

Strengthening Community Capacity for Homestay Development in Mandalika Special Economic Zone, Indonesia

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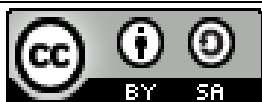
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Article History	Abstract
Received: 22 April 2026 Accepted: 08 June 2026 Published: 27 June 2026	<p><i>This study examines the process of strengthening community capacity in tourism accommodation management within the context of homestay development in the Mandalika Special Economic Zone, Indonesia. As a government-driven tourism destination, Mandalika has experienced rapid infrastructure expansion, creating new opportunities for local communities to participate in tourism through homestay (Sarhunta) programs. However, the effectiveness of capacity-building initiatives in supporting sustainable community-based accommodation remains unclear. This research adopts a qualitative case study approach, supported by surveys, observations, and document analysis, to evaluate the effectiveness of training programs and identify key challenges faced by homestay operators. The findings reveal that capacity-building initiatives have been moderately effective in improving technical skills, particularly in housekeeping and basic hospitality services. However, significant gaps persist in managerial, adaptive, and strategic competencies, including financial management, digital marketing, and market responsiveness. The study identifies a critical capacity utilization gap, where knowledge gained through training is not effectively translated into practice. Furthermore, four interrelated dimensions of community capacity are proposed: technical, managerial, adaptive, and collaborative capacity. The results suggest that current capacity-building approaches remain fragmented and insufficient to support long-term business sustainability. This study contributes to the literature by offering an integrated framework for community capacity in tourism accommodation and highlighting the need for a shift from short-term training toward continuous, system-based capacity development. The findings provide practical implications for policymakers and stakeholders in designing more effective and inclusive tourism development strategies.</i></p> <p>Keywords: <i>community capacity; homestay management; community-based tourism; capacity building; mandalika SEZ;</i></p>



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INTRODUCTION

Community-Based Tourism (CBT) has been widely promoted as a pathway toward inclusive and sustainable tourism development, particularly in emerging destinations where local communities are expected to play an active role in tourism production and service delivery (Goodwin & Santilli, 2009; Amran, 2014). Despite its growing popularity, the

effectiveness of CBT in generating long-term community benefits remains a subject of ongoing debate. While proponents argue that CBT enhances local empowerment, poverty reduction, and community participation, critics contend that many CBT initiatives fail to achieve sustainable outcomes due to limited managerial capacity, weak institutional support, and unequal benefit distribution (Scheyvens, 1999; Hampton et al., 2018). Within this context, community-managed accommodations such as homestays are frequently regarded as important mechanisms for local economic participation because they enable residents to engage directly in tourism value chains while preserving cultural authenticity (Kontogeorgopoulos et al., 2014). However, growing evidence suggests that the mere establishment of homestay programs does not automatically lead to community empowerment or business sustainability. In many developing countries, homestay operators continue to face challenges related to inadequate business management skills, low digital literacy, limited market access, and difficulties in adapting to rapidly changing tourism environments (Liu et al., 2022; Rogerson & Rogerson, 2019). These unresolved issues indicate that the sustainability of community-based accommodation depends not only on physical infrastructure or tourism demand but also on the capacity of local communities to manage tourism enterprises effectively. Consequently, understanding how community capacity is developed, utilized, and sustained has become a critical yet underexplored issue in contemporary tourism research.

The development of tourism accommodation in Special Economic Zones (SEZs) introduces both opportunities and challenges for local communities. The Mandalika Special Economic Zone in Lombok, Indonesia, designated as a national priority tourism destination, exemplifies rapid tourism-led development driven by mega-events such as MotoGP and World Superbike (Kurniansah, 2024). As part of this development, the government introduced *Sarana Hunian Pariwisata* (Sarhunta), a community-based accommodation initiative designed to transform local housing into homestay facilities. While this initiative has expanded accommodation capacity and generated new livelihood opportunities, its sustainability largely depends on the managerial capacity and readiness of local communities to operate within a competitive tourism market.

However, despite the strategic importance of homestays in supporting tourism ecosystems, many community-managed accommodations face persistent challenges related to limited skills, inadequate service standards, weak marketing capabilities, and low digital literacy (Liu et al., 2022; Rogerson & Rogerson, 2019). These challenges are particularly evident in newly developed tourism destinations where communities transition rapidly from non-tourism livelihoods to tourism-based enterprises.

Although homestay development programs have been widely implemented as part of community empowerment strategies, their effectiveness remains uneven, particularly in relation to capacity development and business sustainability. Previous studies indicate that many community-based accommodation enterprises continue to experience managerial and operational constraints despite receiving government support and training interventions. For instance, Junaid (2021) found that homestay operators in Indonesia often demonstrate improvements in basic hospitality skills but remain limited in financial management, business planning, marketing, and strategic decision-making. Similarly, Liu et al. (2022) reported that

low digital literacy and limited adoption of online booking platforms reduce the competitiveness of tourism SMEs, including homestay businesses. In the context of Mandalika Special Economic Zone (SEZ), government programs such as *Sarana Hunian Pariwisata* (Sarhunta) have expanded the availability of community-based accommodation through infrastructure provision and training support. However, evidence from local studies suggests that many homestay operators remain highly dependent on major tourism events such as MotoGP and World Superbike, while occupancy levels outside peak-event periods tend to be relatively low (Kurniansah et al., 2024). These conditions indicate that improvements in physical infrastructure have not always been accompanied by corresponding advances in managerial capability and market readiness.

This situation highlights a broader development challenge concerning the mismatch between infrastructure investment and human capacity development. While tourism-related infrastructure in Mandalika has expanded rapidly as part of Indonesia's priority destination agenda, the ability of local communities to manage tourism accommodation in a competitive and increasingly digital tourism market has not developed at the same pace. As a result, many homestay businesses face difficulties in maintaining occupancy rates, diversifying market segments, and sustaining operations beyond event-driven demand. Similar patterns have been documented in community-based tourism destinations where infrastructure development progresses faster than local capacity enhancement, ultimately limiting the long-term sustainability of tourism enterprises (Aref, 2011; Hampton et al., 2018). Consequently, an important question emerges regarding the extent to which existing capacity-building initiatives particularly training programs effectively enhance community competence and contribute to sustainable tourism accommodation management.

In response to these challenges, this study aims to examine how community capacity can be strengthened in tourism accommodation management within the context of homestay development in Mandalika SEZ. Specifically, this research seeks to (1) Evaluate the effectiveness of capacity-building initiatives (e.g., training programs) in improving community competencies in homestay management. (2) Identify key challenges and constraints faced by local communities in applying acquired skills to real-world tourism operations. (3) Develop strategic recommendations to enhance community capacity for sustainable tourism accommodation management. Through these objectives, the study contributes to a deeper understanding of the relationship between capacity building and the sustainability of community-based tourism enterprises.

Despite a growing body of literature on community-based tourism and homestay development, several critical gaps remain. First, prior studies have predominantly focused on the economic impacts of CBT or descriptive analyses of community participation, with limited attention to the effectiveness of capacity-building interventions (Amran, 2014). Second, existing research on homestays often emphasizes marketing strategies or digital transformation, rather than systematically evaluating the outcomes of training programs and their practical implications for community performance (Liu et al., 2022). Third, there is a lack of longitudinal and integrative studies that connect three important dimensions: community capacity, managerial practices, and strategic adaptation within rapidly developing tourism

destinations (Flores & Costa, 2024; Hall et al., 2017; Phan et al., 2021). In the context of SEZ-based tourism development, such as Mandalika, the accelerated pace of infrastructure expansion creates unique pressures that are not sufficiently captured in existing literature.

Therefore, this study addresses these gaps by providing an integrated analysis of community capacity strengthening, combining evaluation of training effectiveness, identification of operational challenges, and formulation of strategic development pathways within a specific tourism policy context.

This research offers several important contributions to the literature on community-based tourism and tourism accommodation management. First, it advances existing conceptualizations of community capacity by proposing an integrated framework that connects four interrelated dimensions of capacity development technical, managerial, adaptive, and collaborative capacity with operational performance and business sustainability outcomes. Previous studies have typically examined community capacity as a set of isolated competencies, often emphasizing participation, empowerment, or technical skill development without explicitly explaining how different capacity dimensions interact to influence the long-term performance of community-based tourism enterprises (Aref, 2011; Moscardo, 2008). In contrast, the framework proposed in this study conceptualizes community capacity as a dynamic and multidimensional process in which deficiencies in one dimension may constrain the effectiveness of others. This perspective provides a more comprehensive understanding of how community-based accommodation businesses evolve and respond to changing tourism environments.

Second, the study introduces the concept of a capacity utilization gap, referring to the disconnect between the provision of capacity-building interventions and the actual application of acquired knowledge and skills in tourism business operations. While previous research has primarily focused on evaluating training delivery and participation outcomes, limited attention has been given to understanding why improved competencies do not always translate into improved business performance or sustainability. By identifying this gap, the study contributes a new analytical lens for examining the effectiveness of community capacity development programs in tourism settings.

Third, the study provides empirical evidence from the context of a Special Economic Zone (SEZ), where tourism development is characterized by rapid infrastructure expansion and policy-driven transformation. Existing community capacity studies have largely focused on conventional tourism destinations, while relatively little attention has been paid to destinations undergoing accelerated tourism development through state-led investment and mega-event strategies. The Mandalika case therefore offers new insights into how community-based tourism enterprises adapt to rapid structural changes and increasing market competition.

Finally, the findings contribute practical and policy-relevant knowledge by demonstrating that strengthening community capacity requires more than short-term training interventions. Sustainable tourism accommodation development depends on continuous learning, institutional support, digital adaptation, and collaborative governance mechanisms that enable communities to participate effectively in tourism value chains. These insights are

particularly relevant for policymakers and practitioners seeking to design more effective and inclusive capacity-building strategies in emerging tourism destinations.

RESEARCH METHOD

1. Research Design

This study adopts a qualitative case study design to explore the process of strengthening community capacity in tourism accommodation management within the context of homestay development (Junaid, 2021). A case study approach is considered appropriate because it enables an in-depth understanding of complex social phenomena within real-life contexts, particularly when the boundaries between phenomenon and context are not clearly evident (Yin, 2018).

The qualitative design is further justified by the exploratory nature of the research, which aims to examine experiences, perceptions, and challenges faced by local communities in managing homestay businesses. Such an approach allows for capturing rich, contextualized insights into capacity-building processes and their practical implications (Creswell & Poth, 2018). In addition, this study integrates an evaluation perspective, focusing on the effectiveness of capacity-building initiatives such as training programs. This aligns with the interpretive paradigm, where social reality is understood through participants' experiences and interactions within the tourism system (Denzin & Lincoln, 2018).

Although this study primarily adopts a qualitative case study approach, a complementary questionnaire survey was employed to provide supportive quantitative evidence and strengthen methodological triangulation. The survey findings were used to identify general trends and validate themes emerging from interviews, observations, and document analysis.

2. Study Area

The research was conducted in the Mandalika Special Economic Zone (SEZ), located in Lombok, Indonesia, which has been designated as one of the country's priority tourism destinations. The area has experienced rapid tourism development driven by international events and government-led infrastructure expansion, making it a strategic site for examining community-based tourism dynamics. Within this zone, the study focuses on homestay (Sarhunta) operators in Desa Kuta, a key tourism village that serves as a gateway to major attractions in Mandalika. The selection of this location is based on three considerations: (1) the high concentration of community-based accommodations, (2) the implementation of government-supported capacity-building programs, and (3) the presence of observable challenges in homestay management practices. This setting provides a relevant empirical context to analyze how local communities adapt to tourism development pressures while attempting to improve their managerial capabilities.

3. Data Collection Methods

Data were collected using multiple qualitative techniques to ensure data richness and triangulation.

A. In-depth Interviews

Semi-structured interviews were conducted with key stakeholders, including homestay owners, local community members, tourism officials, and training facilitators. This method allows for flexibility in exploring participants' experiences while maintaining consistency across interviews (Kallio et al., 2016). The interviews focused on topics such as training experiences, operational challenges, and perceived impacts of capacity-building initiatives.

B. Questionnaire Survey (Supportive Data)

To complement the qualitative findings, a structured questionnaire survey was conducted among homestay operators participating in the *Sarana Hunian Pariwisata* (Sarhunta) program in the Mandalika Special Economic Zone. The survey was designed to capture general patterns related to training effectiveness, skill acquisition, operational challenges, and perceived business constraints. A total of 50 homestay operators were selected using purposive sampling, based on two criteria: (1) active involvement in homestay operations and (2) prior participation in government-supported capacity-building programs. Of the questionnaires distributed, 42 valid responses were returned and included in the analysis, resulting in a response rate of 84%.

The questionnaire consisted of two sections. The first section collected respondents' demographic and business characteristics, including length of operation, training participation, and accommodation capacity. The second section measured perceptions regarding capacity development and operational challenges using a five-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). The survey instrument was developed based on previous studies on community capacity building and homestay management (Aref, 2011; Junaid, 2021) and was reviewed by tourism academics and practitioners to ensure content validity.

Survey data were analyzed using descriptive statistics, including frequencies, percentages, means, and ranking analysis, to identify dominant patterns and constraints experienced by homestay operators. The survey results were not intended for statistical generalization; rather, they served as supportive evidence to strengthen the qualitative findings through methodological triangulation. The integration of survey and qualitative data enhanced the credibility and robustness of the analysis by allowing cross-validation of themes emerging from interviews, observations, and document analysis.

C. Observation

Direct observations were conducted to examine homestay operations, service delivery practices, and facility conditions. Observational data provide contextual validation of interview findings and help identify discrepancies between reported and actual practices (Angrosino, 2007).

D. Document Analysis

Secondary data were collected from government reports, policy documents, training materials, and previous research studies. Document analysis enables a broader understanding of the institutional and policy context influencing homestay development (Bowen, 2009).

The combination of these methods ensures data credibility through triangulation, which is essential in qualitative research to enhance validity and reliability.

4. Data Analysis Techniques

Data analysis was conducted using a thematic analysis approach, which involves identifying, analyzing, and interpreting patterns within qualitative data (Braun & Clarke, 2006). The analysis followed several stages:

A. Data Familiarization

All interview transcripts, field notes, questionnaire responses, and supporting documents were carefully reviewed to gain a comprehensive understanding of the data.

B. Coding Process

Relevant data segments were systematically coded to identify recurring issues and patterns related to community capacity development, homestay management practices, training effectiveness, and operational challenges.

C. Theme Development

Codes were subsequently organized into broader themes, including technical capacity, managerial capacity, adaptive capacity, collaborative capacity, training effectiveness, and business constraints.

D. Interpretation and Synthesis

The identified themes were interpreted in relation to the research objectives and existing theoretical perspectives on community-based tourism and community capacity development. Particular attention was given to understanding the relationships between capacity-building initiatives, operational performance, and the sustainability of community-based accommodation enterprises.

Furthermore, data validation was ensured through source triangulation and methodological triangulation by comparing findings obtained from interviews, observations, questionnaire surveys, and document analysis. Consistency checks were also conducted across different respondent groups and data sources to enhance the credibility, dependability, and trustworthiness of the findings.

RESULT AND DISCUSSION

Results

1. Community Capacity in Homestay Management: Current Conditions

The findings reveal that community capacity in managing tourism accommodation within the Mandalika Special Economic Zone remains uneven and transitional. While the introduction of homestay (*Sarhunta*) programs has enabled local residents to participate directly in tourism activities, the level of managerial competence varies significantly among operators.

Empirical evidence indicates that prior to the implementation of government-supported programs, most community members had no prior experience in hospitality management, particularly in areas such as service delivery, pricing strategies, and guest handling. This condition is reflected in the following interview excerpt:

"Before receiving the Sarhunta program, we only used our house for living. We didn't understand how to serve guests, set room prices, or manage bookings." (Homestay owner,

Interview 2023)

The persistence of capacity limitations at the operational level suggests that existing capacity-building interventions have primarily focused on transferring technical skills rather than developing higher-order managerial competencies. Most training programs provided to homestay operators emphasize housekeeping, guest handling, and basic hospitality standards because these competencies are easier to deliver within short-term training formats and produce immediate observable outcomes. However, managerial capabilities such as financial planning, pricing strategies, market analysis, and business decision-making require longer learning processes, continuous mentoring, and practical business experience. As a result, capacity development tends to remain concentrated at the operational level, while managerial and strategic competencies receive less attention.

Furthermore, several structural factors appear to constrain the progression from operational to managerial capacity. First, many homestay operators entered the tourism sector without prior entrepreneurial or hospitality backgrounds, limiting their ability to internalize and apply more complex business concepts. Second, capacity-building programs are often project-based and event-driven, resulting in limited follow-up support after training activities are completed. Third, weak integration into tourism markets reduces opportunities for experiential learning and business innovation. Without regular interaction with diverse market segments, operators have little incentive or opportunity to develop advanced managerial skills. These conditions create a situation in which technical competencies improve incrementally, but managerial capacity remains underdeveloped.

From a community capacity perspective, this finding reflects what may be described as a capacity progression constraint, where improvements in basic operational skills are not accompanied by corresponding advances in strategic and entrepreneurial capabilities. This condition reinforces the argument that sustainable homestay development depends not only on technical training but also on the creation of institutional support systems that facilitate continuous learning, mentoring, market engagement, and adaptive business development.

Following training interventions, improvements were observed in basic operational competencies. Informants reported increased ability in housekeeping practices, guest reception, and simple administrative tasks:

“Now we know how to prepare rooms properly and welcome guests better. But for managing online bookings or promotions, we still don’t understand much.” (Homestay operator, Interview 2025).

Despite these improvements, the findings suggest that capacity development remains largely technical and procedural, rather than strategic or managerial. This indicates that while training programs have improved *operational readiness*, they have not yet translated into independent business capability.

To further illustrate this condition, Table 1 presents a synthesis of community capacity before and after intervention.

Table 1. Comparison of Community Capacity Before and After Capacity-Building Interventionn.

Capacity Dimension	Operational Indicators	Before Intervention	After Intervention	Remaining Gaps
Technical Capacity	Room preparation, cleanliness standards, guest reception procedures	No understanding of basic hospitality service standards and accommodation operations	Able to perform basic housekeeping procedures, room preparation, and guest reception according to minimum service standards	Service quality remains inconsistent and lacks standardized operating procedures
Managerial Capacity	Financial recording, pricing decisions, business planning	No financial records, pricing system, or business planning practices	Able to maintain simple administrative records and determine basic room pricing	Limited financial planning, budgeting, and strategic decision-making capabilities
Marketing Capacity	Promotion activities, customer outreach, use of digital platforms	No formal marketing activities or promotional channels	Limited promotion through personal networks and local tourism events	Low digital literacy and limited utilization of online booking platforms and social media marketing
Communication Capacity	Interaction with domestic and international tourists	Very limited ability to communicate with visitors, particularly international tourists	Improved basic communication with guests and ability to provide simple tourism information	Insufficient foreign language proficiency and limited intercultural communication skills
Business Independence Capacity	Business operation without external assistance, customer acquisition, decision-making autonomy	Fully dependent on government support and event-based demand	Increased ability to manage daily operations independently	Continued dependence on government programs, tourism events, and external promotion support

Source: Authors' analysis based on interviews, observations, questionnaire survey, and document review, 2025.

The revised comparison demonstrates that improvements were most evident in operational and service-related competencies, particularly those directly addressed through training interventions. However, progress was considerably weaker in managerial, marketing, and business independence capacities. This pattern suggests that existing capacity-building programs have been more effective in developing routine operational skills than in fostering higher-order entrepreneurial and strategic capabilities. The persistence of these gaps reinforces the argument that sustainable homestay development requires continuous mentoring, market integration, and institutional support beyond short-term training activities.

The table confirms that although there has been incremental progress, significant gaps remain in higher-order competencies such as managerial decision-making, digital marketing, and business sustainability. This condition aligns with the concept of “partial capacity development”, where interventions succeed in improving basic skills but fail to foster comprehensive managerial capability (Amran, 2014). In this context, capacity building is still confined to *functional skills*, without sufficiently addressing *strategic thinking and adaptive capability*.

Further evidence from field observations indicates that many homestay operators still rely on passive business models, such as waiting for guests during major events:

“We usually only get guests during MotoGP or big events. Outside that, it’s very quiet because we don’t know how to attract tourists.” (Homestay owner, Interview 2024)

This dependency reflects a broader structural issue, where community-based enterprises remain vulnerable due to limited market access and lack of innovation. As a result, many operators are unable to respond effectively to fluctuations in tourism demand.

Overall, the findings suggest that community capacity in homestay management is currently positioned at a “basic operational level”, with limited transition toward entrepreneurial and strategic capability. This transitional condition highlights the need for a more integrated and sustained capacity development approach that goes beyond technical training to include mentoring, digital empowerment, and market integration.

2. Effectiveness of Capacity-Building Programs

The study further finds that capacity-building initiatives particularly training programs have demonstrated moderate effectiveness, with outcomes that are uneven across different competency domains. Training interventions have been notably successful in enhancing technical skills, especially in housekeeping, basic hospitality service, and facility arrangement. Participants consistently reported increased confidence in handling guests and maintaining minimum accommodation standards.

This improvement is reflected in the following interview excerpt:

“After joining the training, we understand how to prepare rooms properly, arrange facilities, and serve guests more politely. Before that, we didn’t know these standards.” (Homestay operator, Interview 2025)

Similarly, another informant emphasized the practical benefits of training:

“The training helped us improve our service, especially how to welcome guests and keep the rooms clean. Guests now feel more comfortable.” (Community member, Interview 2025)

However, despite these improvements, the effectiveness of capacity-building programs remains limited in strategic dimensions, particularly in areas that determine long-term business sustainability. These includes business management and financial planning, digital marketing and online platform utilization, and foreign language proficiency. This limitation is

evident from participants' experiences:

"We were taught how to serve guests, but not how to promote our homestay online or manage finances. That's still difficult for us." (Homestay owner, Interview 2025)

"Most of us cannot use online platforms like booking applications. We still depend on guests coming directly." (Homestay operator, Interview 2025).

To strengthen the qualitative findings, survey data were analyzed to identify the most dominant constraints faced by homestay operators. The results are summarized in Table 2.

Table 2. Key Constraints in Homestay Capacity Development

Constraint Category	Percentage (%)	Number of Respondents (n=42)*	Description
Human resource limitations	64%	27 respondents	Lack of managerial skills, hospitality knowledge, and business management capability
Low digital literacy	52%	22 respondents	Limited ability to use online booking platforms, social media, and digital marketing tools
Financial & infrastructure issues	48%	20 respondents	Limited access to business capital, infrastructure support, and operational facilities
Socio-cultural barriers	34%	14 respondents	Challenges related to mindset, motivation, adaptation, and participation in tourism activities

Source: Authors' survey data, 2025.

Note: Percentages were calculated based on the number of respondents identifying each issue as a major constraint. Respondents were allowed to select more than one constraint category; therefore, the total percentage exceeds 100%.

The percentages presented in Table 2 were derived from questionnaire responses collected from homestay operators participating in the study. Respondents were asked to identify the major constraints affecting their homestay operations and capacity development. Since respondents were allowed to select multiple constraint categories, the percentages do not represent mutually exclusive responses and therefore do not total 100 percent. The findings indicate that human resource limitations and low digital literacy are the most frequently reported constraints, suggesting that managerial and technological capabilities remain critical barriers to sustainable homestay development in the Mandalika Special Economic Zone.

3. Key Challenges in Homestay Management

The results identify several structural and operational challenges that hinder the effective management of homestays in the Mandalika Special Economic Zone. These challenges are not only technical but also reflect deeper limitations in adaptive capacity, market integration, and institutional support.

A. Limited Marketing and Digital Capabilities

One of the most critical challenges identified is the limited capacity of homestay

operators in marketing and digital engagement. Most operators still rely on passive strategies, such as waiting for walk-in guests or depending on peak tourism events. This condition is reflected in the following interview excerpts:

"We usually just wait for guests to come. If there is a big event like MotoGP, we get visitors. Outside of that, it is very quiet." (Homestay owner, Interview 2025)

"We don't know how to use online booking applications or promote our homestay on social media." (Homestay operator, Interview 2025)

Field observations further confirm that only a small proportion of homestays are connected to digital platforms such as Online Travel Agencies (OTAs), indicating low digital integration within the community-based accommodation sector.

B. Competition with Established Accommodation Providers

Homestays are increasingly exposed to competition from hotels and professional accommodations that offer higher service standards, better facilities, and stronger branding. Participants highlighted this competitive pressure:

"Tourists prefer hotels because they are more complete and more professional. Our homestay is still simple." (Community member, Interview 2025)

"Even if our price is cheaper, guests still choose hotels because they trust the service more." (Homestay owner, Interview 2025).

C. Dependency on External Support

Another significant challenge is the high dependency on government programs and external assistance. Many homestay operators rely on support in the form of infrastructure, training, and promotional activities. This dependency is evident in the following statements:

"We depend on government programs, especially for promotion and training. Without that, it is difficult for us to run the business." (Homestay operator, Interview 2025)

"If there is no event or support, our homestay rarely gets guests." (Homestay owner, Interview 2023)

This indicates that many homestays have not yet achieved business independence, making them vulnerable to fluctuations in tourism demand and policy changes.

D. Inconsistent Service Quality

Service quality across homestays varies significantly, reflecting differences in training absorption, individual motivation, and operational commitment. This inconsistency is illustrated by the following:

"Some homestays are already good, but others are still not clean or not ready to receive guests." (Tourism stakeholder, Interview 2025)

"Each owner manages differently. There is no standard that everyone follows." (Local official, Interview 2025)

Table 3. Key Challenges in Homestay Management

Challenge Category	Key Issues Identified	Impact on Homestay Performance
Marketing & Digital Capability	Passive marketing, low OTA usage, limited digital skills	Low occupancy rates, limited market reach
Competition	Strong hotel presence, lack of differentiation	Reduced competitiveness
Dependency	Reliance on government support and events	Low business resilience
Service Quality	Inconsistent standards and service delivery	Low customer satisfaction

Source: Authors, 2025

The findings suggest that these challenges are interconnected and systemic, rather than isolated issues. Limited digital capability reduces market access, which in turn increases dependency on external support. At the same time, inconsistent service quality weakens competitiveness, reinforcing the dominance of established accommodation providers. This condition highlights a critical gap between capacity provision (training) and capacity utilization (practice and adaptation).

Moreover, the persistence of these challenges indicates that capacity development in community-based tourism is not solely a matter of training provision, but requires continuous mentoring, institutional strengthening, adaptive learning systems, and integration into tourism value chains. This interpretation is consistent with Moscardo (2008), who argues that sustainable community capacity building must involve long-term empowerment processes and systemic support mechanisms, rather than one-off training interventions.

4. Strategic Dimensions of Community Capacity Strengthening

Based on the findings, community capacity in homestay management within the Mandalika Special Economic Zone can be conceptualized into four interrelated strategic dimensions, namely technical, managerial, adaptive, and collaborative capacity. These dimensions reflect different layers of competence required for sustaining community-based tourism enterprises and highlight the uneven development of capacity among homestay operators.

The first dimension, technical capacity, refers to operational competencies such as housekeeping practices, guest services, and basic facility management. This dimension has shown the most significant improvement as a result of training interventions. Homestay operators have demonstrated increased ability to meet minimum service standards, particularly in room preparation and guest handling. However, these improvements are largely confined to routine operational tasks and do not necessarily translate into higher service differentiation or quality consistency across operators. As such, technical capacity development can be considered necessary but insufficient for achieving long-term competitiveness.

In contrast, managerial capacity remains relatively weak and underdeveloped. This

dimension includes essential business functions such as financial management, pricing strategies, record-keeping, and business planning. The findings indicate that most homestay operators still lack the ability to manage their businesses strategically, particularly in terms of cost control, revenue optimization, and long-term planning. As a result, many operators operate at a subsistence level, without clear business models or growth strategies. This limitation constrains their ability to transition from informal accommodation providers to professional tourism entrepreneurs.

The third dimension, adaptive capacity, reflects the ability of homestay operators to respond to dynamic market conditions, adopt digital technologies, and innovate their services. The findings suggest that adaptive capacity is still limited, particularly in relation to digital transformation and market responsiveness. Many operators have not yet integrated online booking systems, digital marketing tools, or customer feedback mechanisms into their operations. This restricts their access to broader markets and limits their ability to respond to changing tourist preferences. Consequently, homestays remain highly dependent on seasonal demand and large-scale events, rather than developing stable and diversified market channels.

The fourth dimension, collaborative capacity, involves the ability of community members to engage in networks, build partnerships with tourism stakeholders, and participate in broader tourism ecosystems. While some forms of collaboration exist such as participation in government programs or local tourism activities these are often informal and not systematically developed. The absence of structured collaboration mechanisms limits knowledge sharing, collective marketing, and resource pooling among homestay operators. This weakens the overall competitiveness of community-based accommodation as a collective system.

To provide a clearer overview of these dimensions, Table 4 summarizes the characteristics and current conditions of community capacity in homestay management.

Table 4. Strategic Dimensions of Community Capacity in Homestay Management

Capacity Dimension	Key Components	Current Condition	Strategic Implication	Relationship with Other Dimensions
Technical Capacity	Housekeeping, guest service, facility management	Moderately developed	Supports basic operations but lacks differentiation	Provides the operational foundation upon which managerial and adaptive capacities can be developed
Managerial Capacity	Financial management, pricing, business planning	Weak and underdeveloped	Limits business sustainability and growth	Determines the effectiveness of technical skills in generating business performance and long-term viability
Adaptive Capacity	Digital adoption, innovation, market responsiveness	Low	Restricts market access and competitiveness	Depends on managerial capacity to support innovation and strategic adaptation

Collaborative Capacity	Networking, partnerships, stakeholder engagement	Limited and informal	Weakens collective competitiveness	Facilitates knowledge sharing, resource access, and collective learning that strengthen all other capacity dimensions
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Source: Authors' analysis based on thematic findings, 2025

The four dimensions identified in this study should not be understood as independent components of community capacity. Rather, they represent an interconnected and mutually reinforcing system of capabilities. Technical capacity provides the operational foundation for service delivery, but its contribution to business performance depends on the presence of managerial capacity that enables planning, financial control, and strategic decision-making. Similarly, adaptive capacity is difficult to develop in the absence of managerial competencies because innovation and market responsiveness require both strategic direction and resource management. Collaborative capacity plays a cross-cutting role by facilitating access to information, partnerships, knowledge exchange, and external support networks, thereby strengthening the development of all other capacity dimensions. Consequently, weaknesses in one dimension may constrain the effectiveness of the others, suggesting that community capacity development should be approached as a systemic and integrated process rather than as a collection of separate competencies.

Discussion

Beyond confirming previous studies, the findings also extend existing theories of community capacity development in tourism. Much of the previous literature conceptualizes community capacity as a cumulative process in which increased skills and knowledge are expected to lead progressively to empowerment, self-reliance, and sustainable community participation (Aref, 2011; Moscardo, 2008; Giampiccoli et al., 2022; Su et al., 2023). However, the Mandalika case suggests that capacity development may not necessarily follow a linear progression. The findings reveal that substantial improvements in technical skills can coexist with persistent weaknesses in managerial, adaptive, and entrepreneurial capacities. This indicates that capacity development is not simply a matter of accumulating competencies but is also shaped by structural conditions such as market access, institutional support, mentoring systems, and opportunities for experiential learning (Dolezal & Novelli, 2022; Kontogeorgopoulos et al., 2024; Azzopardi & Nash, 2023).

Furthermore, the study refines existing community capacity theory by highlighting the existence of a capacity utilization gap, where knowledge and skills acquired through training are not effectively translated into operational and strategic business practices. This finding challenges the implicit assumption within many capacity-building models that training participation automatically leads to improved performance and sustainable outcomes. Instead, the results suggest that the effectiveness of capacity development depends on the interaction between individual competencies and enabling institutional environments (Boley et al., 2022; Sharma et al., 2023; Nunkoo et al., 2024).

The study also extends current theoretical perspectives by proposing that community

capacity in tourism accommodation should be understood as a multidimensional and interdependent construct consisting of technical, managerial, adaptive, and collaborative capacities. While previous studies have often emphasized technical competencies and community participation, the findings demonstrate that deficiencies in managerial and adaptive capacities can significantly constrain the long-term sustainability of community-based tourism enterprises (Zielinski et al., 2021; Dodds et al., 2022; Tasci et al., 2024). This perspective contributes to a more nuanced understanding of how community capacity evolves in rapidly developing tourism destinations and provides a basis for future refinement of community capacity frameworks in tourism research (Rastegar et al., 2023; Hall et al., 2024).

A key insight emerging from this study is the existence of a structural gap between capacity provision and capacity utilization. Although training programs have been widely implemented, their impact on actual business performance remains constrained. This gap is evident in the persistence of challenges such as low digital adoption, weak financial management, and dependence on external support.

From a theoretical perspective, this finding aligns with the concept of absorptive capacity, which emphasizes the ability of individuals or organizations to internalize and apply new knowledge (Cohen & Levinthal, 1990). In the context of community-based tourism, limited absorptive capacity may stem from factors such as low educational background, lack of continuous mentoring, and weak institutional support systems.

Furthermore, the results reinforce the argument that capacity building is not a linear process, but rather a dynamic interaction between individual capabilities, institutional structures, and market conditions (Amran, 2014). Without mechanisms to translate training outcomes into practice such as coaching, peer learning, and performance monitoring capacity-building programs risk becoming symbolic interventions rather than drivers of real change.

The identification of four strategic dimensions technical, managerial, adaptive, and collaborative capacity highlights the multidimensional nature of community capacity. Importantly, these dimensions are not independent; rather, they are interdependent and mutually reinforcing. For instance, limited managerial capacity constrains the development of adaptive capacity, particularly in relation to digital transformation and market responsiveness. Similarly, weak collaborative capacity reduces opportunities for knowledge exchange and collective innovation, further reinforcing structural limitations at the community level. This interdependence supports the argument that community-based tourism should be understood as a systemic phenomenon, where individual competencies are embedded within broader socio-economic and institutional contexts (Hall, 2008). As such, interventions that focus solely on individual skills without addressing systemic constraints such as market access, institutional coordination, and governance structures are unlikely to achieve sustainable impact.

Building on these findings, this study proposes a shift toward a transformative model of community capacity strengthening, which goes beyond conventional training approaches. This model emphasizes three key elements:

1. **Continuous Capacity Development**

Capacity building should be designed as a long-term process, incorporating mentoring, coaching, and iterative learning, rather than one-off training sessions.

2. Digital and Market Integration

Enhancing adaptive capacity requires integrating homestay operators into digital ecosystems, including online booking platforms, social media marketing, and data-driven decision-making.

3. Collaborative Governance and Network Development

Strengthening collaborative capacity involves fostering partnerships among communities, government agencies, private sector actors, and educational institutions to create a supportive tourism ecosystem.

This model aligns with contemporary perspectives on sustainable tourism development, which emphasize the importance of co-creation, network governance, and inclusive growth (Hampton et al., 2018). By adopting a more integrated approach, community-based accommodation can transition from subsistence-level enterprises to resilient and competitive tourism actors.

This study contributes to the literature by advancing an integrated conceptualization of community capacity in tourism accommodation, linking technical, managerial, adaptive, and collaborative dimensions within a single analytical framework. Unlike previous studies that examine capacity building in isolation, this research highlights the interconnected and systemic nature of capacity development, particularly in rapidly developing tourism destinations. Moreover, the study extends the CBT literature by introducing the concept of a capacity utilization gap, providing a new lens for understanding why capacity-building programs often fail to achieve expected outcomes. This contribution is particularly relevant for scholars examining the effectiveness of development interventions in tourism contexts.

From a practical perspective, the findings offer important implications for policymakers and practitioners. First, capacity-building programs should move beyond technical training and incorporate entrepreneurial and strategic competencies, including financial management and digital literacy. Second, there is a need to design integrated support systems, combining training, mentoring, and institutional coordination. Third, strengthening community-based tourism requires fostering collaborative networks that enable resource sharing and collective competitiveness. These implications are particularly relevant for tourism development in Special Economic Zones, where rapid growth often outpaces the readiness of local communities.

Overall, the discussion highlights that strengthening community capacity in tourism accommodation is not merely a matter of improving skills, but requires a systemic and transformative approach that integrates individual capabilities, institutional support, and market dynamics. Without such an approach, community-based tourism risks remaining at a basic operational level, unable to fully realize its potential as a driver of inclusive and sustainable development.

CONCLUSION

This study examined the process of strengthening community capacity in tourism accommodation management within the context of homestay development in the Mandalika Special Economic Zone. The findings demonstrate that while capacity-building initiatives particularly training programs have contributed to improving technical competencies, such as

housekeeping and basic guest services, their impact remains limited at the managerial, adaptive, and strategic levels.

The study reveals that community capacity is currently situated at a transitional stage, characterized by partial skill acquisition but limited business independence. The persistence of key challenges including low digital literacy, weak financial management, dependency on external support, and inconsistent service quality indicates that existing capacity-building efforts have not yet achieved transformative outcomes.

Furthermore, this research identifies a critical capacity utilization gap, where knowledge gained through training is not effectively translated into practice. This gap highlights the limitations of short-term, fragmented training approaches and underscores the need for a more integrated and sustained capacity development model.

Overall, the study concludes that strengthening community capacity in tourism accommodation requires a shift from technical skill enhancement toward holistic capability development, integrating managerial competence, adaptive capacity, and collaborative networks to support sustainable and competitive community-based tourism.

1. Theoretical Implications

This study contributes to the advancement of community-based tourism literature by proposing an integrated framework of community capacity, consisting of four interrelated dimensions: technical, managerial, adaptive, and collaborative capacity. This multidimensional perspective extends existing studies that often treat capacity development as a singular or linear process. In addition, the introduction of the concept of a capacity utilization gap offers a novel theoretical lens for understanding the disconnect between capacity-building interventions and actual performance outcomes. This contribution is particularly relevant for future research exploring the effectiveness of development programs in tourism and other community-based sectors.

2. Practical Implications

From a practical standpoint, the findings suggest that policymakers and tourism stakeholders need to reorient capacity-building strategies in several key ways:

A. From Training to Continuous Development

Capacity-building programs should incorporate long-term mentoring, coaching, and follow-up mechanisms to ensure knowledge application and behavioral change.

B. Strengthening Digital and Entrepreneurial Skills

There is a critical need to enhance digital literacy, online marketing capabilities, and business management skills to improve competitiveness in the tourism market.

C. Developing Collaborative Ecosystems

Building partnerships among communities, government agencies, private sector actors, and educational institutions is essential to support collective learning and resource sharing.

D. Aligning Policy with Local Needs

Tourism development policies, particularly in Special Economic Zones, should consider the readiness and capacity of local communities to ensure inclusive and sustainable growth.

3. Policy Implications

For tourism policy development, particularly in Special Economic Zones, this study highlights the importance of integrating community capacity development into broader tourism planning frameworks. Infrastructure development alone is insufficient; it must be accompanied by institutional support systems that enable communities to actively participate and compete within the tourism economy.

Despite its contributions, this study has several limitations that should be acknowledged. First, the research adopts a case study approach focused on a single tourism destination, which may limit the generalizability of the findings to other contexts with different socio-economic and cultural characteristics. Future studies are encouraged to conduct comparative analyses across multiple destinations or regions to validate and refine the proposed framework.

Second, the study primarily relies on qualitative methods, supported by limited quantitative data. While this approach allows for in-depth understanding, future research could employ mixed-method or longitudinal designs to examine changes in community capacity over time and measure the long-term impact of capacity-building interventions.

Third, this research focuses mainly on the perspective of community members and local stakeholders. Further studies could incorporate tourist perceptions, market analysis, and performance indicators (e.g., occupancy rates, revenue growth) to provide a more comprehensive evaluation of homestay competitiveness. Finally, future research could explore the role of digital transformation, innovation ecosystems, and smart tourism technologies in accelerating community capacity development, particularly in rapidly evolving tourism destinations.

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