

# An Investigation Using Swot and Tows Analysis in The Homestay Tourism in Darjeeling Hills, West Bengal

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## Abstract:

**Purpose:** Through a structured analysis, the research aims to identify internal and external factors influencing the homestay sector, providing insights into operational dynamics, market potential, and challenges faced by operators in this region.

**Research Methodology:** This study employs a semi-structured questionnaire to collect primary data from homestay operators in the Darjeeling Hills. The data is analysed using SWOT and TOWS frameworks. SWOT analysis identifies internal and external factors impacting the homestay sector. Conversely, TOWS analysis explores strategies to leverage strengths and opportunities to mitigate weaknesses and threats, thereby enhancing the sector's resilience and growth potential.

**Results:** Global tourists visit Darjeeling Hills homestays because of its natural beauty, climate, cultural legacy, and biodiversity. Operators confront high marketing costs, budgetary constraints, uneven tariffs, little government backing, and poor road access. Building local culture, minimising young migration through jobs, and renovating houses for minimal initial costs are growth potential. Resort rivalry, hefty tour operator commissions, political instability, and unregulated practices may compromise homestay authenticity.

**Originality of the research:** This study pioneers research on homestay tourism in Darjeeling Hills, examining its socio-economic and cultural effects and unique difficulties and potential. Applying tourism studies to Darjeeling's unique cultural and natural context provides new views.

**Keywords:** Homestay tourism, SWOT, TOWS, Darjeeling Hills

## 1. Homestay as a rural tourism scenario in India: Overview

Rural tourism is the form of tourism that embraces the rural lifestyles, unique cultures, customs, and traditions. Frederick (1993) describes rural tourism as tourism in off-beat areas, in a close-to-nature

environment, preserving local traditions, heritage and practices. Rural tourism offers assorted activities by the rural people according to the suitability of the location in the expectation of an additional source of revenue. (Rätz, 1988). The tourism sector contributes a significant share to a country's national income. Catering to visitors has helped the nation alleviate the balance of payment deficiency and ensure inclusive growth. Homestay, a key offering in rural tourism, enables tourists to reside in local homes, enjoy authentic homemade meals, and immerse themselves in the tranquil natural surroundings, cultural heritage, daily lifestyles, and community traditions at an affordable cost. Abu., (2009) defines homestay tourism as an alternative lodging option where visitors live with a host family, engaging in their everyday routines and fostering cultural exchange between guests and hosts (Lynch et al., 2009).

The different concept of homestays in different countries is shown below:

**Homestay concept in different countries**

Country	Existing Concept
United States	Farm Stay and Culture Learning Stay
Canada	Community and Ancestral Homestay
Australia	Agri-Homestay and Scholarly Homestay
South Korea	Learning Homestay
South Africa	Relaxation Homestay
New Zealand	Rural Farm stay and Village Cottage homestay
Philippine	Local Living Homestay
Thailand	Student homestay and volunteer homestay
Indonesia	Cultural Homestay and Leisure homestay

Source: (Ahmad, 2011)

As part of its renowned Incredible India campaign launched in 2001-2002, the Ministry of Tourism introduced an innovative accommodation option known as the Bed and Breakfast/Homestay scheme, promoting alternative lodging experiences across India. The survey conducted by the Ascension Centre for Research and Analytics (ACRA) in “Analysis of the functional and economic impact of Homestays in India” found an estimated total output contribution of Rs. 2577 crores from homestays in India. As per the report, it was also found that homestays have a higher output and employment multiplier than other tourism activities. It also stimulates the demand for local businesses, including agricultural products. The substantial money earned from Homestay tourism is invested in community development projects. The study also establishes Homestays Avenue to empower women economically, as most of them are run by women.

There is a significant imbalance between the demand for and supply of accommodation in the tourism sector of a country. The number of available hotel rooms falls short of meeting travellers' needs, particularly during peak seasons. Additionally, modern tourists’ preferences have shifted away from conventional hotel stays toward destinations on the outskirts, where they seek the cosy, welcoming atmosphere of a home-like setting, not bound by protocols. As a result, homestays are often referred to as a demand-driven initiative. Reynolds (1996) highlighted the importance of alternative accommodations in transforming the hospitality sector. Remote destinations, previously overlooked in national development, are now gaining prominence in tourism. These unique locales are driving the rise of innovative lodging

options like homestays. Residents in rural areas near homestays should protect and promote the cultural heritage and traditions of local communities while creating opportunities to sell local goods, such as farm produce and handmade crafts (Budhathoki, 2014). Therefore, Homestay tourism thus serves as a catalyst for holistic rural development, fostering growth in economic, cultural, social, and environmental aspects (Bhan & Singh, 2014). The minimum level of investment required to ensure the minimum level of satisfaction has encouraged many people to initiate a homestay venture in the rural setting, merely renovating the existing personal property.

In India, the growth of homestays seems to intensify competition with hotels, but cannot be considered a potential threat because of their area of concentration. Homestays primarily target rural areas where hotels and resorts are scarce or non-existent. Both homestays and traditional accommodations are developing their markets by leveraging their unique offerings. More often than not, the popularity of this niche tourism is attributed to the word-of-mouth approach of marketing strategy. Certain states in India continue to practice terrace and organic farming, which have emerged as key attractions, drawing more tourists to these destinations.

## **2. Exploration of Homestay Tourism in the adjoining areas of Darjeeling Hills**

The introduction of homestay tourism has enhanced the allure of the Darjeeling Hills, a globally recognised tourism destination, in recent years. This form of tourism is thriving in the region, particularly in rural areas, and is significantly boosting the local economy (Bhutia, 2015). Apart from being renowned for the high-quality tea-producing region in the world, the breathtaking view of Kanchenjunga, scenic attractions, favourable climatic conditions, and the sincerity of local people have driven visitors to many villages from the nook and corner of the world. The footfall of tourists is concentrated in the months of April, May, June and October. These days, tourists have started seeking alternatives due to the perennial water problem, including sanitation problems and excessive congestion in the town, which has mobilised tourists to the outskirts destinations, making homestays a demand-driven tourism destination. Leveraging these income-earning avenues, the rural people grasp the opportunity of this demand-driven tourism by initiating the venture with low capital, as the agricultural activities are no longer sustainable enough to meet day-to-day livelihood. Hence, homestay tourism gives exposure to people for economic advancement and livelihood generation.

There are different types of homestays prevalent in Darjeeling Hills:

### **i. Community-based homestay**

Community-based homestay tourism is a feasible way of empowering local people and developing communities, taking initiatives to protect the environment and promote awareness through cultural exchange (Janie, 2009). People recognise the economic and social importance of preserving their natural and cultural heritage and actively participate in resource conservation at tourism destinations. A notable example is Chatakpur eco-tourism, a community-driven initiative developed in partnership between local residents and the state government, specifically through the forest department.

## ii. Sole proprietorship homestay

A sole proprietorship homestay is individually managed, with the owner responsible for all planning and operations. Promotion is typically handled through partnerships with tour operators on a commission basis. Family members assist by offering culturally rooted hospitality, including local cuisine and nature-based experiences. Adventure activities are provided based on guest interest and location suitability.

## iii. Collaborative homestay model

Tour operators are tasked with promoting the destination and homestay location in exchange for commissions. In contrast to a sole proprietorship, they also invest in the venture after assessing the potential of homestays, working alongside homestay operators to initiate the venture.

## 3. Rationale behind SWOT and TOWS as a Research Methodology

SWOT analysis is a widely used strategic tool because of its simplicity and ability to recognise the negative and positive outlook of the enterprise with the limited information provided (Panagiotou, 2003). It has the potential to explore the factors that influence a firm's strategy and success (Pickton & Wright, 1998). Enterprises are always prone to unforeseen situations due to changes in the external environment. It needs to reorganise and cope with the challenges to sustain itself long-term in this competitive world. Therefore, the SWOT analysis aims to explore internal and external factors meticulously and deal with them (Glaister & Richard Falshaw, 1999). It is a qualitative, observation-based method used to analyse verbal data, identifying issues and proposing solutions for both external and internal challenges faced by an organisation (Houben et al., 1999). The company's competitive standing is vital for protecting shareholders' value. A SWOT analysis is an essential tool for assessing this position by examining competitors (Benda, 2008). Smith (1999) conducted a SWOT analysis to investigate the strategic behaviour of Scotland's 150 young micro firms because understanding the strengths and weaknesses of a firm gives a competitive advantage over the competitors (Madu & Kuei, 1993). More often than not, immature entrepreneurs overstate their strengths and underestimate the weaknesses and threats posed by the external environment (Smith, 1999). To ensure long-term viability, the organisation should develop a strategic plan that addresses external opportunities and threats while leveraging its internal strengths and mitigating weaknesses.

## 4. Past literature

The SWOT analysis holds significant importance in homestay tourism for guiding strategic decision-making. Data collected from the destination aids in pinpointing existing strengths and weaknesses while also highlighting potential opportunities and threats for the enterprise's strategic choices. Ahmadi et al., (2018) identified geographical landscapes, diverse flora, and a favourable climate as strengths in the empirical study. However, weaknesses included inadequate planning and a lack of leisure and residential facilities. The study also highlighted environmental pollution and the destruction of existing flora as key threats. In a similar study, Marin, A. (2013) has identified price, facilities, attraction, natural resources, and safety as the strengths. Insecurity, poor internet accessibility, poor infrastructure, unhygienic conditions, and local people's behaviour are considered weaknesses. In support of the above study. In

another study Sayyed et al. (2013) found natural attractions, unique cultures, and ancient cultures of local people as the strengths and the lack of infrastructure is considered to be the major weakness of the destination. A similar study conducted by Arayesh & Sabouri (2014) validates that natural attractions, infrastructural facilities, and culture are crucial for rural tourism destinations. MacDonald & Jolliffe (2003) confirm the significance of cultural rural tourism in terms of short-term and long-term benefits to rural communities. Homestay tourism paves the way for education, entertainment, and Indigenous culture enrichment for the guests and provides employment opportunities to avoid the migration of youths in rural communities. Substantiating this fact, (Personal et al., 2009) studied the cultural contribution of community-based homestays from the perspective of both the visitors and the guests. This encourages the stakeholders to prioritise preserving the local culture and customers to make the tourist experience exciting. Moreover, the bonding between the host and the guests lasts for years; they keep in touch through emails, phone calls and messages. Jamaludin et. al., (2012) have emphasised overcoming the language barrier and providing accommodation facilities, electricity, and bathrooms to provide hospitality services to the guests. The study also highlighted the need for proper training programs to resolve their language barriers. The ignorance of foreign languages (especially English) could be one of the weaknesses of the tourism industry. Apart from that, the managerial strategy must be the strength as it gives a competitive advantage over others and can be an internal strength in the tourism industry. Lack of self-management skills is one of the factors that hamper the growth and upsurge of homestay tourism and is considered as a weakness by Kwaramba et. al., (2012). Moreover, the marketing challenge is often apparent in small business units and is considered a weakness. Karatekin et al., (2013) suggested that tourism planners and marketers provide a foundation for strategic marketing decisions in homestay tourism services. Neumayer., (2004) also highlights the different fears psychosis the visitors have, such as political violence, terrorism, and human rights violations, and it jeopardises a relaxed holiday environment. An inefficient homestay management leads to poor quality of services and a moderate level of occupancy rate. The study, in particular, has highlighted the sustainability and viability of homestay tourism in Darjeeling Hills employing SWOT analysis. Giri and Kumar (2024) identified cultural authenticity, economic benefits, and eco-friendly practices as strengths and limited marketing and poor infrastructure as weaknesses in the study. They also identified government support, diverse offerings and growing digital literacy as opportunities, market competition, and environmental concern as threats in the study conducted in Uttarakhand. A similar study conducted by (Rebuya & Gasga, 2022) identified natural and cultural attractions as a strength and limited skilled personnel and planning as a threat in the tourism sector. Digitalisation and growing interest in sustainable tourism are identified as external opportunities, while threats involve safety concerns, climate change, and economic instability. Tu et al., (2024) have identified key strengths like affordability and digital exposure and weaknesses such as lack of uniqueness and data privacy concerns. Opportunities include brand building and targeted marketing, while threats involve regulatory challenges and false reviews. The research provides practical insights for enhancing rural homestay development and policymaking. Ahmad et. al., (2024) investigated Pahang National Park, which has strong potential due to its rich natural beauty, biodiversity, cultural heritage, and adventure offerings. However, challenges in infrastructure, accessibility, and environmental management need to be addressed in the area. There are significant opportunities in ecotourism, education, and cultural promotion, but threats like environmental degradation, natural disasters, and regulatory shifts require strategic mitigation. The study conducted by Setiawan et. al.,(2024) acknowledged cultural uniqueness and folk participation as internal strengths, along with limited managerial skill and lack of standardization as

weaknesses. They also identified opportunities, including growing tourism and CSR funding, competition, and infrastructural challenges, as threats. The centralised management, village-level homestay associations, and community training to enhance service quality and sustainability are crucial, as identified. Further, the study also emphasised the importance of preserving local culture, empowering residents, and fostering economic growth through well-managed homestay businesses aligned with tourism development. Ardani and Poetranto (2022) identified homestays facing marketing and operational challenges, limiting tourist reach and satisfaction. Employing SWOT analysis, the study has found the dire need for promotional avenues, government support, tourism awareness stakeholders and eco-friendly waste management to improve standards and sustainability. Osman et. al., (2023) have observed the decline of repeated visitors despite having cultural immersion and personalised services for them. Enhancing the image of the destination and perceived value may work out to attract the tourists. In addition to that, resolving safety concerns and improving satisfaction are crucial to establishing destination loyalty.

## 5. Research Gap and Objectives

Numerous studies have explored the Strengths, Weaknesses, Opportunities, and Threats (SWOT) associated with rural tourism, particularly Homestay tourism, across various geographical regions. However, a comprehensive study of this nature remains absent in the context of the Darjeeling Hills. This research employs the TOWS (Threats, Opportunities, Weaknesses, and Strengths) matrix to propose strategic recommendations aimed at bolstering the long-term sustainability of this tourism sector—an analytical approach infrequently documented in prior studies. The study builds upon factors established in existing literature while introducing novel variables specifically pertinent to Homestays in the hilly terrain of Darjeeling. The inclusion of these additional factors is justified within the research framework. Unlike the majority of Homestay tourism studies, which predominantly focus on tourist perspectives, this investigation shifts its lens to the operators' viewpoints, offering critical insights into the venture's long-term sustainability. The scarcity of empirical evidence and scholarly research on the sustainability of Homestay tourism in this region has prompted a detailed SWOT and TOWS analysis to uncover the decisive factors shaping this niche sector. Addressing this research gap, the study pursues the following objectives:

- i. Identification of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) inherent to Homestay tourism in the Darjeeling Hills.
- ii. Analysis of the SWOT framework using the TOWS matrix to devise strategies that enhance the venture's appeal and ensure its sustainability.
- iii. Validation of the significance of various factors through a weighted ranking system, utilising the Internal Factor (IF) and External Factor (EF) matrices to establish their prioritised order based on calculated scores.

## 6. Data Collection and Research Methodology

This study adopts a cross-sectional design, utilising a primary survey to collect data from homestay operators in the Darjeeling Hills. The research focuses on capturing the perceptions of these operators

regarding the strengths, weaknesses, opportunities, and threats (SWOT) associated with their homestay operations. Data were gathered through a semi-structured questionnaire employing a five-point Likert scale, administered to operators between April and June 2024. In addition to the questionnaire, direct observations and interviews were conducted to gain deeper insights into the respondents' perspectives. The questionnaire was carefully designed, incorporating factors identified from prior research and tailored to address the sustainability of homestay tourism in the Darjeeling Hills.

The total population of homestay units in the Darjeeling Hills remains indeterminate, as these operations fall within the informal sector, and a comprehensive database of homestay units is unavailable. Nevertheless, a sample of 97 homestay operators participated in the study. To evaluate the data, weights and ratings for each factor were calculated based on the proportion of the mean score relative to the overall mean score. Internal and external factors were analysed separately to ensure a thorough understanding and to derive meaningful conclusions. Theoretical justifications, grounded in observations and experiences from the field survey, were provided to support the study's findings. The data collected from the homestay operators are presented in Table 1.

**Table 1**  
**Locations of homestays covered**

<b>Number of Homestays</b>	<b>Commencement year</b>	<b>Location</b>	<b>Number of rooms</b>	<b>The capacity of tourist accommodation</b>	<b>Other activities for the tourists</b>
8	2013-2017	Ragaroong	26	128	Ornithology Excursion, Bouldering, Wildlife Expedition, Area Exploration, Night Camping
10	2008-2010	Dabai Pani, Bhutia Busty	32	192	Village and forest trekking, Ornithology Excursion, Herbal Expedition
9	2009-2010	Chatakpur	27	126	Area exploration, forest trekking, Nature Exploration , Heritage events.

6	2005-2017	Lebong and Mineral Spring Village	20	120	Organic and sustainable farming activities, adventurous trekking, Tea harvesting, Natural water swimming adventures, and angling experiences.
9	2000-2005	Tinchuley	40	160	Adventurous trekking, Ornithology Excursion, angling experiences, sustainable farming activities, rafting, and bonfire
8	2014-2017	Latpanchar	38	170	Hornbill encounter, Area exploration.
8	2013-2017	Sittong	33	160	Viewpoint, camping, cultural events, bonfire, angling, and Trekking.
8	2005-2015	Mangmaya village	15	52	Angling, trekking, fresh water swimming, and sustainable and organic farming.
6	2014-2015	Bunkulung Tea Estate	32	113	Camping, rock climbing, and Wildlife Exploration, hornbill encountering, freshwater swimming.
3	2014-2017	Yankoo Village	12	40	Angling, trekking, cultural activities, fresh water swimming, and sustainable farming.
5	2009-2015	Mirik and Upper swarani	28	165	Sandakpoo Trekking, Bunkulung Trekking, Hiking
6	2016-2017	6 <sup>th</sup> Mile Naya Busty	22	90	Hiking, forest exploration, bird

					encounters, and cultural events.
5	2016-2017	Mangerjung Tea Estate	20	80	Village and tea garden trekking
7	2015-2017	Lepchajagat, Sukhia	35	140	Bonfire, trekking, bird expedition, Area Exploration, and cultural events.

## 7. Results and discussions

Critical external and internal factors pertinent to homestay operations in Darjeeling Hills were identified based on the researcher's expertise. These factors were categorized into strengths, weaknesses, opportunities, and threats to inform strategic decisions for sustainable operations. Subsequently, Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices were constructed to assess these factors. The total weighted scores derived from these matrices were used to develop a SWOT matrix, presented in Table 2, to analyse the interplay of strengths, weaknesses, opportunities, and threats.

**Table 2**  
**Weighted score of Internal Factors (IF)**

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

Weights for strengths, weaknesses, opportunities, and threats are assigned on a scale from 0 (least significant) to 1 (highly significant), reflecting the importance and relative influence of each factor in the

study. The sum of weights in both the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices must total 1. A weight of 0.00 indicates "no importance," 0.00–0.05 denotes "moderate importance," 0.06–0.10 signifies "significant importance," and 0.11–0.15 is deemed "critical importance."

The rating for each factor is determined by averaging the responses provided by homestay operators. A rating of 1 is classified as "not influential," a range of 1.01 to 2 indicates "moderately influential," 2.01 to 3 is considered "influential," and 3.01 to 4 is designated as "highly influential."

**Table 3**  
**Weighted score of External Factors (EF)**

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

The Internal Factor Evaluation (IFE) matrix reveals that the weighted scores for strengths range from 0.1193 to 0.2947, while weaknesses range from 0.0820 to 0.3103. Among strengths, natural beauty holds the highest weighted score at 0.2947, followed by distinctive cultural heritage (0.2946), favourable climate (0.2659), organic agriculture (0.2482), proximity to a wildlife sanctuary (0.2372), diverse adventure offerings (0.2160), unique biodiversity (0.2000), and nearby tea estates (0.1193). Conversely, among weaknesses, marketing challenges rank highest with a weighted score of 0.3103, followed by poor road access (0.2513), financial constraints (0.2326), limited government support (0.1752), inconsistent pricing structures (0.1496), and language barriers (0.0820). In summary, natural beauty emerges as the primary strength, while marketing difficulties represent the most significant weakness for homestay ventures.

Unique biodiversity is the least weighted strength, and language barriers are the least considerable weakness in homestay tourism.

The External Factor Evaluation (EFE) matrix indicates that opportunity factors have weighted scores ranging from 0.2837 to 0.4370, while threat factors range from 0.1368 to 0.4037. Promoting cultural tourism is the top opportunity with a score of 0.4370, followed by local employment prospects (0.3929), promoting unexplored regions (0.3371), fostering long-term guest relationships (0.3079), and low capital requirements (0.2837). Among threats, tour operator dominance is the most significant with a score of 0.4037, followed by political instability (0.2729), competition from hotels and resorts (0.2552), dilution of homestay authenticity (0.2234), disorganised tourism practices (0.1419), and leasing to outsiders (0.1368). In summary, cultural tourism promotion is the most critical opportunity for homestay operators, while tour operator control poses the greatest threat. Conversely, low capital requirements are the least significant opportunity, and leasing to outsiders is the least concerning threat. The IFE and EFE matrices collectively facilitate the interpretation of these findings.

The relative weighted score for each factor in the SWOT analysis was calculated to assess the significance of individual factors. The Internal Factor Evaluation (IFE) matrix, encompassing internal factors, yields a total weighted score of 3.0769, as presented in Table 2. The weighted scores for strengths (S) and weaknesses (W) are 1.8759 and 1.201, respectively, resulting in a strength-over-weakness margin of 0.6749. Conversely, the External Factor Evaluation (EFE) matrix, covering external factors, reports a total weighted score of 3.1925, as shown in Table 3. The weighted scores for opportunities (O) and threats (T) are 1.7586 and 1.4339, respectively, yielding an opportunity-over-threat margin of 0.3247.

## 8. SWOT analysis: A discussion

Darjeeling Hills, endowed with natural beauty, favourable climate, and unique cultural heritage, attract tourists seeking eco-friendly homestay experiences over conventional resorts. Domestic visitors favour the region's temperate conditions to escape the plains' heat, while homestay operators identify natural beauty, cultural distinctiveness, and climate as primary strengths driving tourist arrivals (Table 2). Additional strengths include diverse adventure activities, proximity to wildlife sanctuaries, unique biodiversity (e.g., endangered species like salamanders and hornbills in Latpanchar), and organic farming in non-tea garden areas, enabling operators to offer homegrown organic food. These factors appeal to tourists cum researchers who are interested in flora, fauna, and sustainable practices.

Despite these strengths, homestay operators face significant weaknesses (Table 2). Marketing challenges are the most critical, as rural-based sole proprietorships incur high promotional costs, compounded by financial constraints and limited operator awareness of marketing benefits. Inconsistent tariff rates, minimal government support, and reliance on tour operators further hinder operations. Road accessibility issues persist, though language barriers are less significant, mitigated by gestures, body language, or tourist guides.

Homestay tourism offers substantial opportunities to promote local culture, as foreign tourists seek immersive experiences in rural settings. It curbs youth migration by generating local employment and requires minimal capital for a startup, often involving house renovations. Long-term guest relationships

and positive word-of-mouth enhance visitor attraction. However, threats include competition from hotels and resorts established by affluent investors, high commissions charged by tour operators, and political instability, including strikes, which disrupt operations. The informal nature of homestay tourism, lacking regulatory oversight, leads to practices like constructing separate residences, diluting the authentic homestay concept.

### 9. TOWS analysis

The TOWS analysis is a strategic tool to guide future business decisions across various organisations, including tourism. It builds on the SWOT analysis by leveraging identified internal and external factors to formulate strategies that mitigate negative aspects while capitalising on positive ones. While SWOT analysis is valued for its simplicity and subjective approach, TOWS analysis enhances its utility by offering a structured framework for strategic planning. After categorising SWOT elements, a TOWS matrix explores interactions among strengths, weaknesses, opportunities, and threats, generating alternative strategies (Wehrich, 1982). The goal is to minimise or eliminate adverse factors (weaknesses and threats) by harnessing favourable ones (strengths and opportunities). Unlike SWOT, TOWS prioritises external factors (threats and opportunities) before internal ones (weaknesses and strengths). (Wehrich, 1982) proposed four strategic approaches:

- i. **WT Strategies (Min-Min):** These aim to minimise weaknesses and evade threats to the greatest extent, protecting the organisation from vulnerabilities and external risks.
- ii. **WO Strategies (Min-Max):** These focus on reducing weaknesses by leveraging available opportunities and using external prospects to address internal limitations.
- iii. **ST Strategies (Max-Min):** These utilise organisational strengths to mitigate threats, maximising internal capabilities to counter external risks.
- iv. **SO Strategies (Max-Max):** These capitalise on strengths to exploit opportunities, amplifying both internal advantages and external possibilities for optimal outcomes.

**Table 4**  
**Determining strategic decisions on the TOWS matrix**

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

## Discussion on TOWS analysis

In addition to SWOT analysis, TOWS analysis was performed using the same dataset to guide strategic planning for homestay tourism in Darjeeling Hills. Widely utilised in prior studies, the TOWS matrix is highly relevant for these homestay operations. Leveraging the internal and external factors from the SWOT analysis, TOWS employs qualitative assessment across four strategies: SO (Strengths-Opportunities), WO (Weaknesses-Opportunities), ST (Strengths-Threats), and WT (Weaknesses-Threats).

### 9.1 Aggressive Strategy (SO, Max-Max)

This strategy maximises strengths to exploit opportunities:

- i. Unique cultural heritage, a primary strength (Table 2), draws tourists to remote areas. Promoting and preserving this identity enhances cultural tourism prospects.
- ii. Tourists' attraction to untouched natural beauty, wildlife sanctuaries, and biodiversity provides opportunities to bolster rural homestays, provided environmental protection is prioritised.
- iii. Empowering local residents to lead adventure-based tourism activities can foster community ownership and generate employment opportunities. Additionally, promoting community-based homestay tourism can engage residents and encourage them to establish homestay units by leveraging the low initial investment required.

### 9.2 Conservative Strategy (ST, Max-Min)

This strategy uses strengths to counter threats:

- i. To maintain homestay authenticity, operators should prioritise cultural and sustainable tourism over commercial expansion. Local government oversight can enforce homestay regulations, distinguishing them from hotels.
- ii. Delivering exceptional guest experiences and fostering host-guest bonds encourages positive word-of-mouth, reducing dependence on expensive tour operators and supporting long-term growth.

### 9.3 Competitive Strategy (WO, Min-Max)

This strategy mitigates weaknesses by leveraging opportunities:

- i. Government investment in rural infrastructure, especially road access, is critical to enhance guest accessibility and comfort.
- ii. Marketing challenges can be addressed through sustained relationships with repeat visitors and word-of-mouth promotion, reducing promotional expenses.
- iii. Training operators can overcome language barriers with international guests in basic English.
- iv. Financial constraints, prevalent in rural homestays operated alongside farming, can be alleviated through community-based tourism, enabling resource sharing for greater sustainability.

## 9.4 Defensive Strategy (WT, Min-Min)

This strategy minimises weaknesses to neutralise threats:

- i. Upgrading homestay infrastructure enhances competitiveness with nearby hotels and resorts, improving guest satisfaction.
- ii. Limiting reliance on tour operators increases financial viability and sustainability.
- iii. Building cooperation among homestay operators fosters operational resilience against external threats.
- iv. Establishing regulatory guidelines prevents hotel owners from misrepresenting properties as homestays, safeguarding the integrity of the homestay model.

## 10. Conclusion

The TOWS analysis of homestay units in the Darjeeling Hills elucidates the interplay of internal and external factors influencing their viability and sustainability. The analysis reveals significant strengths and opportunities that bolster the potential for homestay ventures to thrive as a sustainable livelihood option. However, the identified weaknesses and threats pose substantial challenges that could undermine long-term sustainability if left unaddressed. The primary objective of the TOWS analysis is to provide actionable insights for stakeholders in the homestay industry, including local communities, policymakers, and tourism operators. By strategically leveraging the identified strengths and opportunities, stakeholders can mitigate weaknesses and counter threats. For instance, capitalising on the region's unique cultural and natural assets through targeted marketing and capacity-building initiatives can address infrastructural deficiencies and enhance competitiveness. Collaborative efforts among stakeholders are essential to formulate and implement strategies that ensure the long-term sustainability of homestay units. Such efforts should prioritise inclusive participation of local communities, fostering economic empowerment and reinforcing homestays as a viable livelihood opportunity in the Darjeeling Hills. In conclusion, the TOWS analysis underscores the need for a proactive, stakeholder-driven approach to harness the positive attributes of homestay units while systematically addressing their challenges. By doing so, the homestay sector can achieve sustainable growth, contributing significantly to the socio-economic development of the region.

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