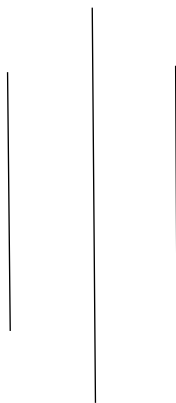


**A PROJECT WORK ON
A QUALITATIVE STUDY OF CHALLENGES,
OPPORTUNITIES AND SERVICE TRADITION
OF HOMESTAYS IN GHANDRUK**



BY

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of the requirements for the degree of

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July 2026

DECLARATION

I hereby declare that the project work report entitled “**A Qualitative Study Of Challenges, Opportunities And Service Tradition Of Homestays In Ghandruk**” submitted for the BHM is my original work and the Project Work Report has not formed the basis for the award of any degree, diploma, or other similar titles.

Nayan Basnet

July 2026

CERTIFICATE

This is to certify that the Project Work titled “**A Qualitative Study Of Challenges, Opportunities And Service Tradition Of Homestays In Ghandruk**” submitted by Nayan Basnet, (23150236) for the partial fulfillment of the requirements of BHM embodies the Bonafide work done by him under my supervision.

Suresh Raj Adhikari
Supervisor, Project work
July 2026

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Thank you

Nayan Basnet

BHM VI Semester

Table of Contents

DECLARATION.....	i
CERTIFICATE.....	ii
ACKNOWLEDGEMENTS.....	iii
CHAPTER I INTRODUCTION.....	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	5
1.3 Research Questions	7
1.4 Objectives of the Study	7
1.5 Significance of the Study	8
1.6 Literature Review.....	9
1.6.1 Challenges Faced by Homestay Operators	10
1.6.2 Opportunities Created through Homestay Tourism	13
1.6.3 Service Traditions and Hospitality Practices in Homestays	14
1.6.4 Research Gap	15
1.7 Research Methodology	16
1.7.1 Research Design.....	16
1.7.2 Study Area and Site Selection.....	16
1.7.3 Data Collection Methods	16
1.7.4 Ethical Considerations	17
1.7.5 Limitations of the Study.....	17
CHAPTER II FINDINGS	19
2.1 Overview of Data Collection and Participant Profile	19
2.2.1 Seasonal Fluctuation of Tourist Arrivals.....	21
2.2.2 Inadequate Infrastructure and Transportation Facilities	22
2.2.3 Increasing Competition and Changing Tourist Expectations.....	23
2.3 Summary	25
CHAPTER III	27
CONCLUSION AND RECOMMENDATIONS	27
3.1 Conclusion	27
3.2 Recommendations.....	29
REFERENCES	31
APPENDICES	34

Interview questionnaires	34
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CHAPTER I

INTRODUCTION

1.1 Background of the Study

Tourism has become one of the fastest-growing industries in the world and plays a significant role in economic development, employment generation, cultural exchange, and environmental conservation. According to the United Nations World Tourism Organization (UNWTO, 2023), tourism contributes substantially to the global economy by creating employment opportunities, supporting local businesses, and improving the livelihoods of millions of people. In recent decades, tourists have increasingly shifted their preferences from conventional mass tourism towards more authentic, experience-based, and community-oriented forms of tourism. Rather than simply visiting destinations, modern travelers seek meaningful interactions with local communities, traditional lifestyles, indigenous cultures, and authentic hospitality experiences. This growing trend has encouraged many countries to promote community-based tourism as a sustainable approach to tourism development.

Community-based tourism has gained worldwide recognition because it allows local people to actively participate in tourism activities while maintaining ownership of their natural and cultural resources. Unlike conventional tourism models, where large hotels and private investors receive most of the economic benefits, community-based tourism ensures that local communities become direct beneficiaries of tourism development. According to Murphy (1985), tourism becomes more sustainable when local communities participate in planning, managing, and benefiting from tourism activities. Similarly, Tosun (2006) argued that active community participation not only strengthens local economies but also improves social inclusion, cultural preservation, and long-term sustainability. Consequently, many developing countries have adopted community-based tourism as an effective strategy for reducing rural poverty while protecting local traditions and cultural identity.

One of the most successful forms of community-based tourism is homestay tourism. Homestay tourism provides visitors with an opportunity to stay in local family homes and experience the everyday lifestyle, traditions, customs, food, and culture of the host community. Unlike commercial accommodation establishments,

homestays emphasize personal interaction between hosts and guests, allowing visitors to experience local life in an authentic environment. Lynch (2005) explained that homestays differ from traditional hotels because they promote direct cultural exchange, mutual learning, and meaningful relationships between hosts and visitors. Similarly, Kontogeorgopoulos et al. (2015) noted that homestay tourism creates mutual benefits by providing authentic cultural experiences for tourists while generating income and employment opportunities for local households.

The increasing popularity of homestay tourism reflects changing tourist expectations. Modern travelers, particularly cultural tourists, backpackers, eco-tourists, and adventure travelers, increasingly prefer destinations that offer authentic experiences rather than standardized tourism products. Visitors are becoming more interested in learning about local customs, participating in traditional festivals, tasting local cuisine, and understanding indigenous ways of life. According to Richards (2018), experience-based tourism has become one of the major driving forces behind the growth of rural tourism, as tourists increasingly value cultural authenticity and personal interaction over luxury accommodation. Consequently, homestays have become an important component of sustainable tourism development in many countries, particularly in rural and mountainous regions where local culture remains well preserved.

Besides enhancing visitor experiences, homestays contribute significantly to local economic development. Income generated through accommodation, food services, cultural performances, guiding services, handicraft sales, and agricultural products directly benefits local households. Goodwin and Santilli (2009) emphasized that community-based tourism creates employment opportunities and diversifies rural livelihoods by reducing dependence on traditional agriculture. Homestays also encourage entrepreneurship among local residents, particularly women and youth, by providing opportunities to participate in tourism-related businesses. Moreover, tourism income often supports improvements in education, healthcare, housing, sanitation, and community infrastructure, thereby contributing to overall rural development.

Another important contribution of homestay tourism is the preservation of local culture and traditional knowledge. Cultural heritage has become one of the

primary attractions for visitors seeking authentic travel experiences. As a result, local communities are encouraged to preserve traditional architecture, indigenous cuisine, folk music, dance, handicrafts, language, customs, and festivals. According to UNESCO (2003), safeguarding intangible cultural heritage is essential for maintaining cultural diversity and strengthening community identity. Homestays provide an effective platform through which local communities can continue practicing and transmitting their traditions while simultaneously generating economic benefits. This balance between cultural preservation and economic development makes homestay tourism an important model of sustainable tourism.

However, despite its many benefits, homestay tourism also faces several challenges. Seasonal fluctuations in tourist arrivals often create unstable income for rural households. Inadequate transportation, limited infrastructure, insufficient marketing, poor digital connectivity, lack of hospitality training, and increasing competition from hotels and lodges continue to affect the sustainability of homestay businesses. Furthermore, changing tourist expectations require homestay operators to continuously improve service quality while maintaining the authenticity of their cultural traditions. As tourism becomes increasingly competitive, balancing modernization with cultural preservation has become one of the greatest challenges faced by rural tourism destinations (Sharma & Chettri, 2021).

In Nepal, tourism has long been recognized as one of the country's major economic sectors. Blessed with the Himalayas, diverse ethnic communities, rich cultural heritage, religious sites, and unique biodiversity, Nepal attracts thousands of domestic and international visitors every year. Tourism contributes significantly to foreign exchange earnings, employment generation, and regional development. Recognizing the importance of rural tourism, the Government of Nepal introduced the Homestay Operational Procedure, 2067 (2010), to encourage local participation in tourism and promote community-based tourism throughout the country. Since then, homestay programs have expanded rapidly across different provinces, enabling rural households to benefit directly from tourism while preserving their cultural identity.

Homestay tourism in Nepal has become particularly successful in ethnic communities where traditional lifestyles remain relatively intact. Villages such as Sirubari, Ghalegaun, BARPak, Bandipur, and Ghandruk have emerged as leading

examples of community-based tourism destinations. Previous studies have shown that Nepalese homestays contribute not only to household income but also to women's empowerment, youth employment, cultural revitalization, and environmental conservation (Acharya & Halpenny, 2013; Gurung & Scholz, 2008). Through community participation, these destinations have successfully combined tourism development with cultural preservation, creating sustainable livelihood opportunities for local residents.

Among Nepal's community-based tourism destinations, Ghandruk stands out as one of the country's most successful and internationally recognized homestay villages. Located in Annapurna Rural Municipality of Kaski District, Ghandruk is a traditional Gurung settlement situated along the famous Annapurna trekking route. The village is widely known for its breathtaking Himalayan scenery, stone-paved pathways, traditional Gurung houses, cultural heritage, museums, and warm hospitality. Every year, thousands of domestic and international trekkers visit Ghandruk to experience Gurung culture, traditional cuisine, cultural performances, and authentic village life. Homestays have become an integral part of the village's tourism economy by providing visitors with accommodation while allowing local households to participate directly in tourism activities.

The success of homestay tourism in Ghandruk extends beyond economic benefits. Homestays have encouraged the preservation of traditional Gurung architecture, local food preparation methods, folk songs, dances, cultural ceremonies, and community values. Hospitality in Ghandruk is not merely a commercial service but reflects the community's cultural identity, where guests are welcomed with warmth, respect, and traditional customs. These service traditions distinguish Ghandruk from commercial accommodation establishments and contribute significantly to visitor satisfaction and destination competitiveness.

Despite these achievements, homestay operators in Ghandruk continue to encounter various challenges. Increasing competition from hotels and guesthouses, fluctuating tourist arrivals due to seasonal variations, limited infrastructure, rising operational costs, changing visitor expectations, digital marketing requirements, and external shocks such as the COVID-19 pandemic have affected the sustainability of many homestay businesses. At the same time, local communities continue to explore

new opportunities created by tourism while attempting to preserve their traditional hospitality practices in a rapidly changing tourism environment.

Although numerous studies have examined community-based tourism, rural tourism development, and the economic impacts of homestays in Nepal, relatively limited qualitative research has explored how homestay operators themselves experience these challenges, opportunities, and traditional service practices within the specific context of Ghandruk. Most existing studies emphasize measurable economic outcomes, whereas fewer studies examine the lived experiences and perspectives of homestay operators regarding their daily operations, cultural responsibilities, and future aspirations.

Therefore, this study entitled "A Qualitative Study of Challenges, Opportunities, and Service Traditions of Homestays in Ghandruk" aims to explore the experiences and perspectives of homestay operators in Ghandruk. The study seeks to understand the major challenges they face, the opportunities created through homestay tourism, and the traditional hospitality practices they continue to preserve. By providing an in-depth qualitative understanding of these issues, the study is expected to contribute to the sustainable development of community-based tourism in Ghandruk and provide useful insights for researchers, tourism practitioners, policymakers, and local communities.

1.2 Statement of the Problem

Homestay tourism has become one of the most important components of community-based tourism in Nepal. It has created opportunities for rural communities by generating employment, increasing household income, promoting local entrepreneurship, and preserving indigenous culture and traditions. Through active participation in tourism, local communities have been able to improve their socio-economic conditions while maintaining their cultural identity. Because of these benefits, the Government of Nepal, Nepal Tourism Board, and various development organizations have actively promoted homestays as an effective strategy for sustainable rural tourism development (Nepal Tourism Board, 2020).

Ghandruk, one of Nepal's leading homestay destinations, has received national and international recognition for its scenic beauty, Gurung culture, traditional hospitality, and community participation. The growth of tourism has created new

economic opportunities for local households through accommodation services, local food preparation, cultural performances, handicraft sales, guiding services, and other tourism-related activities. At the same time, homestays have encouraged local residents to preserve traditional architecture, customs, festivals, language, and hospitality practices that have been passed down through generations.

Despite these positive contributions, homestay operators in Ghandruk continue to face several challenges that may affect the long-term sustainability of their businesses. Seasonal fluctuations in tourist arrivals often result in unstable income and underutilization of available resources. Infrastructure limitations such as road accessibility, waste management, internet connectivity, drinking water supply, and sanitation facilities continue to influence the quality of tourism services. Furthermore, increasing competition from hotels, lodges, and online accommodation platforms has made it more difficult for homestay operators to attract visitors while maintaining competitive service standards. Many operators also experience difficulties related to digital marketing, customer expectations, hospitality training, and financial management.

Another important concern relates to the preservation of traditional hospitality practices. As tourism continues to expand, local communities are increasingly influenced by commercialization and changing visitor preferences. While modernization may improve service quality and business performance, it also raises concerns about maintaining the authenticity of Gurung culture, traditional food preparation, customary guest reception, local architecture, and community values. Balancing modern tourism demands with cultural preservation has therefore become an important issue for homestay operators.

Previous studies conducted in Nepal have primarily examined the economic contribution of homestays, community participation, tourist satisfaction, and rural tourism development (Gurung & Scholz, 2008; Acharya & Halpenny, 2013; Poudel, 2019). Similarly, several researchers have explored issues related to community-based tourism, sustainable tourism development, and cultural preservation in different regions of Nepal. However, much of this research has focused on quantitative indicators such as income generation, employment, tourist arrivals, or community participation. Comparatively fewer studies have attempted to understand the lived

experiences, perceptions, and personal viewpoints of homestay operators regarding the challenges they encounter, the opportunities they experience, and the traditional hospitality practices they continue to preserve within the specific context of Ghandruk.

Since Ghandruk is one of Nepal's most established and culturally significant homestay destinations, understanding the experiences of local homestay operators is essential for ensuring the sustainable development of community-based tourism. Exploring their perspectives can provide valuable insights into existing operational challenges, emerging tourism opportunities, and the importance of preserving traditional service practices in an increasingly competitive tourism market. Such understanding may also assist policymakers, tourism planners, local government authorities, tourism organizations, and community members in developing appropriate strategies for strengthening the sustainability and competitiveness of homestay tourism in Ghandruk.

Therefore, this study seeks to explore the challenges, opportunities, and service traditions of homestays in Ghandruk from the perspectives of homestay operators. By adopting a qualitative research approach, the study aims to provide a deeper understanding of their experiences and contribute practical recommendations for strengthening community-based tourism while preserving the unique cultural heritage and hospitality traditions of Ghandruk.

1.3 Research Questions

1. The study is guided by the following research questions:
2. What are the major challenges faced by homestay operators in Ghandruk?
3. What opportunities has homestay tourism created for local households and the wider community in Ghandruk?

1.4 Objectives of the Study

- To explore the major challenges faced by homestay operators in Ghandruk.
- To examine the opportunities created by homestay tourism for local households and the wider community in Ghandruk.

- To understand the traditional service practices and hospitality traditions followed by homestay operators in Ghandruk.

1.5 Significance of the Study

This study is expected to make meaningful contributions to the understanding of homestay tourism from both academic and practical perspectives. Although homestay tourism has expanded considerably in Nepal, particularly in rural destinations such as Ghandruk, there remains a need to understand the experiences of homestay operators beyond economic indicators. By exploring the challenges, opportunities, and traditional service practices of homestays through a qualitative approach, this study provides a more comprehensive understanding of community-based tourism development.

The findings of this study will be beneficial to homestay operators by helping them identify the major challenges affecting their businesses and recognize opportunities for improving service quality, visitor satisfaction, and business sustainability. Understanding these issues may encourage operators to strengthen their management practices while continuing to preserve traditional hospitality values that distinguish homestays from commercial accommodation establishments.

The study will also benefit local communities by highlighting the importance of homestays in generating employment, increasing household income, promoting local entrepreneurship, and preserving Gurung culture and traditions. The findings may encourage greater community participation in tourism while supporting initiatives aimed at protecting cultural heritage for future generations.

Similarly, policymakers, local governments, the Nepal Tourism Board, and tourism development organizations may use the findings to formulate policies and programs that address infrastructure improvement, capacity building, marketing support, hospitality training, and sustainable tourism planning. The study may also contribute to improving the quality and competitiveness of homestay tourism in Ghandruk and other rural destinations with similar characteristics.

From an academic perspective, this research contributes to the growing body of knowledge on community-based tourism and homestay tourism in Nepal. Unlike many previous studies that primarily focus on quantitative outcomes such as income

generation or tourist arrivals, this study adopts a qualitative approach to understand the lived experiences and perspectives of homestay operators. The findings may therefore provide useful reference material for future researchers, students, and tourism scholars interested in sustainable tourism, rural development, community participation, and cultural preservation.

Furthermore, the study supports the broader goals of sustainable tourism development by emphasizing the balance between economic development, cultural preservation, and community well-being. By identifying practical challenges, emerging opportunities, and valuable service traditions, the study is expected to contribute to the long-term sustainability of homestay tourism in Ghandruk while strengthening its position as one of Nepal's leading community-based tourism destinations.

1.6 Literature Review

A literature review provides a critical examination of existing knowledge related to a research topic and helps establish the theoretical and empirical foundation of a study. It enables researchers to understand what has already been explored, identify areas of agreement and disagreement among previous studies, and recognize gaps that require further investigation (Creswell & Creswell, 2018). Rather than merely summarizing earlier research, a literature review critically synthesizes findings from different scholars and demonstrates how the present study contributes to existing knowledge.

In the context of homestay tourism, numerous studies have examined its contribution to rural development, community participation, cultural preservation, livelihood improvement, and sustainable tourism. Researchers have also investigated the challenges encountered by homestay operators, the opportunities generated through community-based tourism, and the importance of preserving traditional hospitality practices. However, much of the existing literature has concentrated on the economic performance of homestays or tourist satisfaction, while comparatively limited attention has been given to understanding these issues from the lived experiences of homestay operators themselves.

Considering the objectives of this study, the literature review is organized into three major themes: challenges faced by homestay operators, opportunities created

through homestay tourism, and service traditions practiced in homestays. These themes provide the conceptual foundation for exploring the experiences and perceptions of homestay operators in Ghandruk.

1.6.1 Challenges Faced by Homestay Operators

The sustainability of homestay tourism depends not only on tourist arrivals but also on the ability of homestay operators to manage various operational, financial, social, and environmental challenges. Although homestays have become an effective model for community-based tourism, researchers have consistently reported that operators encounter numerous difficulties that influence service quality, business performance, and long-term sustainability.

One of the most frequently discussed challenges is seasonality. Tourism demand in many rural destinations fluctuates throughout the year because of weather conditions, trekking seasons, festivals, and international travel patterns. As a result, homestay operators often experience unstable income and irregular occupancy rates. Sharma and Chettri (2021) found that many homestay operators in Nepal earn sufficient income only during peak tourist seasons, while rooms remain vacant during off-seasons. This seasonal dependency makes financial planning difficult and reduces business stability. Similar findings were reported by Goodwin and Santilli (2009), who argued that seasonal tourism creates uncertainty for community-based tourism enterprises and limits opportunities for continuous employment.

Infrastructure has also been identified as a major challenge affecting homestay development. Rural tourism destinations often face inadequate transportation networks, poor road accessibility, unreliable electricity supply, limited internet connectivity, insufficient waste management systems, and inadequate drinking water facilities. According to Poudel (2019), these infrastructure constraints reduce visitor satisfaction and affect the competitiveness of homestays compared with commercial accommodation providers. Likewise, Nepal Tourism Board (2020) emphasized that improving basic tourism infrastructure remains essential for strengthening rural tourism destinations throughout Nepal.

Another significant challenge concerns the increasing competition within the accommodation sector. As tourism grows, visitors are presented with a wider range of accommodation options, including hotels, resorts, guesthouses, lodges, and online

rental platforms. Gautam (2021) reported that many homestay operators struggle to compete with commercial establishments that offer modern facilities, professional marketing, and standardized services. Although homestays provide authentic cultural experiences, some tourists prioritize convenience, luxury, and additional amenities. Consequently, operators face the difficult task of improving service quality while preserving the cultural authenticity that makes homestays unique.

Researchers have also emphasized the importance of hospitality knowledge and managerial skills. Successful homestay operation requires knowledge of customer service, communication, hygiene, food safety, financial management, marketing, and digital technology. However, many rural operators have limited formal training in these areas. Acharya and Halpenny (2013) observed that inadequate training often reduces operators' confidence in managing international guests and responding to changing visitor expectations. Similarly, Gurung and Scholz (2008) argued that continuous capacity-building programs are necessary to strengthen local entrepreneurship and improve the quality of community-based tourism services.

Marketing and digital promotion have become increasingly important in the tourism industry. Modern travelers frequently rely on online booking platforms, travel websites, and social media to select accommodation. Nevertheless, many homestay operators continue to depend primarily on walk-in visitors or recommendations from trekking guides and travel agencies. According to World Tourism Organization (2023), digital transformation has become an essential component of tourism competitiveness, enabling small businesses to access wider markets and improve communication with potential visitors. However, several studies indicate that limited digital literacy, poor internet access, and insufficient marketing knowledge restrict the visibility of many rural homestays.

Financial management presents another challenge for many homestay operators. Operating a homestay requires continuous investment in accommodation facilities, food services, maintenance, sanitation, and hospitality improvements. Rai (2020) found that although tourism provides additional household income, many operators experience difficulties in budgeting, pricing, cost management, and reinvestment because of fluctuating tourist arrivals. In addition, access to financial

institutions and affordable credit remains limited in many rural areas, making it difficult for operators to upgrade facilities or expand their businesses.

External factors also create uncertainty within the homestay sector. Natural disasters, political instability, economic downturns, and global health emergencies can significantly reduce tourism demand. The COVID-19 pandemic demonstrated the vulnerability of tourism-dependent communities worldwide. UNWTO (2022) reported that travel restrictions resulted in unprecedented declines in tourist arrivals, causing severe financial losses for small tourism enterprises, including homestays. Many rural operators experienced prolonged business closures, income loss, and uncertainty regarding future tourism recovery.

Besides economic and operational challenges, researchers have also discussed cultural challenges associated with tourism development. Increasing tourist demand may encourage communities to modify traditional customs, ceremonies, food preparation methods, or cultural performances to satisfy visitor expectations. MacCannell (1973) described this phenomenon as "staged authenticity," where cultural expressions are adjusted primarily for tourism purposes. Although such adaptation may increase visitor satisfaction, it raises concerns regarding the gradual commercialization and loss of cultural authenticity. Thapa (2019) similarly argued that maintaining a balance between modernization and cultural preservation remains one of the greatest challenges facing community-based tourism in Nepal.

Environmental sustainability is another growing concern. Increased tourist arrivals contribute to higher waste generation, greater demand for natural resources, and pressure on fragile mountain ecosystems. According to the United Nations Environment Programme (UNEP, 2019), sustainable tourism requires responsible environmental management to ensure that tourism activities do not compromise ecological integrity. Researchers have therefore emphasized the importance of community awareness, waste management, responsible resource utilization, and environmentally friendly tourism practices in protecting rural destinations.

Although previous studies have identified numerous challenges affecting homestay tourism, their primary emphasis has generally been placed on measurable outcomes such as income fluctuations, infrastructure conditions, or tourist satisfaction. Comparatively fewer studies have explored how homestay operators

personally experience these challenges in their daily lives, how they adapt to changing tourism conditions, and how they interpret the relationship between business sustainability and cultural preservation. Understanding these lived experiences is particularly important in established destinations such as Ghandruk, where tourism has become deeply integrated into community life.

Overall, the reviewed literature demonstrates that homestay operators encounter multiple interconnected challenges related to seasonality, infrastructure, competition, financial management, hospitality skills, digital marketing, environmental sustainability, and cultural preservation. These challenges influence not only business performance but also the long-term sustainability of community-based tourism. Therefore, exploring these issues from the perspectives of homestay operators provides valuable insights for developing more effective tourism policies and sustainable management strategies.

1.6.2 Opportunities Created through Homestay Tourism

Many researchers have looked at how homestay tourism gives rural communities a bigger share of tourism income compared to hotels owned by outside investors. Murphy (1985) said that when local people are directly involved in tourism, the money stays in the community instead of going to outsiders. Scheyvens (1999) added that community-based tourism can empower people in different ways economically, socially, and even politically and homestays are a good example of this because the money goes straight to households.

Some studies focus on how homestays help reduce poverty. Ashley and Roe (2002) found that pro-poor tourism, including homestays, gives poor rural families a way to earn money outside of farming. Zapata, Hall, Lindo, and Vanderschaeghe (2011) also found that community tourism can help reduce poverty, though how much it helps depends on outside support and access to markets. Goodwin and Santilli (2009) similarly said that this kind of tourism gives rural families other ways to earn a living so they don't depend only on one source of income.

Jobs for women and youth are another benefit often mentioned. Manyara and Jones (2007) found that community tourism in Kenya created business chances for groups who were usually left out, especially women. In Nepal, Gurung and Scholz (2008) and Acharya and Halpenny (2013) found the same thing in villages like

Ghalegaun and Sirubari, where homestays gave women new income through cooking, cultural shows, and handicrafts, and also gave young people jobs so they didn't have to leave the village to find work.

Homestay tourism has also been linked to wider community benefits. Rogerson (2004) said small tourism businesses can push communities to build better infrastructure, since tourism income often gets put back into schools, sanitation, and roads. Timothy (1999) said that when communities take part in tourism, they tend to organize better and build stronger local institutions. In Nepal, Nepal (2000) noted that tourism in the Annapurna region has long been connected to funding conservation work, so homestay income in places like Ghandruk may also help protect the environment, not just support households.

Even though most studies agree that homestays create economic and social benefits, some researchers point out that these benefits aren't shared equally. Zapata et al. (2011) and Manyara and Jones (2007) both note that families with more money, better language skills, or homes closer to the trekking route often benefit more than others. This raises the question of whether all homestay operators actually experience these opportunities the same way, which is something worth looking at more closely.

1.6.3 Service Traditions and Hospitality Practices in Homestays

Another area of research looks at how traditional hospitality is kept up as tourism grows. Lynch (2005) said homestays are different from hotels because they're based on real social connection, not just a paid service. Lashley (2000) explained that hospitality can work at three levels private, social, and business and homestays are one of the few places where all three happen at once.

Authenticity is a big topic in this area. MacCannell (1973) came up with the idea of "staged authenticity," meaning hosts sometimes show visitors a cleaned-up version of their culture instead of the real, everyday version. Cohen (1988) later said authenticity isn't fixed it changes depending on the situation, and even a performance for tourists can still feel meaningful to both the host and the guest over time. Kontogeorgopoulos, Churyen, and Duangsaeng (2015) found that homestay hosts in Thailand balanced what tourists expected to see with their actual daily lives, adjusting some things but not everything.

In Nepal, some studies point to specific traditions that homestay hosts still keep. Gurung and Scholz (2008) found that hosts in homestay villages continue traditional welcome customs, shared meals, and Gurung cultural performances, and that these practices work both as a tourism attraction and a way to keep culture alive. UNESCO (2003) also said community tourism can help protect intangible cultural heritage, as long as the community stays in control of how their culture is shown to visitors.

At the same time, there's tension between keeping tradition and meeting modern visitor expectations. Sharpley (2000) said rural tourism spots often have to choose between staying authentic and modernizing to stay competitive, and that upgrading facilities can sometimes weaken the very culture that attracted tourists in the first place. Thapa (2019) made a similar point about Nepal, saying operators have to find this balance without much guidance on how far they can modernize before losing what makes them special.

Overall, this research shows that hospitality traditions in homestays aren't fixed; hosts are constantly adjusting them, acting as both keepers of culture and business owners. But most of these studies look at this from a broad or theoretical level, not from the daily experience of individual homestay operators in a specific village.

1.6.4 Research Gap

The literature gives a good general picture of homestay tourism its economic value, its ability to empower communities, and its cultural importance. But a few gaps stand out. First, studies on challenges (Sharma & Chettri, 2021; Poudel, 2019; Rai, 2020) and opportunities (Zapata et al., 2011; Manyara & Jones, 2007) mostly rely on numbers and destination-wide data, and don't say much about how individual operators actually deal with things like slow seasons or competition in their day-to-day work. Second, even though researchers agree homestays create opportunities (Ashley & Roe, 2002; Scheyvens, 1999), few studies look at whether these opportunities are shared fairly within one community, especially somewhere as established as Ghandruk. Third, while there's a strong theoretical base for understanding hospitality and authenticity (MacCannell, 1973; Cohen, 1988; Lashley, 2000), not much research asks homestay operators themselves how they think about

and manage their hospitality practices as tourism becomes more commercial. Since Ghandruk is one of Nepal's oldest and best-known homestay villages, it's a good place to explore these gaps. This study will use a qualitative approach to look at the challenges, opportunities, and service traditions of homestay tourism, straight from the experiences of homestay operators in Ghandruk.

1.7 Research Methodology

This study uses a qualitative approach to explore the challenges, opportunities, and service traditions of homestay operators in Ghandruk. A qualitative approach fits well here because it allows a closer look at operators' real experiences, views, and practices something that numbers alone can't capture (Creswell & Creswell, 2018).

1.7.1 Research Design

The study uses an exploratory qualitative design. This works well for the study because it looks at something that hasn't been studied much from the operators' own point of view the everyday reality of running a homestay instead of testing a fixed idea or hypothesis.

1.7.2 Study Area and Site Selection

The study will take place in Ghandruk, a Gurung village in Annapurna Rural Municipality, Kaski District, along the Annapurna trekking trail. Ghandruk was chosen because it's one of Nepal's oldest and most well-known homestay destinations, gets a lot of both Nepali and foreign visitors, and has a strong Gurung cultural identity. Homestay operators currently running registered homestays in Ghandruk will make up the study group, with participants chosen to include people with different amounts of experience in the business.

1.7.3 Data Collection Methods

Primary data will be collected using:

- **Semi-structured Interviews:** In-depth interviews with homestay operators in Ghandruk to learn about their challenges, opportunities, and service practices.
- **Purposive Sampling:** Participants chosen based on their real experience running a registered homestay in Ghandruk.

- **Interview Guide:** Open-ended questions built around the study's three research questions.
- **Audio Recording and Field Notes:** Interviews recorded with consent, along with notes on hospitality practices observed during visits.
- **Data Transcription:** Recordings written out in full for analysis.
- **Thematic Analysis:** Data sorted into themes based on challenges, opportunities, and service traditions.

1.7.4 Ethical Considerations

Participants will be told the purpose of the study before taking part, and consent will be given voluntarily. They can withdraw at any point without any problem. Their identities will be kept private and won't appear anywhere in the final report. All information collected will only be used for this study and kept safe from unauthorized access.

1.7.5 Limitations of the Study

This study only covers homestay operators in Ghandruk, so the findings may not apply to other homestay areas in Nepal. Since it's a qualitative study, the results are based on participants' personal views and experiences, which can be subjective. The study also focuses only on challenges, opportunities, and service traditions it doesn't look closely at tourist opinions or hard economic numbers. Limited time and resources may also affect how many people can be interviewed.

CHAPTER II

FINDINGS

2.1 Overview of Data Collection and Participant Profile

This chapter presents the findings obtained from the primary data collected for this study entitled "A Qualitative Study of Challenges, Opportunities, and Service Traditions of Homestays in Ghandruk." The findings are based on information collected through semi-structured interviews with ten (10) homestay operators who were purposively selected from Ghandruk, one of Nepal's leading community-based tourism destinations located in Annapurna Rural Municipality, Kaski District. The participants were selected because of their direct involvement in managing homestay businesses and their extensive knowledge of local tourism activities, traditional hospitality practices, and community development.

The interviews were conducted over a period of approximately two weeks at participants' respective homestays. Each interview lasted between thirty and forty-five minutes and was carried out in a comfortable environment where participants could freely express their experiences and opinions. With participants' prior consent, interviews were audio-recorded and supplemented with written field notes to ensure the accuracy and completeness of the collected information. Throughout the research process, confidentiality was maintained by assigning each participant an identification code ranging from P1 to P10 rather than using their actual names.

The participants represented diverse demographic characteristics in terms of age, gender, educational background, years of experience, and involvement in the homestay business. Although their backgrounds differed, all participants had substantial experience in providing accommodation and hospitality services to both domestic and international tourists visiting Ghandruk. Most participants had operated homestays for more than five years and had witnessed significant changes in tourism patterns, visitor expectations, and community development over time.

The participant group consisted of both male and female homestay operators whose ages ranged from 35 to 67 years. Some participants operated family-owned homestays that had been running for more than a decade, while others had entered the business more recently following the increasing popularity of community-based

tourism in the Annapurna region. In addition to accommodation services, many participants were actively involved in preparing traditional Gurung cuisine, organizing cultural performances, arranging local sightseeing activities, and promoting community tourism initiatives.

Number	Gender	Age	Occupation	Years Operating Homestay	Education
1	Female	58	Homestay Owner	15	Primary
2	Male	44	Homestay Operator	12	Secondary
3	Female	39	Homestay Owner	11	Bachelors
4	Female	59	Homestay Operator	14	Primary
5	Male	45	Homestay Owner	13	Higher secondary
6	Female	32	Homestay Operator	7	Bachelors
7	Male	41	Homestay Operator	5	Secondary
8	Male	52	Homestay Owner	12	Higher secondary
9	female	60	Homestay Operator	17	Primary

2.2 Theme One: Challenges Faced by Homestay Operators in Ghandruk

The first major theme that emerged from the interviews concerns the various challenges encountered by homestay operators while managing their businesses in Ghandruk. Although participants acknowledged that homestay tourism has significantly contributed to improving their livelihoods and promoting community-

based tourism, they also emphasized that operating a homestay involves numerous economic, operational, infrastructural, and managerial challenges. Nearly all participants reported facing multiple difficulties that directly affect service quality, visitor satisfaction, and the long-term sustainability of their businesses.

Through thematic analysis, five major sub-themes were identified under this category: (1) seasonal fluctuation of tourist arrivals, (2) inadequate infrastructure and transportation facilities, (3) increasing competition and changing tourist expectations, (4) shortage of skilled human resources, and (5) rising operational costs and financial constraints. These sub-themes are discussed below.

2.2.1 Seasonal Fluctuation of Tourist Arrivals

One of the most frequently discussed challenges was the seasonal nature of tourism in Ghandruk. Almost every participant explained that tourist arrivals vary considerably throughout the year, creating periods of high income followed by long periods with very few visitors. Participants noted that the peak tourist seasons, particularly during spring and autumn, bring a large number of domestic and international visitors. However, during the monsoon and winter months, visitor numbers decline significantly, resulting in reduced occupancy rates and unstable household income.

Several participants expressed concern that this seasonal dependency makes financial planning difficult. During off-season periods, many homestays remain vacant for weeks, yet operators continue to bear regular expenses such as maintenance, utility bills, staff wages, and food supplies.

Participant P2 explained that while business is very good during trekking seasons, income becomes extremely limited during the rainy season.

Similarly, Participant P7 stated that although tourism provides good earnings during a few months of the year, the remaining months are financially challenging because there are very few guests.

Many operators indicated that because homestays depend almost entirely on tourism, fluctuations in visitor arrivals directly influence household income, savings, and investment capacity. Some participants also mentioned that unexpected events

such as natural disasters, political instability, and the COVID-19 pandemic further demonstrated the vulnerability of businesses that rely solely on tourism.

Overall, participants viewed seasonality as one of the most significant barriers to maintaining stable income and ensuring long-term business sustainability.

2.2.2 Inadequate Infrastructure and Transportation Facilities

Another major challenge identified by participants relates to infrastructure development and accessibility. Although road connectivity to Ghandruk has improved in recent years, many participants believed that existing transportation facilities and public infrastructure remain insufficient to fully support growing tourism demand.

Several participants stated that road conditions become poor during the rainy season due to landslides and erosion, making travel difficult for both domestic and international visitors. Delays in transportation often discourage tourists from visiting the village, particularly elderly travelers and family groups.

Participant P4 explained that although roads have improved compared to previous years, transportation interruptions during the monsoon continue to reduce tourist arrivals.

Similarly, Participant P9 noted that inadequate parking areas, irregular public transportation services, and poor road maintenance create inconvenience for visitors and negatively affect tourism businesses.

Participants also highlighted concerns regarding electricity supply, internet connectivity, drinking water availability, waste management, and sanitation facilities. Many operators explained that today's tourists expect reliable internet access and modern amenities while still seeking authentic cultural experiences. However, maintaining these facilities in a remote mountain village remains challenging.

Some participants believed that insufficient investment in tourism infrastructure limits the overall competitiveness of Ghandruk as a tourism destination compared to other popular trekking villages in Nepal.

Therefore, participants emphasized that improving infrastructure is essential not only for enhancing visitor satisfaction but also for ensuring sustainable tourism growth.

2.2.3 Increasing Competition and Changing Tourist Expectations

Participants also discussed increasing competition among homestays as well as competition from hotels, guesthouses, and commercial lodges operating within and around Ghandruk. As tourism has expanded over the years, the number of accommodation providers has also increased considerably.

Many participants explained that tourists today have more accommodation choices than before. Consequently, homestay operators must continuously improve their facilities and service quality to remain competitive.

Participant P5 shared that visitors now expect cleaner rooms, comfortable bedding, modern bathrooms, internet access, and high-quality food while still expecting affordable prices.

Participant P1 similarly explained that guests compare homestays using online reviews and social media before making reservations. Negative reviews can significantly affect future bookings, encouraging operators to maintain consistent service standards.

Several participants also noted that younger travelers increasingly rely on online booking platforms and digital marketing. However, many local homestay operators possess limited knowledge of digital promotion and online reservation systems.

Participants expressed concern that balancing traditional hospitality with modern visitor expectations is becoming increasingly difficult. While tourists seek authentic local experiences, they also demand comfort, convenience, and professional hospitality services comparable to hotels.

Therefore, maintaining competitiveness while preserving cultural authenticity was viewed as an ongoing challenge for many homestay operators.

2.2.4 Shortage of Skilled Human Resources

A recurring issue identified by participants was the shortage of trained and skilled human resources. Most homestays in Ghandruk are family-operated businesses where household members perform almost all responsibilities, including food preparation, housekeeping, guest reception, cleaning, and financial management.

Participants explained that younger family members often migrate to cities or foreign countries for education and employment opportunities, leaving elderly family members responsible for managing homestay operations.

Participant P8 mentioned that recruiting trained employees is difficult because most skilled hospitality workers prefer employment in urban hotels rather than rural tourism destinations.

Likewise, Participant P10 explained that family members often perform multiple responsibilities simultaneously, particularly during peak tourism seasons when visitor numbers increase significantly.

Several participants acknowledged that they have limited opportunities to receive professional hospitality training. Although tourism organizations occasionally organize training programs, participants believed that these programs are not conducted regularly and often fail to address practical operational challenges.

Many operators stated that additional training in customer service, communication skills, hygiene practices, digital marketing, food safety, and business management would greatly improve service quality.

Overall, participants believed that strengthening human resource capacity is essential for enhancing visitor satisfaction and ensuring long-term sustainability.

2.2.5 Rising Operational Costs and Financial Constraints

Financial management emerged as another important challenge experienced by many participants. Operators explained that the costs of purchasing food ingredients, maintaining buildings, repairing facilities, and providing quality services have increased steadily in recent years.

Participant P3 explained that inflation has significantly increased the prices of vegetables, meat, cooking oil, and other essential food items, making it difficult to maintain reasonable room and meal prices.

Similarly, Participant P6 stated that maintenance expenses continue to rise each year, particularly for improving guest rooms, sanitation facilities, and kitchen equipment.

Several participants mentioned that because of intense competition, increasing accommodation prices is often not possible despite rising operating costs. As a result, profit margins remain relatively low.

Some operators also reported limited access to financial support and affordable loans for improving their homestay facilities. Participants believed that easier access to financial assistance would encourage operators to upgrade infrastructure and improve service quality.

Despite these financial difficulties, participants emphasized that they continue investing in their homestays because tourism remains one of the primary sources of income for their households.

2.3 Summary

This chapter presented the findings of the study based on data collected through semi-structured interviews with ten homestay operators in Ghandruk. The findings were organized according to the three research objectives: challenges faced by homestay operators, opportunities created through homestay tourism, and traditional service practices followed by homestay operators.

The findings revealed that although homestay tourism has contributed significantly to improving the livelihoods of local households and promoting community-based tourism, operators continue to face several challenges. The major challenges identified include seasonal fluctuations in tourist arrivals, inadequate infrastructure and transportation facilities, increasing competition from hotels and other accommodation providers, shortages of skilled human resources, and rising operational costs. Participants explained that these challenges affect business sustainability, service quality, and their ability to meet the changing expectations of domestic and international visitors. Despite these difficulties, homestay operators demonstrated resilience and a strong commitment to maintaining their businesses and supporting tourism development in Ghandruk.

The study also found that homestay tourism has created numerous opportunities for both individual households and the wider community. Participants reported that homestays have generated additional income, created employment opportunities, encouraged local entrepreneurship, and reduced dependence on traditional agriculture. The growth of tourism has also supported women's participation in income-generating activities, promoted the sale of local products and handicrafts, and contributed to improvements in education, housing, and community development. Furthermore, homestay tourism has strengthened community participation and enhanced the overall economic well-being of the village.

In addition, the findings highlighted that traditional service practices remain one of the distinctive strengths of homestays in Ghandruk. Homestay operators continue to welcome guests with traditional Gurung hospitality by offering local cuisine, cultural performances, traditional architecture, and personalized guest services. Participants emphasized that treating visitors as family members, sharing local customs and traditions, and preserving cultural values are important aspects of the homestay experience. While operators recognize the need to improve modern facilities and services to remain competitive, they also expressed a strong commitment to preserving the authenticity of their cultural heritage.

Overall, the findings indicate that the long-term sustainability of homestay tourism in Ghandruk depends on balancing economic development with the preservation of traditional hospitality practices. Addressing existing operational challenges while strengthening emerging opportunities and safeguarding local culture will be essential for ensuring the continued success and competitiveness of homestay tourism in the area. These findings provide a comprehensive understanding of the experiences of homestay operators and directly address the research questions and objectives of this study.

CHAPTER III

CONCLUSION AND RECOMMENDATIONS

3.1 Conclusion

This study was conducted to explore the challenges, opportunities, and service traditions of homestays in Ghandruk from the perspectives of homestay operators. Using a qualitative research approach, the study gathered information through semi-structured interviews with homestay owners and operators who have firsthand experience in managing homestay businesses within the community. The findings provide a comprehensive understanding of the realities of operating homestays in one of Nepal's most well-known community-based tourism destinations.

The findings revealed that although homestay tourism has become an important source of livelihood in Ghandruk, operators continue to face several challenges that affect the sustainability and growth of their businesses. Seasonal fluctuations in tourist arrivals were identified as one of the major challenges, as most operators depend heavily on trekking seasons for income. During the off-season, low visitor numbers result in reduced earnings and difficulty in maintaining regular operations. Participants also highlighted infrastructure-related issues, including road conditions, transportation facilities, internet connectivity, and waste management, which influence tourists' overall experiences. Furthermore, increasing competition from hotels, lodges, and newly established homestays has created pressure for operators to improve service quality while maintaining affordable prices. Limited access to hospitality training, digital marketing skills, and financial resources also emerged as important concerns among participants.

Despite these challenges, the study found that homestay tourism has created significant opportunities for both individual households and the wider community of Ghandruk. Income generated from homestay operations has improved household livelihoods by creating employment opportunities and reducing dependence on traditional agriculture. Tourism has also encouraged entrepreneurship through the sale of local food products, handicrafts, cultural performances, and guiding services. Participants explained that homestay tourism has contributed to improvements in education, health care, housing conditions, and overall quality of life. Women have become actively involved in managing homestays, preparing traditional meals,

organizing cultural activities, and participating in household decision-making, thereby contributing to greater economic empowerment within the community.

The findings further demonstrated that service traditions remain one of the strongest features of homestay tourism in Ghandruk. Homestay operators continue to welcome guests with traditional Gurung hospitality, offering local food, cultural performances, traditional architecture, and opportunities for visitors to experience the daily lifestyle of the community. Participants emphasized that personalized interaction, respect, warmth, and family-like treatment distinguish homestays from commercial accommodation establishments. Many operators expressed pride in preserving their customs, language, festivals, and cultural values while sharing them with visitors from different parts of Nepal and abroad. These traditional hospitality practices not only enhance visitor satisfaction but also contribute to the preservation of Gurung culture for future generations.

Overall, the findings indicate that the success of homestay tourism in Ghandruk depends on achieving a balance between economic development and cultural preservation. While homestays provide valuable opportunities for rural development, their long-term sustainability requires continuous improvement in infrastructure, service quality, capacity building, marketing, and government support. At the same time, preserving authentic hospitality traditions and community participation remains essential for maintaining the unique identity and competitiveness of Ghandruk as a leading homestay destination.

The study successfully addressed the research questions by providing an in-depth understanding of the major challenges experienced by homestay operators, the opportunities created through homestay tourism, and the traditional hospitality practices that continue to define homestay services in Ghandruk. The findings contribute to the existing body of knowledge on community-based tourism and provide practical insights that can support policymakers, tourism organizations, local governments, and homestay operators in promoting the sustainable development of rural tourism in Nepal.

3.2 Recommendations

Based on the findings of this study, the following recommendations are proposed for homestay operators, local government authorities, tourism organizations, policymakers, and future researchers.

For Homestay Operators

Homestay operators should continue preserving the traditional Gurung hospitality, cultural practices, local cuisine, and personalized guest services that distinguish homestays from commercial hotels and lodges.

Operators should regularly participate in hospitality management, customer service, food safety, digital marketing, and language training programs to improve service quality and meet the changing expectations of domestic and international tourists.

Greater use of digital platforms such as social media, online travel agencies, and tourism websites should be encouraged to promote homestays and attract visitors throughout the year.

Homestay operators should collaborate with one another by sharing experiences, maintaining service standards, and organizing joint promotional activities to strengthen Ghandruk's overall tourism image.

Continuous improvements in cleanliness, sanitation, waste management, and environmental conservation should be prioritized to ensure sustainable tourism development.

For Local Government and Tourism Authorities

Local governments should invest in improving road accessibility, transportation services, internet connectivity, drinking water facilities, and waste management systems to enhance visitors' overall experience.

Tourism authorities should organize regular training programs focusing on hospitality management, entrepreneurship, customer care, digital marketing, language skills, and sustainable tourism practices for homestay operators.

Financial assistance, soft loans, and technical support should be made available to homestay operators to improve accommodation facilities while maintaining traditional architectural styles.

Stronger promotional campaigns should be implemented by the Nepal Tourism Board and local tourism offices to market Ghandruk as a model destination for community-based and cultural tourism both nationally and internationally.

Policies encouraging youth participation in tourism entrepreneurship should be introduced to reduce youth migration and create sustainable employment opportunities within rural communities.

For Community Development

Community members should continue working collectively to preserve local traditions, festivals, handicrafts, folk music, dances, and cultural heritage that enhance the uniqueness of the homestay experience.

Greater involvement of women and young people in tourism-related activities should be encouraged through leadership opportunities, skills development programs, and community tourism initiatives.

Community organizations should strengthen cooperation among homestay operators to maintain service standards, address common challenges, and promote sustainable tourism practices.

For Future Researchers

Future studies may employ quantitative or mixed-method research designs with larger sample sizes to validate and compare the findings obtained through qualitative research.

Comparative studies may be conducted between Ghandruk and other homestay destinations such as Ghalegaun, Sirubari, Bandipur, or other community-based tourism villages to identify similarities and differences in homestay management and service traditions.

Further research may explore tourists' perceptions and satisfaction regarding homestay experiences to complement the perspectives of homestay operators.

Researchers may also examine the long-term impacts of digital marketing, climate change, infrastructure development, and government policies on the sustainability of homestay tourism in rural Nepal.

Additional studies focusing on women's empowerment, youth entrepreneurship, cultural preservation, and community participation in homestay tourism would contribute valuable insights for future tourism development planning.

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APPENDICES

Interview questionnaires

Section A: Background Of Homestay

- 1 Please introduce yourself and your homestay?
- 2 How long you have been operating this homestay?
- 3 Why did you start this homestay?
- 4 How many family members are involved?
- 5 Which types of guests normally visits here?

Section B: Service traditions

- 1 How do you normally welcome the guests?
- 2 What local food do you usually serve and why?
- 3 How do you preserve local culture while serving modern tourists?
- 4 Have service tradition changed over time? How?
- 5 Are guests encouraged to participate in local activities? Which one?

Section C: Opportunities of Homestay

- 1 What benefit has homestay tourism brought to your family?
- 2 How has tourism affected the local community?
- 3 Has homestay created employment opportunities?

Section D: Challenges faced

- 1 What are the biggest challenges faced in operating homestay?
- 2 Do you face seasonal variation tourist number?
- 3 What problems do you face in transportation, water and electricity?
- 4 Does government looks after your problem and help in growth of homestays?

Section E: Closing question

1 Is there anything else you would like to share about homestay experiences?

2 If you could change one thing about homestay tourism in ghandruk what would it be?