or international tourists visited the homestay during the MCO. For example, the homestay operator explained that the SOP and regulation from the MKN Malaysia (Majlis Keselamatan Negara) affect the incoming international and domestic tourists. Nonetheless, when it looks into a more profound aspect, the movement restriction or lockdown policy does not merely affect tourist arrival. Instead, it imposes various unforeseen challenges to the homestay operator, such as lower consumer demand, less competitiveness, and loss of the communication channel with potential customers.

Based on Pujawan and Bah (2021) lockdown policy directly impacted social activities and subsequently caused an economic slowdown. For example, this study found that the participant planned to join IT-related training courses

to get sufficient knowledge in working on their homestay website. However, unfortunately, when the government implemented the MCO for movement restrictions, it caused them to postpone the training programme and wait for further notice because they were still deciding the date to conduct the training. Thus, the participants missed out on a valuable learning opportunity and a pathway forward for their homestay programme. Consequently, this situation has made them less competitive compared to others, as they lack a homestay website to connect with potential customers through online methods.

Participant P1: In March, we had a training session scheduled for website development. However, the training was cancelled due to the MCO because the training organiser from Kuala Lumpur could not come to Pahang. Consequently, this delay affected the training schedule.

Participant P12: We had a training scheduled, but it was cancelled due to the MCO. As you can see, I need my son to help set up the the website.

In short, COVID-19 has impacted the training programme of the homestay programme due to the immobility of the trainer. However, based on Rodriguez and Walters (2017) training and development are crucial to improve the employee in the various dimension of skills, such as soft skills and functional and technical skills, to adapt to a new demanding environment. Hence, homestay operators postponed the training problem would affect their learning progress and the capability to deal with related software issues during COVID-19. Also, they will face more significant challenges in getting

customers due to disparities in the resources in terms of IT knowledge and limited access to digital technology.

Another point the participants mentioned was that COVID-19, or the social distancing policy, had stopped the tourism promotion campaign. This restriction to avoid close contact and prevent further transmission caused the TM188 promotion campaign to cancel.

Participant P2: Before the lockdown, MOTAC or Pahang Tourism invited all homestay entrepreneurs, hotel entrepreneurs, tourism business entrepreneurs to join the programme TM188. The programme organises in Kuantan for 3 days 2 nights in order to promote all the tourism businesses (hotels, resorts, homestays) in Pahang. The executive committee and every entrepreneur work together to sell all the tourism products and packages which include the hotel and homestay packages. Unfortunately, at last, we closed due to the outbreak of pandemic.

On the other hand, Alexandrescu and Milandru (2018) suggest that promotion is a crucial marketing communication strategy to raise awareness by reminding, persuading, providing information, and targeting potential customers. Thus, cancelling the promotion campaign would further depress the demand from the market, and the traditional word-of-mouth strategy is an obstacle for them to conduct on-spot promotion or advertisement. Hence, the immobility of the homestay operators created a barrier to communicating with potential customers, which affected the homestay's loss of potential customers.

In summary, during COVID-19, homestay operators have faced significant financial challenges due to the inability to sell certain products (such as international tourist packages). Moreover, they have had to refund all the deposits they received prior to the pandemic. Consequently, this crisis further impacts the resilience of entrepreneurs as it depletes their cash flow, which is needed to cushion the sudden disruptions caused by COVID-19. This finding aligns with the study by Wiatt et al. (2020), which suggests that businesses are more vulnerable and less resilient when they have insufficient cash flow.

Furthermore, upon deeper examination, this study reveals that the cancellation of promotions and training programme poses additional issues and leads to financial problems for homestay operators. These issues include disruptions in customer interactions (communication channels), knowledge access, and deposit refunds. The disruption of communication channels has particularly affected homestay operators and their stakeholders, impacting their social capital. For instance, the lockdown policies have prevented trainers from conducting training sessions for homestay operators, thereby disrupting their social networks. As a result, homestay operators have limited access to knowledge and technologies (social capital), which diminishes their resilience and competitiveness during COVID-19. This finding aligns with the study by Morrison et al. (2017), which emphasises the crucial role of knowledge and technology access in fostering resilience. Similarly, Shan and Tian (2022) propose that social capital assists entrepreneurs with limited knowledge,

insufficient capital, and weak emotional support. Through social networks, entrepreneurs can access tangible and intangible resources such as funds, essential information, and emotional support.

4.2.2.2 Sole income source

Based on the interview results, five out of the twelve homestay operators are retirees. Previously, they had their work, but after retiring, they went back to the village and went for the homestay programme.

Participant P2: 16 of us, all locals and retirees with pensions. After retiring, we returned to the village, and my husband has used up his pension his pension before joining the homestay programme. Therefore, it hasn't been easy for us, and we have been significantly affected by the pandemic.

The participant stated that all of them are retirees, and her husband had finished his pension savings, so this pandemic is challenging for them. This indicates that they rely on the income generated from the homestay programme. Another participant stated (P3):

"Because I'm a retiree. Befored I retire, I had a plan for it. We have the retirement plan and found that homestay programme has the prospect."

Similarly, participant P11 mentioned that "*it is stressful for the villagers as the homestay programme is one of the income sources*." In contrast, participant P8 mentioned they are full-time in the homestay programme. Thus,

the pandemic is brutal for the homestay operator who is a retiree, and homestay is the sole income source and full-time in doing homestay programme. In short, these homestay operators have lower financial resilience due to the inability to obtain financial resources during difficult times to cope with the problems. Likewise, Dewi et al. (2021) found that most micro-entrepreneurs are without financial reserves, leading to low entrepreneur financial resilience, increasing their chances of bankruptcy during COVID-19.

The income generated from the homestay programme is evident as the participant requires to submit the monthly report to MOTAC, and some participants had mentioned: *"do not have any on the report."* Thus, during the interview asked how the income compared with the previous year. Most of the participants (P1, P2, P3, P5, P6, P8, P10)   provided the answer of "*really do not have income*," *"no income generated from the homestay*," or "*ZERO*" to illustrate no income received from the homestay programme during the MCO period.

Participant P2:   Before the pandemic, on average, tourist arrivals at homestays that were able to generate income were around 3,000 to 4,000 per month. However, the pandemic has significantly impacted homestays, not only here but also in Pahang. During the CMCO in the state of Pahang, we were only able to attract an average of 1,300 to 1,500 visitors per month.

Based on the participant, their income has been dramatically reduced even during the period that allowed them to operate. This is because the

tourists that visit their homestay are from their states. Thus, without any other state customers or foreign tourists, it will affect the total number of tourists arriving and the income obtained from the homestay programme. The result of the reduction in the monthly income received by the homestay operator is aligned with the research done by Hafiz Hanafiah et al. (2021), where the authors mentioned that the profit of the tourism industry is below the average of a standard period.

Participant P8: Indeed our income is really reduced. I see this…what's that.. 3 years also will not be recovered, will persist.

This participant agreed that their income had been greatly reduced. He foresees this situation will persist because many activities target foreign tourists. Thus, the pandemic affected the number of tourists arriving and caused a reduction in the income generated by the homestay programme.

Besides that, a couple of homestay operators (P6, P7) said that they are being "*forced*" to reduce the price of homestay, and most of their customers who stay in their homestay are contract workers. Therefore, if the homestay operator priced the homestay based on the daily price, it would not be competitive and costly for the contract workers, so they decided to set the price monthly and weekly. Participant P6 stated:

"Daily price to monthly price. So let's say the daily room is rm80. but if people have to rent for a week then I am forced to a week I will give them 200 rm per week. So it has become not a daily price."

Meanwhile, the other participant pointed out that she had reduced the price of homestays to be more competitive, which is one of the pricing promotion strategies during the pandemic. Furthermore, participants explained that their profits had been reduced during the pandemic. For example, she would give a better offer if the customer wished to stay longer. Thus, the pricing strategy reduces the homestay profit per day.

Participant P6: Actually, for the monthly rental of master (room), we only earned a bit because the usage of air conditioning is too long. They stay for a month so the usage of the air conditioner is more as they did not go out frequently.

Additionally, the participant said that customers would stay longer in the homestay and less frequently go out from the homestay due to most of the customer demand on the homestay's accommodation service only but not the homestay activities or events. Thus, electricity usage will be higher than before the pandemic. Therefore, the homestay operator needs to bear a higher fixed cost during the pandemic, and after contra with the income received, it will provide a lower profit. In short, the profit gained by the homestay operators was reduced due to the competitive pricing strategy, which changes from the daily price to weekly or monthly, high usage of utilities, and the fixed cost remained unchanged while income had reduced.

In conclusion, the sole income stream of the homestay operators, will be poorly affected when unable to operate. However, even during the time allowed to operate homestay operators found that the income has been greatly reduced due to the nature of customers' needs. The deduction in the homestay income will reduce the business resilience as it gains lesser return on the business, gradually reducing the firm's reserves resources and making it more vulnerable to problems. Likewise, based on Kunaka and Moos (2019), favourable business outcomes such as increased profitability will increase business survivability and vice versa.

4.2.2.3 Changes in Business Operation

Few participants mentioned that they feared receiving customers during COVID-19 due to concerns about personal health factors, so they rejected the customer to stay in their homestay. For example, participant P7 found that some people check in at the homestay for self-quarantine. Meanwhile, participant P6 stated:

"*Sometimes I think, don't want to accept the tourist. Don't accept tourist to stay overnight in my homestay. Because it will risk my family member during the early phases*."

Similarly, he is concerned about his family member's health and safety issues. Thus, homestay operators would need to consider and vet the customers extra. The process of vetting the customer would cause the homestay operator to take a more complicated process, such as requesting test results or asking

about the purpose of staying in the homestay, which is not convenient as before. Additionally, it will reduce the number of tourist arrivals and income generated from the business. For example, the participant said, "*This will be affected, but as our responsibility, we cannot think about the profit but the safety first.*" As a result of COVID-19, homestay operators have become more selective in choosing customers. However, imposing detailed selection requirements may lead to a negative reputation, as customers might perceive it as discrimination. This could result in a loss of potential customers due to unfavorable reviews. Also, this selection process reduces the number of homestay programme customers base.

Furthermore, participants tried to limit the number of people visiting the homestay during the SOP, which is allowed to operate in various ways. For example, participant P5 has imposed a limit on each room and the total number of people visiting the homestay simultaneously.

Participant P5: This is a business, so people who come will not have any problems. But of course, it's not a huge group, lah. For example, 3-4 cars, with only 3 people in each car, so it can be occupied by six rooms, lah

Besides that, other participants (P6, P7) have adopted the precautionary action: they will not accept another customer on the same day the last customer has checked out from the homestay. This is because they will perform cleaning and disinfecting of the homestay. They agreed that this procedure would

significantly reduce their income, but they insist on following this procedure as they prioritise personal safety first.

Participant P7: Before the pandemic right, I did not limit the number of customers. For example, during this pandemic limit one month for ten customers only, but before that I don't have any limit.

Therefore, she concluded that the differences between before and after the pandemic were massive as she had to limit the person visiting the homestay even though the period was not under MCO restriction. As a result, COVID-19 has changed how homestay operators operate the business and become more selective in their customers, so their income will be significantly reduced compared to before COVID-19.

Participant P1: Only one of our members has a guest house registered under the kampungstay programme, and they might have earned more income during the pandemic. When the MCO was lifted, only guest houses were allowed to operate, while homestay programs were not permitted due to the SOP. Travel and house visits were also prohibited during that time. As a result, homestays were unable to generate income because they lacked a registered guest house or kampungstay facility.

One of the dreadful factors that caused homestay programme to be non-competitive compared to the guest house and rental houses during COVID-19

is the tourist stays with the host, so SOP was not allowed the homestay to operate.

Participant P1: However, during the MCO period, we had two events that forced us to allocate tourists to guest houses (rather than staying in the homestay).

The participant mentioned that even though they were able to conduct events during the MCO, their customers were not allowed to stay in their homestay due to non-compliance with the SOPs. Consequently, while they could generate income from the events, they were unable to earn revenue from the charges for homestay accommodation services. This indicates that they would receive less income and incur additional costs, as they had to rent other guest houses and relocate their customers there. Hence, the participant mentioned they could not generate income during MCO because they did not have the Kampungstay business model. The kampungstay business model is that the tourist or the visitor will occupy the entire house and not stay with the homestay operator. In short, the social distancing policy will affect the homestay operation and caused the homestay concept to be less competitive compared to the homestay owner who has the kampungstay or rental houses.

COVID-19 further exacerbated the challenges the homestay operators face, whose businesses focus on events to get visitors there. The homestay operators had to stop all the events during the lockdown period because this movement prohibited any social activities from minimising the risk of getting

infected. For example, some participants (P1,P3) had stopped conducting the events or activities such as wedding ceremonies, Thai batik events, dancing shows, traditional related activities, jungle tracking, and environmental restoration activities. The result is aligned with the prior study by Hu and Lee (2020) stated that the strictness of the lockdown policy would have some negative impacts, such as immobility and a reduction in travel.

Participant P1: In 2020 we able to launch one event regarding the Thai batik. One year only able to hold one event. In this year we should continue the Thai Batik event, but currently cannot be done.

Participant P3: The night activities will depend on the tourists' interests, such as participating in the native village visit, enjoying the Sewang dance show, and going fishing. Currently, due to the pandemic, I am concerned about the spread of the virus, so we have suspended these activities. The dancing activities involve local students, and it's not suitable to ask them to perform traditional dances during the COVID-19 period. Therefore, we have had to suspend these activities. Additionally, we are not accepting any tourist groups.

The participants understand that receiving customers and organising social activities will risk spreading the virus and danger to their local students. Most notably, during the MCO, events and social activities are prohibited. Thus, stopping the activities will affect the social interaction between the community and the tourist and the revenue gained. For example, Larivière-Bastien et al. (2022) found that physical interaction is crucial in

maintaining a healthy relationship, such as having social activities. However, Yomoda and Kurita (2021) found that implementing movement restrictions to contain COVID-19 affects physical activity because people stay in limited spaces. As a result, the social distancing measure and movement restriction has affected the socialisation platform between homestay operator and customer and the demand of homestay products.

In conclusion, the COVID-19 pandemic has significantly impacted the income of homestay operators, even though they were allowed to operate with precautionary measures and safety considerations. Participants recognised the importance of prioritising safety over income generation. According to Chi et al. (2022), customer behaviour has shifted towards risk avoidance when seeking hospitality services. Therefore, it becomes crucial to create an environment that makes customers feel safe and confident while staying in accommodations or dining in restaurants. For instance, the hospitality industry has implemented various precautionary measures to ensure safety, such as disinfection protocols, marking high-touch areas, implementing social distancing measures, and limiting the number of users (Davras & Durgun, 2021; Kim & Han, 2022; Jimenez-Medina et al., 2022). Similarly, this study found that homestay operators imposed capacity restrictions on the utilisation of their facilities, leading to reduced earnings compared to normal periods and impacting the overall performance of homestay programme.

4.2.2.4 High operation cost

Participants shared some of the expenses they needed to cover during COVID-19, such as the maintenance, operating, personal protective instrument expenses, sanitisation, and cost of buying the thermometer.

Participant P10: Every month, I incur a loss of RM200 to cut the grasses using the machine.

During the interview, the participants were asked about the most significant problem they had faced during the pandemic. One of the participants mentioned that the maintenance cost would be the most significant problem affecting the homestay programme. The participant pointed out a few facilities that needed maintenance, such as the air conditioning, refrigerator, damaged television, electric motion sensor light, and toilet repair facilities. He also emphasised that before COVID-19, they could swap the tourist between their homestays. However, most customers would rather stay in one homestay without outdoor activities during COVID-19. Therefore, it requires frequently maintaining facilities such as the air-conditional. To quote his statement:

Participant P6: If we operate the homestay, each homestay operators will take turns, reducing costs and usage. Customers will also be more likely to go out, take walks, and not stay in the house all the time. However, with rental houses, they may have to accommodate their family members, which increases costs and the risk of air conditioning maintenance.

Likewise, some homestay operators pointed out they must pay the utility bill. For example, participant P10 stated that she has 3 refrigerators in her kampungstay and needs to remain open for 24 hours. Besides that, participant P6 mentioned that the light motion sensor would remain open during the night-time. Thus, this indicates that the cost of operating the homestay will not have many differences between before and after the outbreak of COVID-19 due to some of the facilities are still required to operate as usual. Therefore, whether the homestay operators can operate their business, they still need to bear the maintenance cost. However, when the customer occupies the homestay during the pandemic, it will have higher costs than before the pandemic because previously, the customer would go out for any activities.

When asked about the operations, whether they need any loan to repay. The participants (P6,P8) stated that some homestay members had taken the loan. For example, participant P8 said that "*not more than ten people are still under the loan financing*" Therefore, homestay operators would be overburdened to repay the loan and have high operating costs during the pandemic. Another participant mentioned that he needs to cover the cost of employees' salaries continuously for three months. This is because he initially expected COVID-19 and the MCO to end soon. However, COVID-19 has persisted for so many months, and he only decided to lay off the worker after continuously paying for three months' salary.

Participant P8: We bear for the cost that occurred during the first MCO. For the workers in first month, we still pay for their salary, the second

month still pay their salary… the third month still pay their salary. So for the permanent worker. After three months then, we let them stop.

Most of the participants agreed that they needed to bear the cost of conducting the sanitisation process. This is because they must ensure the house is clean whenever they have a customer. For example, participants (P3, P10) suggested purchasing disinfectants and cleaning products like Dettol and Clorox to clean the house. Likewise, participant P11 mentioned that they had bought some instruments to perform the cleaning.

Also, participants (P7, P8) said they would sanitise their room immediately after the customer moved out of the homestay. Meanwhile, Participant P2 stated they would request the government to clean or disinfect whenever they have a large group of tourists. However, she added that the cost of sanitising would be RM50 per house. In summary, this indicates that the homestay operator would need to bear extra costs during COVID-19 due to performing sanitisation to ensure the safeness of the homestay.

Participant P7: When the customer left on 2pm at the day usually we don't receive any customer on that day as we doing the sanitising for the homestay.

Participant P8: After check out within 30 minutes we will do the SOP sanitisation process.

The prevention of COVID-19 also can be observed when all participants had to prepare personal protection instruments such as masks, hand sanitisers, and unique uniforms when cleaning and thermometer.

Participant P1 : they must ensure that MySejahtera is installed, that it includes temperature readings, and that it is regularly checked, as the ministry may conduct inspections.

Participant P1 understands they should prepare the compulsory item to avoid getting fined by the Malaysian National Security Council. Another participant mentioned that he had prepared all the items and strictly complied with the rule and regulations. For example, participant P8 mentioned that "*we follow the SOP*" and prepare all the items. Additionally, participant P10 stated that:

"*When accepting tourists, we will make sure 3 things: Mysejahtera, temperature check, hand sanitiser.*"

Participant P11 agreed that they are responsible for preparing the personal protection items and will remind the customer to bring them along with them. The participant emphasised the price of the "*mask was surging seriously*" at the beginning of COVID-19. Thus, at a certain point, it increases the cost of the homestay programme as they need to purchase inflated mask prices.

Participant P11: We will inform the tourist to bring along that, but still, we will prepare for it. Because tourists might forget about it, we are responsible for preparing for that.

Participant P7: I put a box of the mask and also we do have the hand sanitiser in the kitchen and in front of the house.

One participant provided a different answer where he has bought special uniforms for his workers during COVID-19 to perform the sanitise process. To quote his statement:

"Our workers who perform sanitisation will wear a special uniform that covers their entire face."

Thus, this indicates that homestay operators emphasise the safeness and cleanliness of the homestay, so they need to purchase the necessary items to ensure they can provide a clean homestay to let the customer not worry. They will also provide other personal protection instruments like the mask. Rahman et al. (2021) explained that after the outbreak of COVID-19, the tourism sector would experience a reduction in tourist arrival due to the tourists' health anxiety issues concerning cleanliness and safety issues. As a result, homestay operators understand that they need to adhere to the SOP and ensure the safeness of the visitors who stay in the homestay so that they will make sure the homestay has been sanitised and prepare the personal protection items for the visitor. Hence, the cost of operating the homestay during COVID-19 will be much higher because homestay operators must purchase personal protection items.

In conclusion, whether homestay operators can operate, they still need to bear the fixed cost. Even though they are allowed to operate, they still need to bear extra costs, such as personal protection equipment and sanitisation costs. Thus, homestay operators suffer from personal financial sacrifices as they need to use their resources to continue to fund the homestay programme. Homestay operators need to tap into their financial resources to cover the costs of their homestay programme. This will affect the resilience of the entrepreneurs as they will have fewer financial resources compared to before. This result is supported by the study conducted by Schutte and Mberi (2020), which found that the financial resources of entrepreneurs directly impact their resilience. Additionally, according to Munawaroh and Qamari (2020), entrepreneurs running out of capital will exit the market with many debts. Thus, homestay operators who persist in funding the homestay operation cost alone will impact their financial resilience when their reserves are depleted. Again, whenever homestay operators run out of capital, they might close the homestay programme.

Table 4.3

Theme 2- Financial challenges

Financial challenges	Categories	Frequency	%	Excerpt
Less consumer demand	International travel restrictions	15	9.62%	During the pandemic, what affect this homestay for example the tourist arrival as the tourist unable to come. Because the ….. the … foreign tourist unable to come. -P5 We have a jungle track available, but unfortunately, we are unable to offer jungle tracking experiences. There is no demand for these activities, and they are typically included in international tourism packages, making it challenging for us to sell them. Unable to sell.-P8
	Cancellation of bookings	7	4.49%	If really not able to come then I will return the deposit. Some ppl scolded me to return only half of the deposit. But I will not do that. .-P4 Depend on the situation. If let say is due to the order from the government which we cannot do anything .. ah…. ah… it will fully refund.-P7
	Changes in marketing and promotion packages	7	4.49%	In March, we had a training session scheduled for website development. However, the training was cancelled due to the MCO because the training organiser from Kuala Lumpur could not come to Pahang. Consequently, this delay affected the training schedule. - P1

				If based on the previous schedule Homestay next station will be Penang and Melaka to promote the tourism product. MOTAC Pahang has planned to go each state to promote the product, which bring all the product and packages. Due to the MCO 2.0 unfortunately we needed to stop the plan. -P2
Sole income source	Retiree	4	4.49%	Because I'm a retiree. Befored I retire, I had a plan for it. We have the retirement plan and found that homestay programme has the prospect. - P3
	Full time in homestay business	2	1.28%	Our members full time. Full time in doing this homestay. - P8
	Income reduction	28	17.95%	Before the pandemic, on average, tourist arrivals at homestays that were able to generate income were around 3,000 to 4,000 per month. However, the pandemic has significantly impacted homestays, not only here but also in Pahang. During the CMCO in the state of Pahang, we were only able to attract an average of 1,300 to 1,500 visitors per month. - P2 During that time we don't have client. So …. I been forced to count in lump-sum. And forced to reduce the price. - P6 Before the pandemic, the income was big -P11
Changes in business operation	Precautionary measure	21	13.46%	We don't have accept any tourist group, while for those who visit here and sleep at there are due to working purpose. - P3 Because we take precautionary measures sir. Normally, we will gap for a day - P6

				Before the pandemic right, I did not limit the number of customers. For example, during this pandemic limit one month for ten customers only, but before that I don't have any limit. - P7
	Safety issues	16	10.26%	However, during the MCO period, we had two events that forced us to allocate tourists to guest houses. -P1
High operation cost	Maintenance cost	8	5.13%	If we operate the homestay, each homestay operators will take turns, reducing costs and usage. Customers will also be more likely to go out, take walks, and not stay in the house all the time. However, with rental houses, they may have to accommodate their family members, which increases costs and the risk of air conditioning maintenance. -P6 Every month, I incur a loss of RM200 to cut the grasses using the machine. .- P10
	Repayment of loan	3	1.91%	But still have some but not more than 10 lah. Not more than 10 person whom still under the loan financing. - P8
	Monthly salary	4	2.56%	For the cost occurred during the first MCO, we bear for that. For the worker first month we still pay for their salary, second month still pay salary… third month still pay salary - P8
	PPE, cleaning, and sanitisation	41	26.28%	We have prepared masks, and we also provide hand sanitisers.-P3 We will inform tourists to bring their own, but we will still have them prepared because tourists might forget. It's our responsibility to ensure they are available - P11

				when there is a group of 3-40 people arrive, we will request for government to assist the process of sanitising. However, we need to pay for that. - P2 We need to sanitise the house. When it comes to sanitation, whether you use Clorox or Dettol, it's good to use Dettol. After checkout, sanitisation is necessary. - P10
	Total	156	100%	

4.2.3 Summary of Challenges Faced by the Homestay Operators

Table 4.4

Summary of challenges

Theme 1: Mental health issues	
Uncertainty	1) Homestay operators feel uncertain about the duration of the lockdown and the SOP. 2) Homestay operators were unable to respond effectively to the situation caused by COVID-19 due to a lack of sufficient information and preparation. 3) Homestay operators are uncertain about the lockdown policies, which has resulted in indecisiveness regarding bookings.
Feel unable to accept pandemic	1) Homestay operators are unable to accept the pandemic as it affects their normal lifestyle. 2) Homestay operators feel panicked due to the absence of income and financial obligations to fulfil. 3) Homestay operators felt disappointed due to the disparities between their initial expectations and the reality they faced.
Feel hopeless	1) Homestay operators feel hopeless and wants to give up on the homestay programme. 2) Homestay operators feel sad after realising the importance of preparation and failing to achieve their goals. 3) Homestay operators feel frustrated due to the lack of favourable results from the business. 4) Homestay operators feel unconfident about further investing in the homestay due to the fear of receiving negative outcomes. 5) Homestay operators are afraid of the pandemic and the restrictions on movement.
Theme 2: Financial challenges	

Less consumer demand	1) Homestay operators are not receiving any demand from foreign tourists due to the border lockdown. 2) Lockdown limited the social activities and events 3) Lockdown caused the cancellation of training programme that from other states. 4) Cancellation of the tourism promotion campaign
Sole income source	1) Some of the participants are retirees without permanent and stable jobs 2) Without any financial report that could submit to MOTAC 3) COVID-19 affects the total tourist arrival 4) Visitors tend to stay in the homestay without going out for any activities so it will have a higher usage cost 5) Homestay operator reduced their price to achieve pricing competition during COVID-19 Homestay operator changed the room rate from daily to weekly or monthly.
Changes in business operation	1) Homestay operator took a more severe vetting process when accepting the customer 2) Homestay operators do not accept any visitors due to afraid of the virus spreading 3) Homestay operator limits the number of visitors per day. 4) Homestay operator limits the number of visitors per room.
High operation cost	1) Homestay operators incur extra costs during COVID-19 due to personal protection items and the cost of sanitisation 2) Homestay operators still need to bear the maintenance cost and fix the cost even without any incomers 3) Homestay operator still needs to repay the loan

4.3 Objective 2 - Strategies

This section presents the strategies adopted by homestay operators due to the COVID-19. The findings are categorised into four major themes: (1) self-development, (2) recovery plan, (3) stimulating demand, and (4) cost management. The overall strategies are illustrated in Figure 4.4.

Figure 4.4

Strategies to overcome the challenges
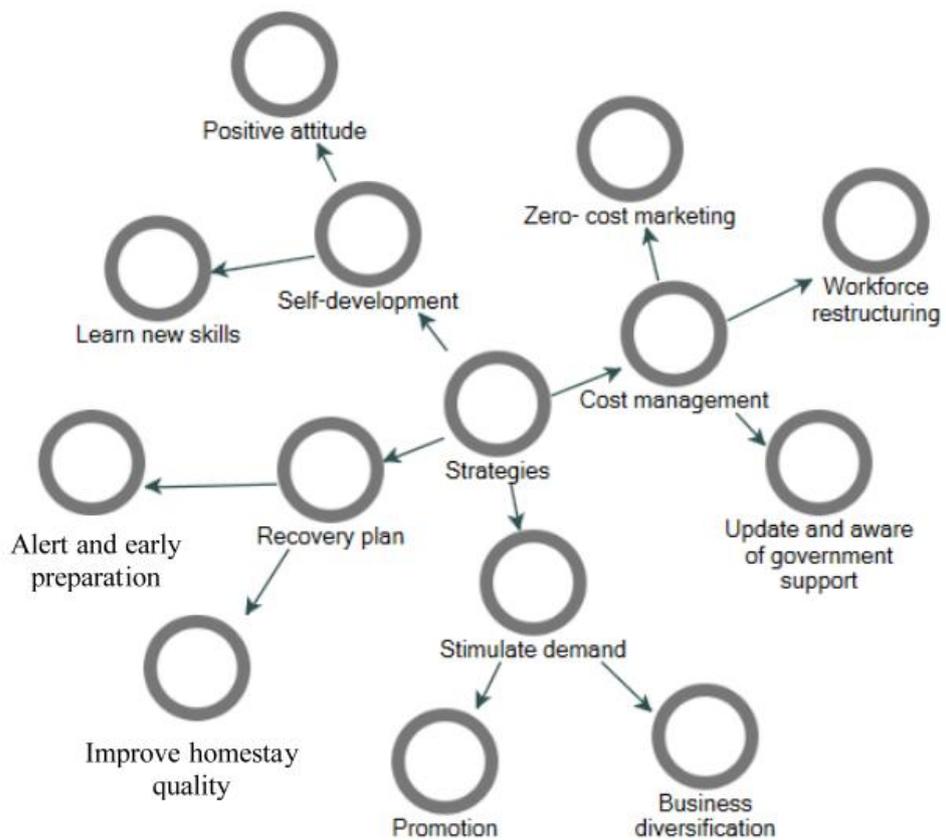
4.3.1 Theme 1 - Self-development

Due to COVID-19, prioritising and nurturing the self-development of homestay operators is crucial, as the crisis has brought about unprecedented challenges and led to mental health issues. Based on the shared experiences of participants in Figure 4.5, self-development encompasses cultivating a positive attitude and learning new skills that homestay operators can adopt to navigate these difficulties and enhance emotional resilience.

Figure 4.5

Theme 1 - Self-development
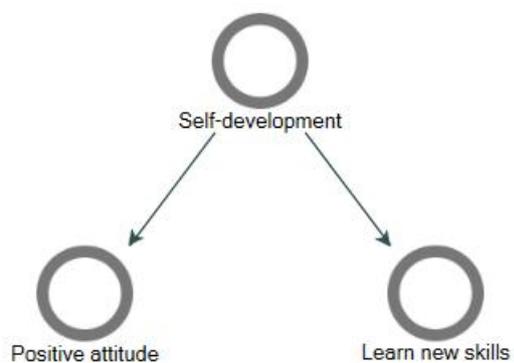
Based on the shared experiences of participants (P1, P2, P4, P5, P11, P12), it is evident that having a positive attitude, particularly in adapting to the new normal brought about by COVID-19, is of utmost importance. Participant P1 shared the perspective that it is crucial to adapt to the changes and emphasised that they did not remain inactive at home during pandemic.

Furthermore, participant P5 acknowledged the likelihood of the pandemic lasting for an extended period and highlighted the need for alternative plans and ideas to adapt to the evolving circumstances. They emphasised the importance of being proactive and not simply sitting at home. As participant P5 stated, *" We have already experienced two rounds of the MCO, so we need to come up with some ideas. We can't just stay at home. What can we do while staying at home? Just sitting around isn't the solution"*

These perspective highlights the crucial point of experiencing multiple periods of MCO and realising the necessity of finding innovative ways to cope with the current situation. It emphasises the importance of actively seeking solutions and engaging in productive activities rather than being passive or stagnant at home. Similarly, participant (P2) recognised that giving up or feeling hopeless is not a productive response. Instead, she emphasised the importance of cultivating a resilient mindset and actively adapting to the new normal. This includes embracing a lifestyle that can accommodate the changes and seeking innovative ways to attract new tourists.

Participant P2: As a result, we need to have a new normal life and new tourist. We don't need to give up or feel hopeless, even though we been hits by the COVID-19. All lifestyles need to change to adapt to the new current situation, and the same goes for tourism. The output will remain unchanged, but we need to change accordingly to the new situation. In my own opinion, for this new normal period and new normal in tourism we need to change the way to adapt the new normal.

Furthermore, Participant P12 mentioned that they are planning to address the shortcomings of their homestay by seeking inspiration from others and adapting to the challenges posed by the pandemic. Quoting his statement:

"*We are identifying any areas of insufficiency in our establishment. If other villagers have come up with innovative ideas, we are open to adopting them and implementing similar strategies during the COVID.*"

Both of the participants' perspective highlights a crucial understanding that the situation is unlikely to return to its previous state and that adjustments are necessary. They emphasise the importance of embracing change and adapting to the new normal in order to navigate through these challenging times. Martin et al. (2013) defined adaptability as human cognition or behaviour in adjusting the changes in a situation or facing uncertainty. Thus, the study by Pérez-Fuentes et al. (2020) found that if a person lacks adaptability during COVID-19, they tend to be unable to recover their mental health well-being, which might have the chances lead to long-term negative mental health problems.

Acknowledging and understanding the current situation is indeed the initial step in preparing oneself mentally for the changes and adapting to the new normal. This requires homestay operators to first recognise the reality, and then acknowledge the changes and their impacts. Consequently, homestay operators can begin to assess the effects on their lives and businesses. This awareness allows homestay operators to develop a mindset that is open to

change and resilience. Once homestay operators acknowledge the need for adaptation, they can then focus on developing strategies to cope with the new circumstances.

For example, participant P11 organised three programme and training to attract the customer while for the training to increase their capability to prepare for the pandemic. He said, "*So what we had done is to stabilise our team with three programme. The first programme is to generate back income as tourism income has been affected. The second programme is about marketing training, where we try to advertise our homestay so that it can reach more far and famous. The third programme focuses on hospitality because we see that those big organisations are always trying to stabilise their team with training.*" This result is aligned with McAllister and McKinnon's (2009) study, as the authors recommended building resilience via training and changes in workplace culture.

Similarly, participant P8 mentioned that the first thing was to train their people. This is because, in the early conversation with the participant, he shared that they did not have any preparation for COVID-19, so initially, they were in a panic. This indicates that participants realise that personal development is vital to prepare for or deal with COVID-19 regardless of skill or to have a positive mental state. Thus, the result aligns with previous study, which shows that investing in management skills and training increases the quality of homestays (Nurfadilah et al., 2024).

Meanwhile, participant P1 shared that their young generation has learned video recording and photography. These specific skills could help in advertising and promotion via the short clips. Also, the participant encourages the other homestay operator to be involved in COVID-19 related training. Likewise, participant P6 shared that they learned to create pop-up advertisements as a strategy to enhance their advertising and promotion efforts. This indicates their willingness to explore new methods and adapt to the changing circumstances brought about by the pandemic.

Furthermore, participant P7 mentioned that she utilised WIX.com to create her own homestay website for promotional purposes during the pandemic. She emphasised the ease of using WIX.com and highlighted its potential for others to create their own websites as well. To quote her statement:

" I did create my own page too for the homestay, WIX.com. You can create your own website by using WIX..COM."

Participant P8: ...we did create a website too. After the pandemic, we did create a website and do promotion there as well.

Similarly, participant P8 also acknowledged the importance of having a website for their homestay. They mentioned that they created a website themselves after the pandemic and utilised it as a platform for promotion. Therefore, when asked whether he will continue using the website after the pandemic, he agrees to continue. To quote his statement:

"Yes, for that, we put in the effort, and our software has yielded good results. It's good because we have the results"

In summary, these results indicate that participants are fully aware that dealing with challenges like COVID-19 or mental health issues requires homestay operators to make changes, such as undergoing training or learning new skills to adapt. Seeking self-development through skill acquisition enhances their ability to handle these challenges more effectively. Again, this result is aligned with the study by Tugade and Fredrickson (2004), where learning new skills could promote better mental health and build resilience. Similarly, Robitschek and Keyes (2009) found that people taking the initiative to seek self-improvement will have more sense of purpose in their lives and promote better mental wellness. In short, homestay operators who pursue self-development by acknowledging existing problems and putting effort into upskilling themselves during COVID-19 will develop stronger entrepreneurial emotional resilience, enabling them to adapt positively to the situation.

Table 4.5

Theme 1- Self-development

Self-development	Frequency	%	Excerpt
Positive attitude	14	45.16%	We understand of that. When the second week of pandemic, we start to re organise our strategy. Which what we gonna to do during the pandemic and MCO. - P11
Learn new skills	17	54.84%	So what we had done is to stabilise our team with three programme. The first programme is to generate back income as tourism income has been affected. The second programme is about marketing training, where we try to advertise our homestay so that it can reach more far and famous. The third programme focuses on hospitality because we see that those big organisations are always trying to stabilise their team with training.-P11
Total	31	100%	

4.3.2 Theme 2 - Recovery plan

The participants highlights the importance of a recovery plan as a crucial strategy for homestay operators during the COVID-19 pandemic. It involves always alert and early preparation and improving the quality of the homestay experience. Figure 4.6 illustrates the formation of this recovery plan theme, providing a visual representation of the strategies. By remaining vigilant, adapting to challenges, and focusing on quality, homestay operators can navigate through the crisis and enhance their resilience.

Figure 4.6

Theme 2 - Recovery plan
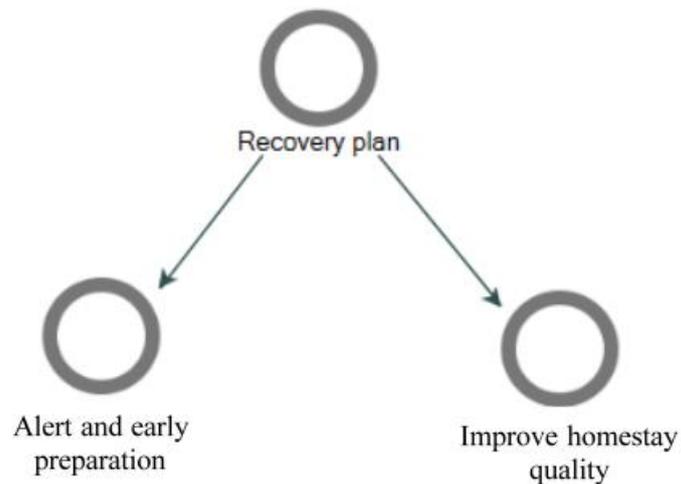
Participant P8 pointed out that being alert and having preparation would help them to resist the problems brought on by the pandemic. For example, participant P8 emphasised that during the second or third MCO, they have

some preparation for that and can conduct other works so that he feels better compared to the first MCO. To quote his statement:

"The second and third weren't as stressful as before because we had made some preparations.."

The participant with preparation would indicate they have prepared for the second or third MCO regarding the external or internal attribute. Participant P2 added that they are always alert to the recovery plan and SOP from the MOTAC or state government. Thus, they can react immediately to the recovery plan or SOP that is being implemented.

In short, participants understand the importance of having plans and preparations with strategies for addressing the effects of COVID-19. Thus, the homestay operator has accepted the current condition and is always alert to change to cope with it. This result aligns with the study by Hayes et al. (1999), where acceptance of problems is an excellent way to regulate mental health. At the same time, a person with the capacity for flexibility, adaptation, and learning will be more resilient to face difficulties and better sustain the businesses (Barrera-Verdugo, 2022). For example, the homestay operator could not react to the first MCO and felt sad about it. However, he can adapt to the SOP and learn from his past mistakes, which reminds him that preparation is essential to cope with the SOP, so he felt better when the government imposed the second and third wave of MCO. Hence, adaptability and acceptance both is the crucial point that deters negative feelings or gives them an early detection of bad mental health.

Some of the participants did renovate their homestay or beautify the homestay surrounding area. Upgrading their homestay would indicate that the homestay operator could foresee the homestay prospect. Also, this could provide them hope or remedy during the pandemic to deal with their negative emotion. For example, participant P7 tries to think positively by finding solutions such as attracting customers or providing a better accommodation service experience to the customers. To quote her statement:

Participant P7: People wanted to stay at my homestay, so I took the opportunity to renovate my house for one month. I saw it as a positive step, hoping that COVID would soon end, and my customers would have a more comfortable experience at my homestay. During this time, I used the renovation process to relieve stress.

Lerner and Small (2002) suggest that highly hopeful individuals tend to experience positive emotions upon achieving their goals, while Laslo-Roth et al. (2021) found that during the pandemic, individuals with a hope-oriented mindset tend to decrease their stress levels and experience personal growth and adaptation. Participant P7 exemplifies this hopeful perspective as she expresses her belief in the future by stating, "*Maybe the COVID will end soon, or my customers will feel more comfortable when staying at my homestay.*" This statement reflects her optimism and confidence in the potential of her homestay programme. She demonstrates a positive mindset by actively thinking about renovating her homestay to alleviate stress. This aligns with the findings of Laslo-Roth et al. (2021), highlighting the positive impact of hope and positive

thinking on personal development and well-being during challenging times such as the pandemic.

Participant P6: What I had done is add on the attractive places in this area. For example, I did some hammocks, and I prepared places for rest. And prepare the place for the rabbit farm. And prepare the place for the cows. And also…. I am more towards increasing the area and places. More towards the village's surrounding area. Just like that. After that, sir, currently add on more homestay and take some abandoned house where their parent has passed away, and their offspring is outside the area and don't have people to maintain it. For that house, we renovate it a bit and fix it so it can become a homestay, and we share the commission, sir.

Moreover, participant P6 stated that he would renovate some of the abandoned homestays as he said that after the MCO will have much demand for the rooms. In contrast, the rooms and number of holidays are limited. Therefore, he tried to add the number of homestay units so that he was able to accept more customers during a specific date or after the MCO period. Lastly, participant P8 emphasised that they must upgrade their house regarding the SOP and follow the government's instructions. In short, doing these upgrades improves the homestay quality and provides hope for the homestay operator to deal with negative thoughts. This result is aligned with the study of Fang et al. (2020), where hope and optimism act as a coping mechanism for entrepreneurs when they face difficulties, and it helps promote business resilience.

In conclusion, the initial step for homestay operators in coping with the challenges posed by COVID-19 is to acknowledge the problems and accept the problems   rather than moping around and doing nothing, is crucial for managing poor mental health. Understanding the importance of having a plan and preparing early is also essential. Consequently, homestay operators need to invest effort in activities such as upskilling through training and enhancing their homestays through renovations. This gives them a sense of purpose in both self-improvement and upgrading their homestays. This result aligns with Schaefer et al. (2013), which shows that individuals with a sense of purpose recover better from mental health struggles and build greater resilience by regulating unhealthy emotional processes.

Table 4.6

Theme 2- Recovery plan

Recovery plan	Frequency	%	Excerpt
Alert and early preparation	2	18.19%	So what we can do is to update whenever MOTAC or tourism Pahang has the recovery plan that focus tourist from Malaysia or states. So we will follow the SOP that implement by the government.- P2
Improve homestay quality	9	81.82%	People wanted to stay at my homestay, so I took the opportunity to renovate my house for one month. I saw it as a positive step, hoping that COVID would soon end, and my customers would have a more comfortable experience at my homestay. During this time, I used the renovation process to relieve stress. -P7
Total	11	100%	

4.3.3 Theme 3 - Stimulate demand

Based on the participants' shared experiences, several strategies have been identified to overcome the challenges of low consumer demand during the pandemic. Two notable strategies that emerged from their discussions are promotion and business diversification, which are presented in Figure 4.7. These strategies collectively contribute to the overarching theme of stimulating demand. By implementing these strategies under the theme of stimulating demand, homestay operators are actively working towards overcoming the challenges of low consumer demand during the pandemic. By promoting their businesses effectively and diversifying their offerings, they aim to attract and retain customers, generate revenue, and ensure the sustainability of their operations in these challenging times.

Figure 4.7

Theme 3 - Stimulate demand
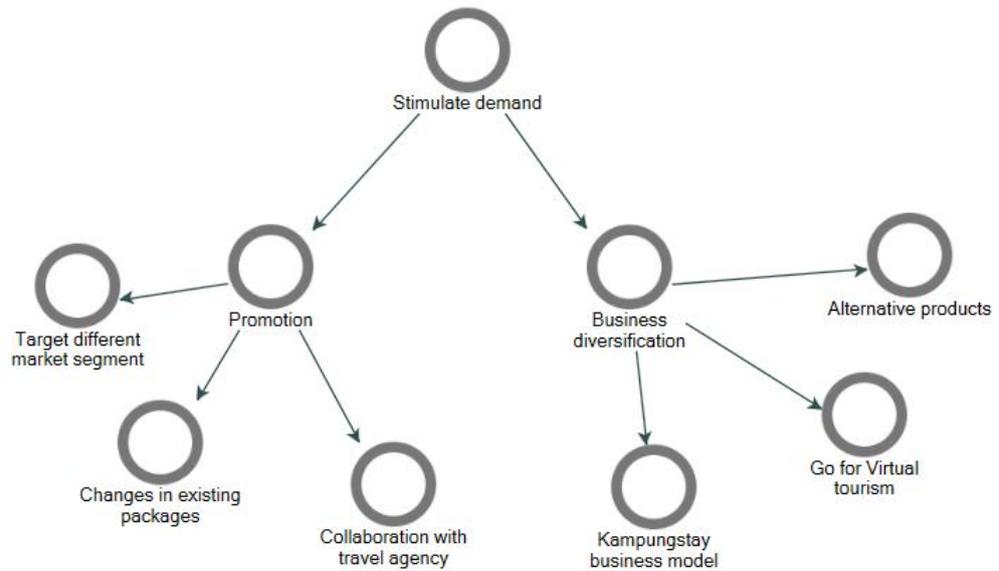
4.3.3.1 Promotion

In this section, participants shared various ways of promoting or advertising their products during the pandemic and emphasised that they would continue to do the promotion. For example, participant P8 mentioned they "*did not stop doing the promotion .*"

Participant P7: I just do a little bit of promotion. For example, reduce the price a bit. For example, if five days and four nights you will get a lot of promotion and then the longer you stay the more discount you will have.

Similarly, participant P7 emphasised the significance of determining the appropriate promotion strategies to attract customers to their homestay. As an example, the participant mentioned offering an additional discount for customers who stay for an extended period. This demonstrates that homestay operators recognise the importance of conducting promotional activities during

the COVID-19 pandemic and have taken proactive steps to promote their homestay effectively.

Participant P8 mentioned that they organised a promotional campaign to target domestic tourists. Meanwhile, participant P5 said they had done twice promotions in Aeon Melaka during the pandemic. Rajagopal (2008) mentioned that promotion could be a strategy to obtain new customers, improve sales performance and retain loyal customers. This is because the author found that when the customer receives a promotion, it will stimulate them to buy. After all, the customer might think it will not have such good deals in the future, which triggers arousal to make the purchase. Therefore, continuously promoting the homestay products will help the participant widen the market share while they switch to targeting the domestic market.

In short, homestay operators should continue their marketing and promotion, as these serve as vital communication channels for maintaining their networks with stakeholders. Previous scholars stated the importance of marketing and promotion (Orchiston & Higham, 2014; Scott et al., 2008) as a communication channel to inform potential customers that the business is again ready to accept customers after the crisis. Also, Orchiston and Higham (2014) suggested that using innovative marketing strategies can reduce the exaggerated wrong perception due to the images used in the media to emphasise the damage brought by the crisis, which prevents potential customers from visiting. For example, promote the homestay with various

pricing strategies and simultaneously emphasise 100% following the instructions from the SOP and that it is safe to stay in the homestay.

Furthermore, once homestay operators recognise the significance of ongoing promotion during the pandemic, they should direct their efforts towards targeting market segments that are accessible to them. In this context, the domestic market emerges as a viable option for homestay operators to focus on.

Participant P11: After two month of phase one, we have receive some tourists but all it from domestic. Mostly, are family trip or backpackers.

The participant shared that tourists that visit the homestay come from the locals. Similarly, the participants (P5, P8) agree that the locals drive the current market. For example, participant P8 stated:

"LOCAL tourist which supports our tourism lah. The local tourist will. if the holiday, the weekend they will contribute ah.. they will come. For the next, we knew that even though the border won't open yet but the local people will support us."

A couple of participants (P3, P6) shared differing opinions regarding their target market, with some expressing interest in catering to contract workers who need to stay at their location for specific projects. For example, participant P6 stated:

"Contract workers often come to my area to work on projects, particularly those related to ERCL. They arrive here for pilot training and may stay for a week or more. Engineers and suppliers also visit from time to time"

The participant saw the opportunity from the East Coast Rail Link(ECRL) where their suppliers and workers will come and work in the area. Therefore, the participant was trying to amend the price and offer the weekly or monthly basis service to those contract workers. This is because he knew that it would not have any tourists visit their area or their homestay. To quote, his statement:

"This means the tourist… really don't have lah. Sir. But mostly contract workers or normal workers will come in during the MCO. During the MCO, tourists really don't have.so we relied on the presence of workers."

Besides that, participant P3 stated that it "*changed to renting houses*" to target the contract worker. She further emphasised they did not take any group of tourists but instead of contractors because she found that those who visit their village are mainly for working purposes. In short, both participants changed their homestay accommodation service to become rental houses or rooms to target the contractors.

In summary, understanding market segmentation is crucial for the business to set its recovery plan for COVID-19 (Ngurah Putra, 2021). Hence, homestay operators should understand which market segment is accessible to understand which customers they serve. For example, during the lockdown, it

is not feasible to target international tourists, so they should focus on the domestic market or contract workers. Similarly, this is supported by the study by Dahles and Susilowati (2015), where the tourism business should be switched from international to local tourists to build up business resilience during a crisis.

After understanding which market segment they should target, homestay operators can make necessary amendments to their tourism packages to cater to the specific requirements and desires of the customers.

Participant P1: So for future, we will try to revise the package, to an increase the promotion….

Participant P2: As a result, for the new SOP from MKN that very much affected the incoming tourist from international and domestic. So, we tired our best to create the package for the domestic.

A few participants (P1, P2, P6) shared their views on amending the tourism packages as a viable approach to cope with the current situation. For instance, participant P1 mentioned that they have made adjustments to their tourism packages and conducted promotions based on the sectors allowed to operate. According to Thabit and Raewf (2018), the marketing mix strategy or promotion mix strategy plays a crucial role in positioning products or services in the market and effectively catering to specific customer groups.

Therefore, homestay operators need to have a clear understanding of their target customers and identify the customer groups that have potential or are permitted under the SOP (Standard Operating Procedures). By doing so, they can respond to the current needs of potential customers by adapting their products and packages, rather than focusing on customers who are not feasible at the moment, such as foreign tourists. This approach enables homestay operators to align their offerings with the demands of the market and maximise their chances of attracting customers who are more likely to avail their services.

Participant P6: For now, my homestay business, I offer packages for day trips to various tourist destinations such as Pulau Redang, Kepong, and Pesisir Pantai

Meanwhile, participant P6 proposes offering a day trip package to Pulau Redang due to the substantial number of bookings he has received from March 2022 onwards. His homestay is strategically located in Terengganu, surrounded by various tourist attractions such as Kepong and Pesisir Pantai. As a result, he acknowledges the importance of adjusting the package according to the current market demand.

Taking into account the feedback from participants, it is evident that homestay operators should primarily target the domestic market and cater to the needs of domestic customers. For instance, participant P2 is modifying their offerings based on the requirements of the domestic market. This approach aligns with the prevailing circumstances and allows homestay operators to

attract and serve customers who are more accessible and likely to engage with their services. By understanding the preferences and demands of the domestic market, homestay operators can tailor their packages to meet the specific needs of local customers, ensuring a better fit and increased customer satisfaction.

In summary, this study further confirmed that targeting the domestic market is one of the strategies to recover from the losses as unable to receive international tourists. Therefore, homestay operators should make changes in their travel packages to attract domestic customers. This finding aligns with previous results that Orchiston and Higham (2014) concluded that tourism operators should quickly develop another itinerary for the domestic market. This is because the needs of the domestic market and international market are different where the international tourist tend to go for recreational activities, but under the situation of COVID-19, the domestic customer only demand accommodation services for their working purpose. Through understanding the market segmentation and targeting which customers, homestay operators can overcome the problems such as less consumer demand and discover new business opportunities that under-supply in the market.

Lastly, after identifying the target market segment and determining the suitable packages, it is time to focus on promotion to reach potential customers. Promotional efforts play a crucial role in creating awareness, generating interest, and attracting customers to the homestay programme. For example, participant P5 mentioned that during the COVID-19 pandemic, travel agencies were unable to advertise packages through face-to-face interaction. However,

the travel agency will still focusing on internet and online portals for promotion. To quote the participant statement:

"If that the case, don't have..and started to go for online or portal"

Similarly, participant P11 collaborated with several companies to help them advertise their packages during the pandemic. They recognised that the traditional marketing model would not be effective in the current situation. Instead, they embraced new approaches and sought partnerships to leverage their marketing efforts. By working together with other companies, they were able to reach a larger audience and adapt their strategies to the changing market conditions.

In summary, it is crucial for homestay operators to maintain their promotional activities by understanding the market segments available to them. By identifying the customer base they can effectively reach out to, homestay operators can tailor their promotional strategies accordingly. This includes exploring online platforms, collaborating with relevant partners, and utilising digital marketing channels to reach their target audience. By continuously adapting and finding ways to promote their homestay packages, operators can increase their visibility and attract potential customers in the midst of the challenges brought by the pandemic.

4.3.3.2 Business diversification

During the interview, participants openly shared their experiences and insights regarding how they dealt with the challenges they encountered, which ranged from the lack of tourist arrivals to personal health issues and financial

difficulties. One noteworthy example is the homestay operator who already had an existing kampungstay business. They mentioned that their income was relatively stable compared to those who didn't have a similar set-up. However, even for participants without a kampungstay business, they acknowledged the significance of having a kampungstay business.

Participant P1: Only one member has the guest house registered under the Kampungstay programme. Only that single person. So, maybe he will get more income. During the pandemic, when the release MCO, only guest houses are allowed to operate.

The participant shared that only kampungstay businesses could operate after the period of MCO. This is because the customer staying in the kampungstay would fully occupy the house and did not stay with the homestay operator. So that the risk of COVID-19 being spread within the kampungstay would have lesser risk. Likewise, participant P10 provided the same response where after the MCO, guests only will stay in kampungstay. Similarly, participant P9 pointed few homestay programme able to operate as they belong to the kampungstay business model. Thus, having the kampungstay business model would be a feasible option for the homestay operator because the kampungstay model would have a better prospect during the health crisis. This is because the guest will stay separately from the host, and in terms of safety, it could greatly reduce the risk of spreading each other from the host or the guest.

Moreover, some participants (P3, P6, P9) understand the advantages of the kampungstay business model. For example, participant P3 stated:

"We are aiming for that. Because during the pandemic, tourists are not allowed to stay with the house owner. Thus, the tourist and house owner cannot stay in the same house. Therefore, the situation require the Kampungstay. So, we have three members aiming for that, which need another house with 3 or 4 rooms. Hence, the current goal is to focus on Kampungstay...I aim to change to Kampungstay business model."

The participant understood that the SOP would not allow homestay to operate. So, they decided to go for the kampungstay business model as it could run and gain some income during the pandemic. At the same time, participant P6 stated that they had built the kampungstay but waiting for the MOTAC to approve their application.

In short, the kampungstay business model will be a long-term strategic goal when a health crisis or the current COVID-19 continues to be prolonged. This is because, with kampungstay business model, it can overcome the problems of financial trouble as it was able to operate during less stringent SOP; the advantage of kampungstay operation due that it has a high chance of being allowed to operate and overcome the fear emotion between the guest and host as it eliminates the risk of spreading disease. This result is aligned with the previous study done by Jiang et al., (2019) as the authors suggested changes in the business model or structure will be required to adapt to the unexpected new normal.

A few participants (P2, P3, P4, P5, P6) shared a different strategy than pursuing the kampungstay business model. They highlighted that the core product for running a homestay is an appropriate house or room. This flexibility allows homestay operators to easily switch between different types of accommodation services or even expand to other types of accommodation services. For instance, participant A mentioned that one of their members has been operating a chalet.

Participant P3: So, we were shifted our focus to the room rental business because I have already rented out my own room. Personally, I have been earning a side income from renting out houses. As I mentioned earlier, we transitioned to renting houses, like offering them to workers. Currently, we haven't introduced any packages yet; we have only uploaded the house listings. During the pandemic, we didn't opt for packages; instead, we focused on renting houses, providing a place for visitors to stay

Participants P3 and P6 stated they try to rent out the house or room weekly or monthly. This indicates the participant understands that during the period of MCO or CMCO, it is not possible to have activities from the homestay, so they are focusing only on providing the accommodation service.

In short, homestay operators should explore different accommodation models that are feasible for them, rather than limiting themselves to the homestay business model. By diversifying into various types of

accommodation services, they can attract a broader range of customers. For example, one participant shared that contractors are interested in renting rooms due to the lower rates compared to other types of accommodation. Based on Palich et al. (2000), related business diversification strategy could help businesses achieve economies of scale by entirely using the resources' capacity. Thus, homestay operators should switch from either type of accommodations services that is feasible for them to meet the customer's needs; by doing so, they get more customers and fully utilise the resources. Again, switching to a different accommodation service does not require the homestay operator to input many resources. This strategy could improve the entrepreneur's financial resilience as it finds an alternative way to obtain funds to deal with the disruptions.

Apart from the traditional business model, one participant shared an alternative approach they adopted: virtual tourism. This participant recognised the importance of diversifying their business and sought to establish virtual tourism as an additional income source.

Participant P1: Indeed, it is good for having virtual tourism, or virtual of making wau, and can sell the wau to other people which having another type of income.

Based on the example given by the participant, by offering virtual tourism experiences, they aimed to generate revenue by charging participants

for the virtual tours. Additionally, they saw an opportunity to monetize the virtual tourism by selling products that were showcased during the virtual tours.

In summary, the adoption of virtual tourism as an innovative strategy enabled the homestay operator to overcome the challenges brought about by the pandemic. This strategy addressed issues such as low consumer demand, changes in business operations, and reliance on a single income source. By embracing virtual tourism, the homestay operator was able to offer customers an engaging and interactive experience that met their needs during a time of limited travel. Additionally, this approach opened up new avenues for revenue generation, diversifying the operator's income streams and mitigating the impact of reduced tourist arrivals.

Furthermore, even during periods of strict MCO where homestay accommodation services may not be feasible, homestay operators have found alternative ways to generate income. One such example is the sale of products that are associated with their homestay offerings. Participant P6 shared their experience of preparing marinated chicken and beef as part of the homestay services. During the pandemic, they were able to sell these products as an extension of their homestay offerings. To quote the participant statement:

"Marinated food. Marinate chicken marinate beef. For that I did sell it for my hometay. If the client wants, then I will prepare them in packages. It really helped to cover a bit during the time of MCO"

Participant P11 mentioned that they "*need to change the goal for a while*" by seeking another opportunity, such as "*focuses on the traditional food such as dessert, food paste, and fermented fish*" to generate another income source. Likewise, participant P2 shared their experience of selling traditional food at the night market.

Participant P2: We put in some effort to upgrade the homestay, such as organising the Car Boot Sale. This sales event has continued for 5 months. The effort we make for this is favorable to our local domestic tourists because the homestay is located near the river, forest, and tourist centre. Therefore, villagers and I have put in the effort to increase the tourist arrival.

Participant P2 mentioned that he had organised the car boot sales after obtaining the approval for the proposal from the authority so that they could get extra income during COVID-19 and one of the benefits of organising these activities is attracting the domestic tourist to visit the villages.

In conclusion, the participants' experiences demonstrate that they have made substantial efforts to achieve business diversification, which can be an effective strategy for homestay operators to generate additional income and reach a wider customer base. By leveraging their existing products such as selling traditional food items, participants were able to enhance their financial resilience without requiring significant financial resources. Through these diversification efforts, participants found alternative sources of income during periods when their homestay accommodations were not able to operate

effectively due to restrictions. This allowed them to have a better financial resilience as it maintains a steady income flow and mitigate the financial challenges posed by the pandemic.

Table 4.7

Theme 3- Stimulate demand

Stimulate demand	Categories	Frequency	%	Excerpt
Promotion	Target different market segment	23	41.07%	The recovery plan that focus tourist from Malaysia or states.- P2
	Changes in existing packages	2	3.57%	We will try to amend the package, maybe in term of promotion see what we can do when the sector are allowed to operate. - P1
	Collaboration with travel agency	2	3.57%	If that the case, don't have..and started to go for online or portal. - P5
Business diversification	Kampungstay business model	7	12.5%	Only one member has the guest house registered under the Kampungstay programme. Only that single person. So, maybe he will get more income. During the pandemic, when the release MCO, only guest houses are allowed to operate. . -P1
	Go for virtual tourism	1	1.79%	Indeed, it is good for having virtual tourism, or virtual of making wau, and can sell the wau to other people which having another type of income. -P1
	Alternative products	21	37.5%	Focuses on the traditional food such as dessert, food paste, and fermented fish- P11
	Total	56	100%	

4.3.4 Cost management

Based on the participants' shared experiences, it is evident that effective cost management is crucial during the COVID-19 pandemic. Homestay operators have found ways to reduce burdens by cutting non-essential costs. These experiences have formed the theme of cost management, which includes strategies such as zero-cost marketing, workforce restructuring, and staying updated and aware of government support. Figure 4.8 illustrates the theme of cost management and demonstrates how implementing strategies such as zero-cost marketing, workforce restructuring, and aware of government support can help homestay operators address the financial hurdles brought about by the pandemic and ensure the sustainability of their businesses.

Figure 4.8

Theme 4 - Cost management
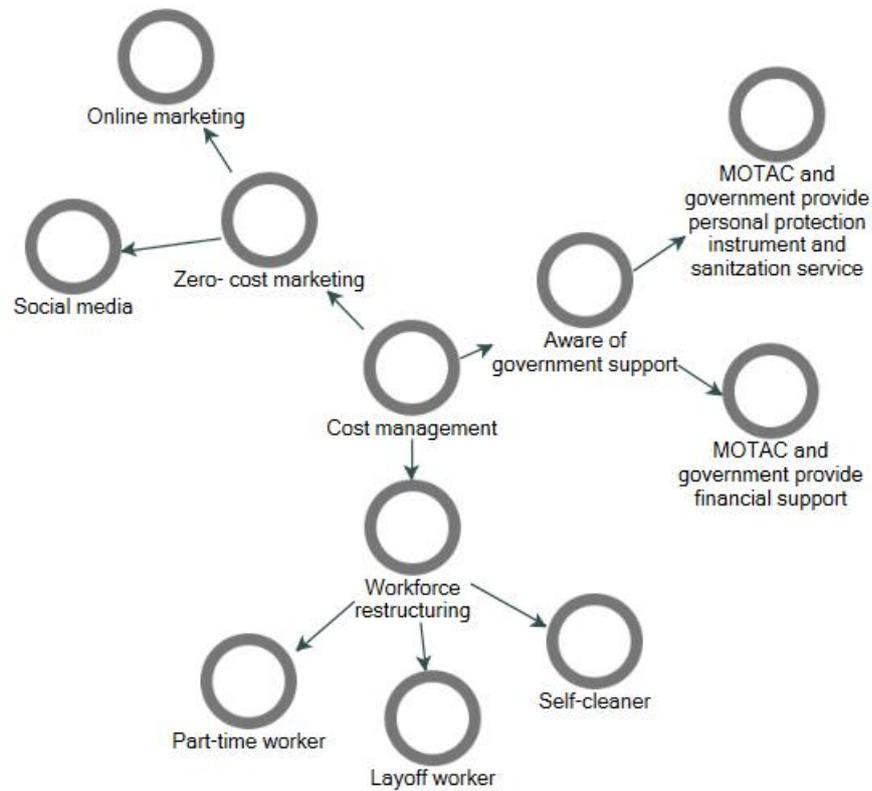
4.3.4.1 Zero-cost marketing

Most participants also shared their opinion on online marketing and how it could help them during COVID-19. For example, participant P11 mentioned that they understand the importance of online marketing and do not follow the traditional ways as he claims that "*traditional business model won't able to go far .*" This indicate that he believes that traditional approaches may have limitations in reaching a wider audience and sustaining the business in the long run.

Besides that, the majority of participants expressed their unanimous agreement on the effectiveness of utilising social media as a promotional tool for their homestay programme during the COVID-19 period. They recognised several key benefits when using social media platforms for advertising and promotion such as zero cost for advertisement, access broader customer and positive result of using social media.

Participant P6: Promote on Facebook, Instagram, or TikTok because it's free, and we don't need to pay, right?

Participant P7: Yes (laugh) because it is free. I don't pay any advertising costs. So, for Facebook and Instagram usually is free, right?

Participants P6 and P7 mentioned that they have been using social media to promote and advertise their homestay because it doesn't incur any cost. This result is aligned with Hoekstra and Leeflang's (2020) study, as during the COVID-19 company tended to go for a cost reduction policy, so they made full use of social media to promote and communicate with customers. Additionally, this result is consistent with the findings of Dungtripop and Srisuwan (2021), which suggest that homestay operators should manage costs and seek the most affordable methods. Besides that, participant P6 mentioned a critical point: during the lockdown, people cannot go out; thus, most people will be actively shuffling on social media. This result is proven by Dixon (2022); the average social media usage has surged during lockdown because social media is an accessible channel for social interaction and entertainment.

Participant P3: I uploaded pictures and details of all the homestay houses, including my own. Tourists will be choosing the houses which they want. I update the picture of those houses and each price of the homes.

Participant P11: Actually, we did receive a lot of customers from Facebook as we did put a lot of information on the Facebook.

The participants (P3, P5, P11) highlighted several advantages of utilising social media to promote their homestays during the pandemic. These benefits included increased visibility and tourist visits, enhanced accessibility for customers through social media platforms, expansion of market share, and the cost-free nature of advertising. To illustrate, participant P5 expressed the following viewpoint:

"Actually, we want to sell our desserts, and if we don't promote them, who will know how delicious they are?"

The participant used the example of dessert to illustrate the significance of advertising in the context of the homestay programme. They emphasised that it is crucial to promote their products, as customers can only become aware of the quality and appeal of the dessert once they see the advertisements. Without proper promotion, potential customers may remain unaware of the product's excellence. In the earlier section, participants discussed the challenges they faced, including the need to cancel most traditional on-spot advertisements due to travel restrictions. However, using social media has no restrictions regarding the SOP, the state boundary, or having an international

border. Lastly, when the outbreak of COVID-19 most likely affected their income stream due to not having any tourists. Thus, using social media would be a zero cost for them and would not burden them extra during the pandemic.

In conclusion, online marketing such as Youtube, and social media was being used to advertise the discounted items and provide accurate information regarding the business situation after the crisis (Orchiston & Higham, 2014) and able to reach out to different segments of customers to increase the sales volume (Carr, 2020; Rahayu et al., 2021). Meanwhile, Saha and Kar (2020) provided the view from a consumer perspective during COVID-19 as it is effective to let the consumer realise some new products or services while they cannot move around. This study further emphasises the importance of using social media for promotion during COVID-19, as it incurs no financial charges and minimises the financial burden for homestay operators compared to physical promotional campaigns.

In short, when homestay operators provide new travel packages, they can reach out the new domestic customer and, with the usage of digital marketing, can overcome the problems caused by the cancellation promotion campaign which can replace by using the electronic word of mouth strategy via the social media or creation of homestay website. Hence, this strategy will increase the entrepreneur's financial resilience as it uses minimal resources to gain the most output from digital marketing; also, it will restore the communication channel with their stakeholders. Mason et al.'s study (2021) corroborates that during COVID-19, consumers are spending time on social

media to evaluate or collect information regarding the product or service, and it will influence their purchase decision-making.

4.3.4.2 Workforce restructuring

Homestay operators attempted to reduce operating costs during COVID-19 by hiring employees on a part-time basis instead of full-time. For instance, Participant 10 mentioned they hired part-time foreign workers to mow the grass once a week. Meanwhile, Participant P3 explained that they only hired part-time workers to assist with house cleaning and had to lay off both coordinators due to insufficient income to cover their salaries.

Similarly, participants P6 and P7 stated they prefer to take part-time workers daily when needed and will look for them. Participant P8 has continuously paid three months' salary for 5 of his workers. Unfortunately, in the fourth month, he decided to stop the worker agreement as he could not cover the cost because he expected the pandemic would continue for another three years.

Participant P6: When the pandemic happened, for cleanliness, I prefer a one-off approach, where we call them when needed instead of giving them a fix salary

Besides that, some participants (P1, P2, P5, P10) shared that they did not hire any workers for the homestay programme. For example, participant P1 stated that he would be responsible for cleaning the house because he is staying there. Likewise, participants P5 and P10 operators mentioned that they would

take care of the house cleaning task. Besides that, another point stated by participants P2 and P5 is that they will take volunteer workers to help them manage the homestay programme. Most volunteer workers are from the homestay association and have homestay programme. In short, few participants tend to choose part-time workers or enlist volunteer workers, which can significantly reduce operating costs because the participants understand that hiring permanent workers would be an 'extra cost' or a 'waste of resources' for them.

In summary, homestay operators tend to make changes in the employment condition to deal with the increment in the cost and reduction in the income. This result is aligned with previous studies by Baum et al. (2020) and Dahles and Susilowati., (2015) as they found that the lay-off of the employees was one of the adjustments to deal with the crisis and can reduce the cost bear by the business. Additionally, human resource allocation to achieve cost efficiency is a key strategy for coping with crises (Pavlatos et al., 2020). Thus, this strategy will enhance the entrepreneur's financial resilience by reducing business operating costs and offsetting newly incurred expenses, such as personal protective equipment.

4.3.4.3 Aware of government support

In the interview, participants were questioned about their awareness of the support provided by the government or respective parties. Most participants shared various support or benefits received during the pandemic, such as financial support, promotion support, IT-related issues support, necessary items,

and training regarding how to perform the sanitisation process and have also given the sanitisation service.

Participant P5: Gratefully, we received the government's help. So that we able to hang on the business.

Participant P5 stated they received the RM600 from the MOTAC, which was the one-off cash assistance toward the registered homestay in Malaysia. One-off cash assistance could help the homestay business by covering monthly utility bills. But, most importantly, it gives the participant hope in sustaining the business and helps support their life. For example, participant 2 mentioned:

"*I did communicate with all of the house owners, and gratefully, we received support from the government for the one-off subsidy. This one-off also gives us some hope. My homestay was also affected by the pandemic, and gratefully, the government gave a one-off subsidy to all members. Even though this one-off does not provide long-term financial support, but able to help us sustain our life.*"

One of the participants gave another important point: the one-off cash assistance would be great but only for the short term and not the long term. He mentioned that when all the bills come in a lump sum, the RM600 will be used to pay for the bill. However, he also noted that one-off cash assistance, even as little as RM600, would be helpful.

Participants (P4, P10, P11) mentioned did receive another RM2000 from the MOTAC or the state government. The RM2000 cash assistance was provided to the homestay association to pay their fees or any bill. Similarly, participant 8 claims that the Sabah state government did provide RM1000 cash assistance to the homestay association and support them to continue the homestay programme. Additionally, participants (P6, P8) with loans needed to repay will go to apply the moratorium to hold on to the loan repayment. To quote the participant's statement:

"*We have the moratorium. that's the government help where have the moratorium. So, we have applied for the moratorium. I also have loan. I have a loan too, but it is not a lot lah. During the first MCO, I did apply for the moratorium. So, the period of second and third MCO then will apply back again.*"

In conclusion, the government provides financial support not only for cash assistance but also for those with the loan needed to repay. Besides that, one of the participants, a consultant who will frequently deal with the account, said that the government had allocated a 250k budget for each tourism location. Therefore, homestay programme will benefit from the budget allocation. The government and MOTAC provide various financial assistance programme that help homestay operators sustain their businesses.

However, government support can only be considered an external strategy as it is beyond the control of homestay operators. Although it is not a strategy that can be implemented by the homestay operators themselves,

government support is one way to assist them during these challenging times. Therefore, homestay operators should fully take advantage of this government support to alleviate their financial burden during the COVID-19 pandemic. For example, they should ensure they submit reports with correct bank account details, submit monthly reports as required, and stay updated on the latest news regarding government support. This result aligns with the previous study by Ntounis et al.（2021）; financial assistance is the most useful way to help tour operators relieve or recover from COVID-19. Meanwhile, Estiri et al. (2022) further explained that financial assistance improves the business's liquidity and facilitates their daily operation; it also includes the debt repayment moratorium programme, which indirectly provides financial support.

Furthermore, the Malaysian government provides necessary items such as hand sanitiser and a thermometer. Besides that, some participants shared that the government or state government helps sanitise the house or any tourism hot spot. However, one of the participants mentioned that both parties would still perform the cleaning or disinfecting. MOTAC and government understand the importance of doing the sanitisation process correctly, so they teach the homestay operator how to conduct the procedure. Therefore, one of the participants mentioned that they had been invited to join the training on how to do the cleaning. To quote the participant's statement:

"During the training, they mentioned what we should have and what we should do. MOTAC organised the training for us in a hotel, but in reality, it was firefighters who came to teach us. The training didn't invite all of the homestay entrepreneurs; instead, it invited representatives from 3 to 5 people. These

representatives attended the training and then shared the information with our group. MOTAC did help and take care of us".

Another participant shared that they had been receiving help from the political party in terms of helping them to sanitise the house. In conclusion, the government and various parties provided a lot of support to homestay operators to reduce the financial burden, and it will help them to reduce the cost, operate efficiently during the pandemic and ensure safety first.

Table 4.8

Theme 3 - Cost management

Cost management	Category	Frequency	%	Excerpt
Zero-cost marketing	Online marketing	3	3.19%	We really active on internet or digital. Because we understand the old way of business model wont able to go far.- P11
	Social media	31	32.98%	People will use WhatsApp because clients can visit my Facebook page, where they will find my contact information. They can then contact me via WhatsApp. - P3
Workforce restructuring	Part-time worker	5	5.32%	When the pandemic happened, for cleanliness, I prefer a one-off approach, where we call them when needed instead of giving them a fix salary. -P6
	Lay-off worker	5	5.32%	So for the permanent worker. We after three months then we let them stop- P8
	Self-cleaner	8	8.51%	In terms of hygiene, like at home, we clean it ourselves- P10

Aware of government support	MOTAC and government provide financial support	26	61.9%	Yes, 600 each, and here we have 15 homestays. All of them are able to get it - P4
	MOTAC and government provide personal protection instrument and sanitation service	13	27.66%	They also provide the hand sanitiser, machine that check the body temperature- P9
	Total	94	100%	

4.3.5 Summary of Strategies Adopted by Homestay Operator

Table 4.9

Summary of strategies

Theme 1 : Self-development	
Positive attitude	1) Homestay operators should have the flexibility to accept the situation will be changed swiftly.
Learn new skills	1) Self- development is critical in preparing for COVID-19 in terms of skills or mental health.

	2) Homestay operators who seek to learn new skills will be better equipped to deal with challenges and maintain good mental health.
Theme 2: Recovery plan	
Alert and early preparation	1) Homestay operators should be alert to the latest news or any new SOP implementation.
Improve homestay quality	1) Homestay operators that work on the homestay quality indicate they see good prospects in the future that give them hope. 2) Homestay operators work on the homestay quality as one of the ways to be more competitive during or after COVID-19 3) Homestay operators view that homestay is limited, but the demand will be unlimited during the festive session
Theme 3: Stimulate demand	
Target different market segment	1) Homestay operators target contractors instead of international tourists. 2) Homestay targets domestic tourists.
Make changes in the tourism packages	Amend the tourism packages that fit the target customer, such as domestic tourists or the contractor.
Collaboration with travel agency	Homestay operator collaborate with travel agency and help them to sell or advertise their product online.
Kampungstay business model	1) Kampungstay could operate during CMCO and less stringent SOP. 2) Kampungstay business model would be a feasible option for the homestay operator because the kampungstay model would have a better prospect during the health crisis. 3) Homestay operators aim for kampungstay business model.
Go for virtual tourism	Homestay operators share that they understand the benefits of virtual tourism, especially after the pandemic, and are opting for virtual tourism as a strategy.
Alternative products	Homestay operators focus on the products they offer within their homestay programme when the accommodation service is not feasible.

Theme 4: Cost management	
Online marketing	1) Homestay operators understand the importance of using online platforms to market their products. 2) Online marketing is boundary-less and not affected by the lockdown or social distancing policy.
Social media	1) Online marketing, such as social media, overcome traditional word-of-mouth strategy's shortfall. 2) Social media promotion with zero cost. 3) Reach more comprehensive potential customers via social media.
Workforce restructuring	1) Lay-off full-time basis worker 2) Switch to part-time basis worker 3) Seek for volunteers in the homestay association to work together. 4) Conduct all the miscellaneous work by themselves
MOTAC and government provide financial support	1) MOTAC and government provide one-off cash assistance to homestay operator 2) State government provide cash assistance to homestay association. 3) Government introduce a moratorium programme to defer the loan repayment 4) Government relocation budget spending on the homestay industry
MOTAC and government provide personal protection instruments, sanitisation services	1) Government provides necessary items such as hand sanitiser and a thermometer. 2) MOTAC organises sanitisation training for the homestay operator. 3) Government provides sanitisation services.

4.5 Chapter Summary

This chapter delves into the findings regarding the challenges faced by homestay operators due to pandemic, which can be divided into two primary themes: mental health issues and financial challenges. In addition, participants have shared a range of strategies to overcome these challenges, including prioritising self-development, implementing recovery plans, stimulating demand, and practising cost management.

When the initial outbreak of COVID-19 occurred, participants shared that they faced mental health challenges due to factors such as movement restrictions, the severity of the health crisis, and market demand. As a result, their entrepreneurial emotional resilience was severely affected by stress, uncertainty, and feelings of hopelessness about the situation. They highlighted that the strategies of self-development and a recovery plan played a crucial role in helping them rebuild their emotional resilience. By acknowledging the problems and embracing adaptability in the current situation, operators were able to enhance their ability to address the mental health challenges posed by the pandemic. Through self-development, they cultivated positive attitudes and acquired new skills, which were vital for overcoming the emotional toll of the crisis.

On the other hand, COVID-19 posed significant financial challenges to homestay operators, such as decreased consumer demand, which affected their income and business operations, combined with high operating costs. In

response to these challenges, homestay operators employed strategies such as stimulating demand and cost management to restore financial resilience. Stimulating demand involved actively promoting their businesses, diversifying their offerings, and seeking alternative income streams. By acquiring new customers and retaining existing ones, homestay operators were able to regain financial stability and minimise the impact of reduced consumer demand. Additionally, practising effective cost management allowed operators to reduce unnecessary expenses, optimise resource utilisation, and alleviate the financial burden on their businesses.

By adopting these strategies, homestay operators can effectively navigate the challenges posed by the pandemic and rebuild both their emotional and financial resilience. This, in turn, contributes to sustaining the well-being of the homestay operators themselves as well as the overall health and success of their businesses.

CHAPTER 5

Conclusion and Recommendation

This chapter provides an overview of this research and the summary of its key findings. Subsequently, it discusses the expected implications of this research to the industry (homestay operator), policy makers as well as to the extant literature of homestay tourism in Malaysia. The chapter also address the limitations of this research and its respective recommendation for future research before it is finally concluded in the last section.

5.1 Summary of key findings

In general, this study aims to understand the challenges faced by the homestay operators due to COVID-19 pandemic and identify strategies to overcome these challenges via the lens of entrepreneurial resilience. Figure 5.1 in the study illustrates the resilience of entrepreneurs, highlighting their ability to rebound from the challenges faced due to COVID-19. At the initial outbreak of COVID-19, it brought significant disruption to the homestay programme due to movement restrictions and shifts in market demand. Consequently, this impact of COVID-19 led to two primary challenges for homestay operators: mental health issues and financial difficulties.

Figure 5.1

Homestay operator pathways to regaining resilience
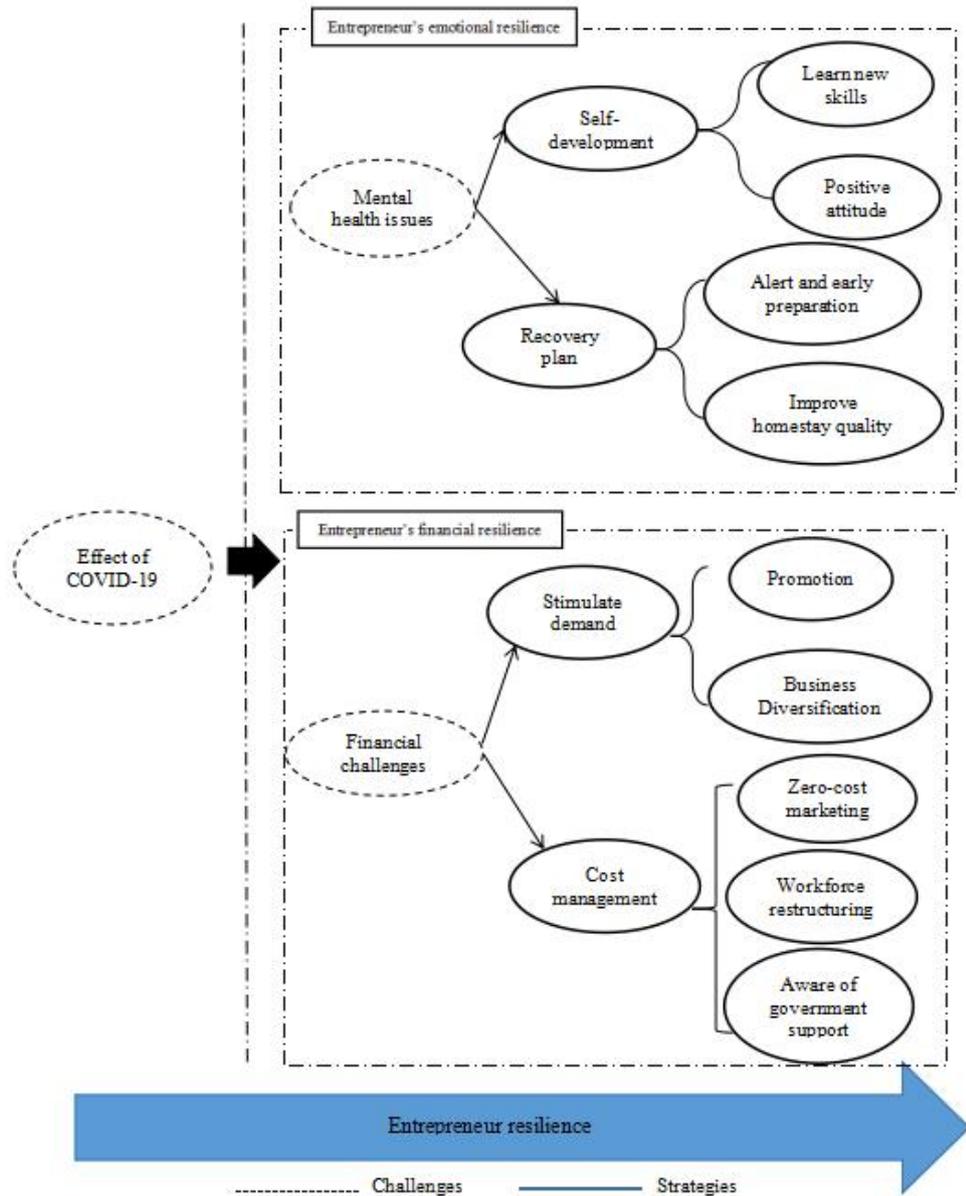
During the initial phase of the pandemic, homestay operators experienced uncertainty and stress due to the unfamiliarity of dealing with such a crisis. However, they quickly adapted and demonstrated emotional resilience

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by pro-actively managing negative emotions, seeking self-development, and the execution of well-structured recovery plans. By embracing self-improvement and strategic planning, homestay operators not only bolstered their emotional well-being but also fortified their adaptability and resilience in the face of disruption.

Financial resilience was significantly impacted by the decline in international tourist demand and the cancellation of events and campaigns. Homestay operators had to refund deposits, resulting in a strain on their financial resources. They responded by developing adaptive strategies, such as focusing on feasible market segmentation, customising offerings, regaining communication channels, and exploring virtual tourism. These strategies allowed them to adapt to the post COVID-19 business environment and diversify income sources.

Homestay operators encountered operational challenges, including high costs and shifts in customer preferences. To tackle these hurdles, they remained abreast of government support initiatives and employed external strategies such as financial assistance and government-provided personal protective equipment. By leveraging these external resources, operators managed to reduce operational costs and bolster their adaptive resilience.

Overall, the study emphasises the importance of emotional and financial resilience in the face of challenges. Homestay operators demonstrated their ability to manage the disruption and challenges to their business. Their proactive approach, continuous learning, and strategic adjustments allowed

them to navigate the challenges posed by COVID-19 and build stronger entrepreneurial resilience.

5.2 Implications of Study

5.2.1 Implications for Academia

This study makes a significant contribution to the existing academic literature by conducting a comprehensive examination across multiple states and diverse units of homestay programme during COVID-19. The distinctiveness of this study lies in its concentrated focus on states that have been seriously damaged by the pandemic. This approach offers valuable insights into the perspectives of homestay operators within these particularly impacted regions, shedding light on their strategies for navigating the challenges posed by the health crisis. As a result, this research not only expands the current scholarly discourse but also provides a unique vantage point that enriches our understanding of how homestay operators in highly affected states are addressing the unprecedented circumstances presented by COVID-19.

This study makes a valuable contribution to the existing academic literature by confirming the unprecedented challenges faced by homestay operators, particularly in the context of the COVID-19 pandemic. The outbreak of COVID-19 has had a significant impact on the tourism industry, with one of the most expected challenges being the reduction of tourist arrivals (Liu et al.,

2023). This study goes beyond speculation and provides empirical evidence from the perspective of homestay operators themselves. For example, our findings reveal that homestay operators are grappling with unprecedented challenges related to mental health issues and financial constraints, in addition to the reduction of tourist arrivals. Furthermore, homestay operators are confronted with other operational challenges such as high operational costs and precautionary business operations. In short, this study adds credibility and depth to the understanding of the challenges and their impact on the operators' businesses.

By emphasising the perspective of homestay operators, this study fills a gap in the literature and contributes to a more comprehensive understanding of the challenges they face and the innovative strategies they employ. For example, challenges such as mental health issues and reliance on sole income sources are experienced at the personal level, while factors like decreased consumer demand, changes in business operations, and high operational costs are more at the business level. Therefore, examining the perspective of homestay operators tends to uncover some of the factors experienced at a personal level. According to Thompson (1999), the perspectives of entrepreneurs are often associated with determination in the face of adversity and innovation. For instance, this study found that homestay operators did not give up during the COVID-19 pandemic but instead pursued self-development to prepare themselves to cope with it. Furthermore, homestay operators found innovative ways such as business diversification and zero-cost marketing to sustain their businesses.

From the perspective of entrepreneur resilience, this study examines the theory on how homestay operators faced challenges during COVID-19 and the strategies they employed to overcome them. Entrepreneur resilience is viewed as the ability to bounce back from disruptive events across various dimensions (Branicki et al., 2018; d'Andria et al., 2018; Hayward et al., 2010). This study found that Malaysian homestay operators faced mental health issues that detrimentally affected their emotional resilience but exhibited characteristics in line with the theory, showcasing optimism and positive adaptation to challenging situations. For instance, during the initial movement restrictions imposed by the Malaysian government, many homestay operators faced challenges related to mental health issues. However, subsequent movement restrictions, of various types, prompted operators to demonstrate a forward-thinking approach by implementing strategies such as self-development and recovery plans, effectively overcoming mental health challenges. In short, this aligns with entrepreneur resilience theory, where homestay operators who are resilient enough tend to have the capacity to adapt to the situation.

Furthermore, the implementation of movement restrictions and the promotion of social distancing by the Malaysian government severely affected the homestay programme's business, leading to cancellations of promotional campaigns, events, and bookings, ultimately causing financial problems for homestay operators. In response, this study found that homestay operators, recognising the need to address financial challenges, actively sought ways to stimulate market demand for their products. Understanding their financial

constraints, operators also implemented cost management strategies to reduce expenses, adopting approaches with minimal financial impact. In summary, this study demonstrates that Malaysia homestay operators effectively embody both emotional and financial resilience, aligning with the core tenets of the entrepreneurial resilience theory. In short, by adopting the framework of entrepreneurial resilience, this study reveals that the challenges brought by COVID-19 extend beyond visible challenges, encompassing intangible aspects such as mental health issues.

5.2.2 Implications for Homestay Programme

The findings of the study highlight a significant issue faced by homestay operators during the COVID-19 pandemic: uncertainty regarding SOP leading to a loss of customers. To address this challenge, the recommendation is to establish a platform for homestay operators to share their experiences and strategies for managing their businesses amid the pandemic. This is because knowledge sharing could overcome the problem of uncertainty (Stock et al., 2021). For example, a platform would enable them to discuss their challenges and share strategies for sustaining their businesses. In essence, having this platform would foster a stronger bond within the homestay operator community, facilitating a better understanding of which strategies are most suitable for each individual operator. This is crucial during COVID-19, as a knowledge-sharing platform has positive impacts on the business, such as enhancing planning, decision-making, and risk mitigations (Abdalla et al., 2022;

Amanda et al., 2023). Additionally, Bencsik (2022) mentioned that having a knowledge-sharing platform helps generate ideas where multiple players in the market come together and formulate ideas that have been evaluated by multiple players for practicability. Thus, by exchanging knowledge and insights, homestay operators can collectively navigate the problems brought about by COVID-19 and enhance their chances of success.

Moreover, this pandemic has exposed a critical issue where homestay operators lacking IT knowledge find themselves in a more passive position, unable to fully exploit the advantages of digitalisation. For example, this study found that elder homestay operators who lack IT knowledge do not know how to exploit the advantages of using digital marketing. While, on the other hand, a group of homestay operators had to delay the progress of creating a website due to the lockdown, as the trainer was unable to reach them. Hence, they had no other choice but to postpone and adopt a wait-and-see approach. As a result, they became less efficient in maintaining and expanding their businesses due to their limited understanding of IT. Digital technology enhances the marketing role by providing a wider, controllable customer relationship management (Pascucci et al., 2023). For example, COVID-19 has impacted the growth of digital marketing, helping to reach new audiences or international customers (Almeida et al., 2020). However, homestay operators who are not IT-literate may struggle to adapt to these changes and fully leverage digital tools and platforms. To overcome this challenge, it is crucial for homestay operators to invest in acquiring IT skills or seek assistance from IT professionals to optimise their operations, improve customer engagement, and stay competitive

in the evolving tourism industry. By embracing digitalisation and bridging the IT literacy gap, homestay operators can enhance their efficiency, strengthen their business resilience, and tap into new growth opportunities.

Lastly, it is highly recommended for all homestay operators to actively engage in the Jomhomestay programme organised by MOTAC (Ministry of Tourism, Arts and Culture). This is because this study found that only a few homestays seek this programme as a strategy to overcome challenges, while others remain silent on it. This programme aims to support and promote homestay packages by providing a dedicated website for showcasing and advertising the offerings. One key advantage of participating in this programme is the promotional offer of a 50% discount, where the government bears 50% of the cost. This strategic initiative can help homestay operators recover from the impact by attracting more visitors and increasing bookings.

Furthermore, for homestay operators who lack the necessary knowledge or financial resources to maintain their own websites, the Jomhomestay programme provides a valuable solution. By utilising the dedicated website provided by the government, operators can effectively promote their homestay packages without the burden of managing their own online platforms. This not only saves costs but also ensures that all homestay operators, regardless of their technical expertise, have an equal opportunity to showcase their offerings and attract potential customers.

Participating in the Jomhomestay programme and taking benefits of the government's support can be a crucial step for homestay operators to revive their businesses, increase visibility, and tap into a wider market. It provides a unified platform for promoting homestay packages and encourages collaboration between the government and operators, ultimately contributing to the recovery and growth of the homestay industry.

5.2.3 Implications for Policy Makers

One of the key implications for policymakers in sustaining the homestay programme is to ensure continuous support and monitoring of the digital platforms created for promoting homestays. The Malaysian government has taken a positive step by creating the Jomhomestay website, which serves as a platform for registered homestays under MOTAC to reach a wider customer base through digital means. This initiative has facilitated greater visibility and accessibility for homestay programme.

However, it is vital to learn from prior experiences and avoid the pitfalls encountered by previous initiatives. As mentioned by one participant, there was a previous collaboration between the Ministry of Tourism Malaysia and a university to create the Homestay Malaysia website. Although the website was regarded as the best at the time, it unfortunately ceased maintenance after just two years (from 2008 to 2010). The participant

attributed this discontinuation to factors such as changes in personnel responsible for managing the website.

To prevent such issues from recurring, it would be beneficial for the Malaysian government to ensure the consistent monitoring and upkeep of the Jomhomestay website. It is crucial to avoid allowing the website to become outdated or neglected. Regular updates, technical support, and a dedicated team overseeing the website's functionality and content are essential to its long-term success. This will help to maintain the website's relevance, user-friendliness, and attractiveness to potential customers, ensuring that it remains an effective tool for promoting and sustaining this programme in Malaysia.

The Tourism Malaysia Strategic Plan 2022-2026 (MOTAC, 2022), aims to rejuvenate the tourism sector in Malaysia, with a key approach being the utilisation of online marketing, such as social networks, digital advertising, and digital brochures. Similarly, the Business Strategies for Upscaling the Malaysian Homestay Experience 2017-2026 emphasise the use of online marketing as the main channel and tools to promote homestays (MOTAC, 2017). Additionally, in the Tourism Recovery Framework 2.0, the first pathway action plan objective is to provide appropriate training and skills to all players in the tourism industry (MOTAC, 2022). However, this study has uncovered a significant finding: a portion of homestay operators, particularly those of older age, lack proficiency in digital literacy. In order facilitate the successful integration of digital strategies, it is suggested that efforts be directed toward enhancing the digital skills of homestay operators. This could

involve providing training and support to improve their understanding and use of digital tools, empowering them to leverage the potential advantages of online marketing and other digital platforms effectively. Additionally, the creation of a user guide with step-by-step instructions for using various digital platforms and devices may further assist in facilitating digital adoption.

Furthermore, the COVID-19 has brought about a multitude of unprecedented problems, including mental health issues. The study also discovered that homestay operators have been grappling with negative mental health effects. The Ministry of Health Malaysia (2020) has indeed emphasised the development of e-Mental screening apps as tools for screening that are suitable for all age groups. However, from the perspective of homestay operators, none of them are aware of such support provided by the government apart from financial assistance. Consequently, there is a pressing need to review the current mental health policy within the surveillance health systems, such as the MENTARI IT or e-Mental screening apps, in order to raise sufficient awareness among all Malaysian citizens. For instance, social media platforms (Ruzlin et al., 2021) and electronic devices (Shanmugam et al., 2020) can be utilised as channels for promoting mental health and screening services during the COVID-19 pandemic. By leveraging these channels, the government can effectively disseminate information and support regarding mental health, ensuring that the population at large is well-informed about available resources and services.

5.3 Limitation and Recommendation

This study consists of several limitations that should be taken note for those who intended to further study in this area. The limitations are as follows.

This study was undertaken exclusively within the Malaysia context, making its applicability limited to scholars and researchers with an interest in this specific country. Furthermore, this study focusing on registered homestays within states hardest hit by COVID-19's income impact. Therefore, it is important to acknowledge that the unique structural, cultural, and economic variations across different countries could influence the applicability of the study's conclusions beyond the Malaysian context. As a result, these constraints restrict the reader generalisability of the study's findings to a broader international or cross-cultural context. Future researchers should interpret the study's findings with a mindful consideration of its specific focus on Malaysia, registered homestays, and highly impacted states. The study's outcomes contribute significantly to understanding within this context but may require additional research and contextual adaptation to ascertain their relevance and applicability in different national and cultural settings.

A notable limitation of this study arises from the necessity to conduct certain interviews online, a consequence of travel restrictions imposed during the research period. As a result, the researcher was unable to physically observe the on-site locations, which is particularly relevant for comprehending changes in environmental or external factors. The absence of direct observation

may have impacted the depth of insight into these aspects. Additionally, the challenges posed by Movement Control Orders (MCO) made it difficult to secure participation from individuals who preferred or required face-to-face interviews, potentially influencing the diversity of perspectives captured. To address this, future studies could consider conducting in-person interviews on-site at the homestays to overcome these limitations and facilitate a more holistic understanding.

Another noteworthy consideration is that this study only focuses on the viewpoint of homestay operators, neglecting the valuable perspectives of other stakeholders, particularly customers. The absence of customer input limits the comprehensive analysis of the homestay experience and its dynamic interactions. To give a better overall view of the homestay ecosystem, future research endeavours could encompass both seller and buyer viewpoints, yielding a more holistic and nuanced exploration of the challenges, strategies, and impacts of the COVID-19 pandemic on this sector. By incorporating these perspectives, a more well-rounded picture can be painted, enabling a deeper comprehension of the complexities at play.

5.4 Conclusion

Amidst the profound impact of COVID-19 on the tourism sector, particularly due to lockdown policies and social distancing norms, this study delves into a specific segment—the registered homestay programme in Malaysia

This study adopts entrepreneurial resilience to examine how homestay operators adapt and rebound in response to the challenges brought about by the COVID-19 outbreak. The disruptions, including mental health issues and financial challenges during COVID-19, have significantly affected their daily lives and the operation of homestay programme. Consequently, this study also investigates how homestay operators cope with these challenges, devising strategies to rebound in business performance and regain entrepreneurial resilience.

Homestay operators achieved emotional recovery by implementing innovative strategies, including self-development initiatives and the execution of well-structured recovery plans. By embracing self-improvement and strategic planning, homestay operators not only bolstered their emotional well-being but also fortified their adaptability and resilience in the face of disruption.

Homestay operators have demonstrated financial resilience by strategically adjusting their approaches, including stimulating demand and implementing cost management measures. Through these adaptations, they have sustained their businesses and positioned themselves to maintain stability in a post-pandemic era, showcasing their ability to bounce back from disruption and achieve financial sustainability.

In conclusion, the study highlights the remarkable entrepreneurial resilience exhibited by Malaysian homestay operators amidst the challenges

posed by the COVID-19 pandemic. These operators have demonstrated emotional resilience by adapting to the unprecedented challenges, maintaining a positive mindset, and acquiring new skills to navigate changing circumstances adeptly. Additionally, they have shown financial resilience by reacting and responding with strategies aimed at stimulating demand and managing costs effectively

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Appendix

Interview guide

Interview Guide:

1) Opening remarks

a. When did you officially start this business?

b. Kindly indicate the number of workers in your homestay business?

c. Is the property used for your homestay business still financed by loans?

d. Did you own a homestay business before COVID-19?

e. Did your homestay business remain open throughout MCO 1.0 and MCO 2.0?

2) Research Question 1: What are the challenges faced by homestay operators due to COVID-19 pandemic in Malaysia?

a. How do you feel in general during the COVID-19?

b. How do you feel about the government's first Movement Order Control (MCO)?

c. What about MCO 2.0 and MCO 3.0?

d. Do you think that your feeling has affected your thoughts and decision making?

e. How do you view the current business performance caused by COVID-19?

f. How have your homestay business operations been affected by the COVID-19 pandemic during MCO 1.0 and MCO 2.0?

g. Do you think there is a risk that your homestay business will permanently shut down because of COVID-19?

h. What are the most significant problems for your homestay due to Covid-19 pandemic?

i. In your opinion that the firm will be profitable enough to continue in the near future? Why so? why not

j. How long do you anticipate it taking for business to return to normal if the COVID-19 pandemic negatively impacted your homestay during the MCO period?

3) Research Question 2: What are the strategies to overcome the challenges faced by homestay operators due to COVID-19 pandemic in Malaysia?

a. What you had done to maintain the business or cope with COVID-19.

b. Are there any income sources other than the income source from the homestay programme? (move up)

c. Any new adoption of new business plan or strategies applied by your homestay business due to this pandemic.

d. Are you aware of the benefits/advantages offered by the government's COVID-19 related assistance programme? If so, kindly describe; if not, why?

e. Did you receive any government assistance during this MCO period? What kind of assistance? Was is sufficient?

f. Did you use any digital marketing platform for you homestay business (before the pandemic or after)? (If yes move to Qh, if no, why?).

g. If yes, could you please describe and do you continue using the same during the pandemic or have upgraded to other platforms too?

h. Please describe your adaptation to personal health security and flexibility due to pandemic.