A Review of Risk Management in Homestays

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Abstract

Studies on risk management in the tourism sector have been conducted, but studies on risk management, particularly for homestays, are lacking. This paper presents a theoretical study that provides an overview of the relevant theories on risk management in homestays. The literature review section presents selected articles appropriate to the research topic for review using identification, screening, eligibility, analysis, and conclusion steps. Risk management in homestays is crucial to avoid risks arising from the homestay management process itself and to create tourist satisfaction and loyalty. Novelty of this research is presents a complete explanation with data in the field, unlike previous studies that only presented articles with brief descriptions without accurate field data. The relevant theories selected in this study are also explained explicitly according to their function in the study. The purpose of this article is to identify articles that are related to the topic of risk management in homestays by grouping them into references, methods, main results, and limitations tables. Then from the selected articles, we present them in the form of a novelty table to make it easier to find novelty. Then finally, we created a special table that provides an explanation related to the variables discussed in this study. The selected data was obtained through the Scopus and Google Scholar tools which were entered into a table in CSV format. Furthermore, the database is used as a basis for conducting theoretical studies and literature reviews. This study uses a qualitative descriptive analysis method. The results of the study show that most of the articles related to the topic of risk management in homestays only present brief reviews and brief descriptions without providing explanations and understanding with accurate data research in the field. Many articles were also found that did not use basic theories that had a relationship between one variable and another.

Keywords: Review; Risk Management; Theory Study; Literature Study; Homestay

Introduction

The post-pandemic tourism industry is starting to revive. The Covid pandemic that occurred is a risk that must be faced. Risk management is something that needs to be considered in the tourism business. Every business that is run has risks that will arise and must be faced. If the risk cannot be managed properly then the risk will soon transform into a crisis and if the crisis is not managed properly it will turn into a disaster (Bong, Sugiarto., Lemy, Nursiana A, et al., 2019). If risk management can be handled properly, it can increase tourist satisfaction. According to Lee, et al. 2001, there are three indicators of satisfaction, namely overall satisfaction, satisfaction based on experience, and sticking to the choice (faithful). Furthermore, if the tourist has felt satisfaction, then the tourist will be loyal. Loyalty according to Grifin there are four indicators that people will have loyalty, namely Repeat Purchases, Purchases across product & service lines, Referring others, and Demonstrates on immunity to the full of competition (Sangadji, M., 2013).
Homestay is a tourism business as a supporter of super-priority tourism destinations. Currently, homestays tend to be more attractive to foreign tourists who want to explore and experience local culture and meet local people, so they tend to prefer accommodation in rural areas (Kontogianni & Alepis, 2020; Wang et al., 2023). Furthermore, to secure a consistent income base, homestays are often combined with other activities such as hiking, bird watching, and participation in local festivals. Technology and its impact on creating a better experience can also be an important factor, and infrastructure and hygiene aspects should also be carefully considered (Jauhari & Sanjeev, 2010). Further considerations are risk management, talent cost management, land and policy management, revenue management, growth challenges, and innovative practices arising from extended periods of inflation (Bharwani & Jauhari, 2017). There is a relationship between knowledge about economic risks and the readiness of homestay operators, especially in heritage, culture, and society. For this reason, risk management is needed in homestays to minimize the risks that will arise so that visiting tourists still get satisfaction and loyalty.

For the tourism industry, especially homestays, operational risks, and external risks are a concern compared to financial risks (Janjua et al., 2021). This is because operational risk can cause tourist dissatisfaction (Ardianto & Sugiarto, 2023). For this reason, good risk management is needed to minimize the emergence of these risks so that tourist satisfaction and loyalty can be realized. In Indonesia, many homestays have appeared but no one has studied risk management for homestays, because of this, risk management studies in homestays are an opportunity to be carried out to enrich knowledge in the world of tourism.

Method

The steps for the review method in this study are shown in Figure 1. The first step is to identify previous articles or research on Google Scholar and Scopus. The second step is to screen the titles and abstracts of research journals related to risk management in homestays over a period of five years, from 2018 to 2022. The third step is to collect all articles that have the topic of risk management in homestays that are worthy of analysis. The fourth step, reviewing the methodology, main results, and limitations of each article followed by open problems and various recommendations in the context of what good risk management in homestay looks like and its relation to tourist satisfaction and loyalty. The last step is to make a conclusion that contains a summary of the results of the review, and recommendations and shows research opportunities for the next researcher.

Result and Discussion

The grand theory used in this study uses the theory presented about risk, crisis, and disaster management for the tourism industry (Bong, Sugiarto., Lemy, Nursiana A, et al., 2019). There are seven dimensions of risk, namely operational risk, market risk, business risk, reputation risk, regulatory risk, credit risk, strategic risk, and external risk. Furthermore, the risk typology according to Crouhy, et al. there are seven dimensions, among others; Market Risk, Credit Risk, Operational Risk, Legal Risk, Business Risk, Strategic Risk, and Reputation Risk. The difference between the two theories lies in the presence or absence of strategic risk and external risk (Crouhy et al., 2006).

Furthermore, this study also uses a supporting theory, namely the Social Cognitive Learning Theory (SCLT) by Bandura, A which includes: observation, understanding, prediction, and behavior change. The SCLT theory is studying individual behavior through social cognitive learning. Tourists make observations, gain understanding, make predictions, and obtain changes in behavior that are learned without direct reinforcement (Bandura, 1989). Tourists obtain social cognitive learning through observing, understanding, and predicting the behavior of tourism business managers, if it is following their expectations,
tourists will get satisfaction and then change their behavior (positive or negative) when tourists provide information in the same way to family or colleagues. colleagues who want to travel, this will lead to tourist loyalty. In the theory of satisfaction according to Lee, et al, there are three indicators namely overall satisfaction, satisfaction based on experience, and sticking to the choice (loyalty) (Lee et al., 2001). While the theory of Loyalty according to Griff in Sangaji & Copiah there are four indicators that people will have loyalty, namely Repeat Purchases, Purchases across product & service lines, Referring others, and Demonstrates on immunity to the full of competition (Kontogianni & Alepis, 2020). These theories underlie the preparation of this research.

1. Risk management

In essence, risk management aims to manage the risks faced by the company and mitigate (reduce) the impacts that occur. The basic principles used in risk management refer to the company's management objectives in general, namely maximizing the value of the company and shareholder wealth, which in principle is the expectation of the company's future performance. The tourism industry is a labor-intensive industry that places great emphasis on service quality (Bong, Sugiarto, Lemy, Nursiana A, et al., 2019). Thus risks can occur at every stage of service and can happen at any time, faced by all types of assets, both tangible and intangible assets (Palupi & Sugiarto, 2014). To properly manage risks in the tourism industry, sources of risk must be traceable, especially risks with significant impacts, such as operational risk and reputational risk. In the tourism industry, these two risks need to be considered because the tourism industry is vulnerable to consumer dissatisfaction when the services obtained by consumers do not meet standards.

In the tourism industry, risks are classified into three types, namely risk, crisis, and disaster. The difference between the three lies in the severity of the impact and the process by which events occur. If the risk cannot be managed properly then the risk will soon transform into a crisis and if the crisis is not managed properly it will turn into a disaster (Bong, Sugiarto, Lemy, Nursiana A, et al., 2019).

The emergence of risks, crises, or disasters in the tourism industry is triggered by sources that cause risks that have the potential to bring disaster to communities, companies, or organizations, including nature uncertainty, human behavior uncertainty, and animal-triggered uncertainty. (animal uncertainty), plant-triggered uncertainty (plan uncertainty), and economic and political uncertainty (Bong, Sugiarto, Lemy, Nursiana A, et al., 2019). Bong further conveyed related to the definition of risk, crisis, and disaster. Risk (risk) is a condition when the actual results obtained are different from the expected results. There is a deviation from the target, target, or expectation which results in a loss. A crisis is a severe situation, a gloomy situation, or a precarious state that is very uncomfortable, in other words, a crisis is chaos that cannot be completely controlled, thus creating deeper uncertainty. A disaster is an event or series of events that cause distress, loss, or suffering; accident; hazards that threaten and disrupt people's lives and livelihoods resulting in human casualties, environmental damage, loss of property, and other social impacts at a severe level. Furthermore, Bong, S et al, classify tourism industry risk into seven risks, namely operational risk, market risk, external risk, regulatory risk, reputation risk, business risk, and financial risk (Bong, Sugiarto, Lemy, Nursiana A, et al., 2019).

a. Operational Risk

Operational risk is the risk arising from the inability or failure of internal processes (ie software systems, employees, hardware facilities, amenities). Risks arise due to internal factors that should be managed in a business operation in the tourism industry. Operational risk consists of four namely internal process risk, human resource risk, system risk, and supporting facilities and infrastructure.
b. External Risk
External risk is the risk associated with events that arise that are within the vicinity of direct control. These external risks include; events in the tourism industry that have a broad impact on the industry, fraud, theft, fire, natural disasters, riots, terrorism, interruption of the transportation system that prevents employees from getting to work, power outages, globalization, incentives, and trade.

c. Financial Risk
Financial risk consists of credit risk, liquidity risk, and funding risk. Credit risk arises because debtors or buyers on credit cannot and/or do not want to pay their debts or fulfill their financial obligations. Liquidity risk arises because the company is unable to meet short-term payment obligations and/or pay unexpected expenses. Funding risk arises from the consequence of choosing a funding source from the company being held.

2. Tourist Satisfaction
According to Kotler, et al customer satisfaction is a person's feelings of pleasure or disappointment that arise after comparing actual product performance (results) to expected performance (results) (Kotler & Keller, 2016). Anderson, et al stated that satisfied customers will be willing to pay more for the benefits they have obtained and they will be more able to tolerate price increases (Anderson et al., 2019). This will have an impact on obtaining high margins and loyalty. A low level of satisfaction will have the opposite effect. Satisfied customers will also be willing to make purchases more frequently and in large quantities and are willing to buy other goods or services offered by the company. Customers in this case refer to tourists who travel. According to the theory of satisfaction from Lee et al, feeling satisfied there are three indicators namely overall satisfaction, satisfaction based on experience, and sticking to the choice (loyalty) (Lee et al., 2001).

3. Tourist Loyalty
Huriati explained that the definition of customer loyalty is a customer's commitment to hold deeply to re-subscribe or re-purchase products or services consistently in the future, even though situational influences and marketing efforts have the potential to cause behavior changes (Isfahami et al., 2021). Huriati and Sangaji et al, explain that loyalty is a form of behavior from decision-making units to make continuous purchases of goods or services of a selected company (Hurriyati, 2005); (Sangadji, M., 2013). Griffin also explained the characteristics or indicators of loyal customers as follows:

a. Make regular repeat purchases (makes regular repeat purchases).
b. Buying across product and service lines (purchases across product and service lines).
c. Refers to other people (refers other).
d. Demonstrates an immunity to the attraction of competitors (demonstrates an immunity to the fullness of the competition).

4. Homestays
As stipulated in the Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia Number 9 of 2014 concerning Standards for Tourism Cottage Business, what is meant by a homestay or tourist cottage is the provision of accommodation in the form of a residential building that is occupied by the owner and partially utilized for rent by providing opportunities for tourists /guests to be able to interact in daily life with the owner. Based on this understanding, three important keywords explain the concept of homestay. First, the provision of accommodation in the form of residential buildings that are still inhabited by their owners. Second, it is only partially used for rent, and third, there is an interaction between hosts (landlords) and guests (tourists) to be involved in daily activities/learning certain cultures.
5. Tourists

Canziani and Francioni in Putova stated that the host (host) or what is often referred to by the term "tourist" is a person or group of local people or communities who live in a tourist destination, both indigenous people or immigrants, or people who work in the area, without living in it (Pútová, 2018). Tourists also include tourism workers, tourism business owners, entertainers, and service providers. Tourists are local people who are consciously willing to involve themselves in existing tourism activities, ready to act as informants for tourists, and sometimes become tourism objects themselves. Tourists can be homestay or guesthouse owners, tour managers, or just ordinary people in an area. Based on the above understanding, it can be concluded that tourists are homestay owners where if the homestay owner manages himself with limited capabilities, it can be predicted that in practice it can cause risks so risk management is needed.

6. A Review on Risk Management in Homestays

In this section, a literature review of previous related studies is presented. Research related to risk management in homestays has not been found much. Articles related to homestays discuss more how the homestay management system is as presented by Pradana, et al, in Managing Culturally Patterned Homestays Amid the Influence of Millennial Trend Developments in the Tourism Sector (Pradana & Arcana, 2020). Furthermore, Ingkadijaya & Budiman, in their research with the theme of Increasing Manager Capacity in Risk Mitigation in Cibuntu Tourism Village, Kuningan, West Java (Ingkadijaya & Budiman, 2022). Furthermore, Sawatsuk, et al, in their research "Factors determining the sustainable success of community-based tourism: Evidence of good corporate governance of Mae Kam Pong Homestay, Thailand," only explained the promotion of best practices in the governance of homestay management with different assessment parameters. used are a clear strategy, effective risk management, discipline, fairness, transparency, social responsibility, and self-evaluation (Sawatsuk, Darmawijaya, Ratchusanti, & Phaokrueng, 2018). In addition, the research stated that good governance for homestays is how the manager can use parameters in assessing governance, namely effective risk management, but the results stated that it was only limited to risk identification, namely that there was an evaluation division, risk mitigation plans: in terms of planning these risk mitigation villagers can coordinate with government officials in meetings, and Risk mitigation results: The resulting risk mitigation is that villagers participate in tourism evaluation and form a committee to implement.

In his research, Accastello, et al, examine disaster risk in mountainous areas by formulating a risk management framework, as a tool to be adopted by local and regional decision-makers in identifying risky areas, to recognize the potential role of protected forests, and operationalize the concept of resilience through the implementation "grey-green" strategy (Accastello et al., 2019). On the other hand, the research conducted by Abram, et al, focused on risk management in hotels by evaluating and preventing risks in the hospitality industry as a factor in increasing their entrepreneurial value (Abrhám & Lžičař, 2018). The results of the study show that to optimize cash flow in hotel operations, it is advisable to provide a balanced business mix and improvement of strategic internal processes. In addition, it appears that for optimal implementation of risk management, it is important that strategic analysis updates are carried out every year in business entities following developments in both the external and internal environment. In addition, financial and payment risks need to be integrated into the formulation of strategic objectives to identify which of them can place the strategy and its strategic objectives.

Eshun, et al, in their research, analyzed the relationship between risk management and local community participation in the context of ecotourism sustainability (Eshun & Tichaawa, 2020). Study results are categorized into the following themes; NGOs and their
roles in ensuring ecotourism sustainability, community participation in ecotourism sustainability; the role of government in marketing and ecotourism mechanisms; local community understanding of ecotourism sustainability, and tourism relations with local communities. As far as searching for accessible sources has been carried out, no research has been found that formulates indicators of the seven pillars of risk management risk proposed by Bong, Sugiarto., Lemy, & Nursiana (2019).

Other research states that corporate guest loyalty needs to have loyal customers and manage customer loyalty, as well as accommodation service businesses in the form of homestays. Loyalty is defined as a commitment from consumers to remain loyal to a product by making future repeat purchases of that product even though other influences have the potential to cause these customers to switch (Kotler & Keller, 2016). Loyal customers tend to be willing to make repeat purchases, are willing to recommend products to potential customers, and tell positive things about products or product benefits to other consumers (Al-Msallam & Alhaddad, 2016). If the company has loyal customers, the company can survive and be sustainable (Haksever et al., 2000). The results of previous research on star-rated hotel accommodation services have proven that service quality, image, experience-based marketing, and satisfaction have a positive influence on loyalty (Djameng et al., 2019); (Keshavarz & Jamshidi, 2018); (Trinidad et al., 2022). The higher the quality of service, the more loyal guests will be. The better the product image, the more loyal guests will be. Furthermore, the better the experience-based marketing dimension received by guests tends to increase their loyalty, and if the guests are satisfied, they will become loyal.

In Yogyakarta itself, many houses are used as homestays for the needs of tourists. Several tourist villages that provide homestays include; the tourist villages of Pentingsari, Wukirsari, Nglanggeran, Candirejo, and many more. However, from several homestays that have so far been observed, they have not implemented risk management for prevention or preventive action in the event of a disaster or other matters. So that when risk management can be managed properly, the risk will not develop into a crisis which will end up being a disaster.

a. Risk Management, Tourist Satisfaction, and Loyalty

This sub-section will review various existing articles related to Risk Management, Tourist Satisfaction, and Tourist Loyalty. Table 1 presents a review of previous research summarized by method, main research results, and research limitations. Summary of the results of previous research on Risk Management, Tourist Satisfaction, and Tourist Loyalty in terms of methods, main research results, and limitations.

b. Previous Studies Related to Risk Management

Research related to risk management so far from the search results in the search has not found research that discusses risk management in Homestays. As research has been conducted by Ramanpong, et al, in Taiwan using retrospective analysis, this article examines the level of tourist injury to nature-based destinations. Weather variables, such as average temperature, relative humidity, and rain conditions, have a positive relationship with the injury rate of visitors, which is the model selection criteria, and fit shows the best fit for the Negative Binomial (NB) model (Ramanpong et al., 2021). The influence of topographic factors, namely the average elevation and average slope of the injury site, is not significant to the injury level of visitors. Our findings confirm the extent of injury in nature related to weather, especially the appearance of rain. Each offers empirical evidence for future injury prevention programs and the proper perception of injury risk. This article applies epidemiology to injury data in Taiwan’s forest recreation areas, providing facts about injuries encountered in terms of frequency and distribution, which can help identify vulnerable groups. This paper also provides evidence for a positive relationship between injury rates and weather condition variables, namely average air temperature, relative humidity, and rain

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conditions. Our study also shows tourist injury rates are not related to topographical variables, such as average elevation and average slope. Further studies are needed to investigate a more causal relationship between injury rates and other possible variables besides weather conditions and topographical features.

This research is restricted to general recreational activities with no skill requirements for visiting, so only hiking on designated trails, picnicking, and walking in forest parks. Furthermore, this study was conducted in Taiwan, which has tropical and subtropical weather, injury risk is a complicated phenomenon associated with many variables and not just the variables included in this study. Further injury risk modeling should include additional factors that may contribute to injury risks, such as the demographic characteristics of the casualty, the trail network, the type of land use, the length of the walkway, the volume of traffic on each walkway, and the risk exposure at each location, as well as tracking injury prevention program updates over time so that practitioners can evaluate their injury prevention strategies. In the same year, Ghasemloiz, et al, conducted research in Iran using the Fuzzy Cognitive Mapping technique (FCM) method, saying that tourism, which inherently has human interaction and mobility, is riskier than other industries (Ghasemloiz-Soltanabad et al., 2021). Because of its very competitive nature, tourism must be prepared to face problems.

This research found that implementation of trust-building action plans, tax amnesty, and payment of subsidies and support, the need to take crisis management knowledge seriously, forming a crisis management team, and target market design are the most important strategies to overcome the crisis during the covid period. Given the extent and duration of this epidemic crisis, it is necessary to involve all stakeholders involved in the crisis in further research. For example, investigating how to authorize the private sector of the tourism industry, how to better cooperate with the pillars of the tourism industry, and how to forge partnerships with the public sector could be some suggestions for conducting further research. Still, in the same year research conducted by Mirchova, et al, in Bulgaria using the Correlation Analysis method, this study tries to find out which parameters influence the process of tourist demand and supply, thereby creating conditions for optimizing the tourism business as an economic indicator (Mirchova & Durova, 2021). The empirically investigated relationships show whether the level of labor productivity of the analyzed tourism business is affected by the level of employment at the tourist sites. Activities need to be intensified to attract new customers such as advertising, public relations, and improving the image of tourist sites. All this will have a positive impact on the development of various forms of tourism and the social situation of the population in the study area. The strong effect of the size of current spending on economic outcomes, found at all the tourist sites studied, necessitates an increase in tourist demand. Managers can apply a flexible approach to managing the risks associated with spending and revenue in tourism businesses.

In 2020, Eshun, et al, conducted research in Ghana, West Africa related to risk management using a cross-sectional study design method and a mixed methodological approach (Eshun & Tichaawa, 2020). This study analyzes the relationship between risk management and local community participation in the context of ecotourism sustainability. Study results are categorized into the following themes; NGOs and their roles in ensuring ecotourism sustainability, community participation in ecotourism sustainability; the role of government in marketing and ecotourism mechanisms; local community understanding of ecotourism sustainability, and tourism relations with local communities. Overall, this study reveals land encroachment, illegal logging, extreme weather, poaching, forest fires, and robbery as the main risks threatening the sustainability of ecotourism sites in Ghana. In summary, the empirical and theoretical results of this study can help develop practical risk
management. This research is limited to the dimensions of Land encroachment, Illegal Logging, Extreme weather, Poaching, Bushfires/Wildfires, Tribal Conflicts, and Robbery/Crime which are only risks for forest fires, land encroachment, and others. In 2019, research conducted by Glavas, et al, in the Republic of Serbia, using the JEL classification, this research emphasizes the importance of insurance for the increasing number of tourists and large material interests that can be endangered (Glavaš & Vojinović, 2019).

Travel bureaus as tour organizers must provide appropriate services and protection to their clients, namely security. The problem of risk management exists as a global problem that requires a global solution. Adequate risk management concepts in tourism require adequate solutions. Risk is unavoidable, it needs to be managed. Risk management in tourism contributes to sustainable success, based on the principles of quality, sustainable development, social responsibility, and business ethics. This leads to the sustainable business success of companies and organizations in the field of tourism on the one hand, and the satisfaction of tourists with the services provided, on the other hand. Insurance is a form of risk management, especially aimed at reducing financial losses.

Insurance is the transfer of risk from the insured to the insurance company, with the payment of insurance premiums. Limitations in this study tourism stakeholders, especially tourism organizations and operators, should focus on implementing ongoing communication and consulting activities and monitoring and review, in the comprehensive risk management process of tourism destinations. Abrham, et al, conducted research using the Case Study method. This article focuses on risk management in hotels by evaluating and preventing risks in the hospitality industry as a factor for increasing entrepreneurial value (Abrhám & Lžičař, 2018). The results of the research in this article show that to optimize cash flow in hotel operations, it is advisable to provide a balanced business mix and improvement of strategic internal processes. In addition, it appears that for optimal implementation of risk management, it is important that strategic analysis updates are carried out every year in business entities following developments in both the external and internal environment. The limitation of this research is that financial risk, financial risk, and payments need to be integrated into the formulation of strategic objectives to identify which of them can place their strategy and strategic goals at stake. From the several studies above, no research has been found that examines risk management for homestays, so this is an opportunity to be used as a topic for future research.

c. Previous Research Related to Satisfaction and Loyalty

In a study conducted by Ma, et al, in China using the Importance-Performance Analysis (IPA) method with the title Evaluating Tourist Experience of Rural Homestays in Coastal Areas by Importance–Performance Analysis: A Case Study of Homestays in Dapeng New District, Shenzhen, China (Ma et al., 2022a), the result is that tourists who visit homestays because of recommendations from friends are higher than tourists who do from Moments recommendations or other online social platform recommendations and information from tourism reservation platforms. However, this study limits the ability to generalize its research findings to the entire tourist population there. In the same year research conducted by Voon, et al, in Malaysia using the Mix method, Homestay Service Experience has a direct positive effect on Satisfaction (Voon et al., 2022). There are 8 dimensions of Experience (Culture, Guide, F&B, Environment, Cleanliness, Accommodation, Service, and Accessibility). Homestay service experience has an indirect positive effect on the intention to return through satisfaction. This research needs to expand its findings by exploring other perspective factors, such as the economic impact of homestay activities with a utilitarian perspective related to the offering price of homestay products and services, as well as a hedonic perspective related to the value obtained from consuming homestay-related products and services. Further research conducted by Zhao, et al, in China,
using the Structural Equation Modeling (SEM) method, Aesthetic experience and escapism are significant predictors of functional, emotional, and social value perceived by visitors (Zhao et al., 2022). Educational experience influences emotional value, but entertainment experience does not affect functional, emotional, or social value. Functional, emotional, and social values affect the satisfaction of homestay tourists which in turn drives behavioral intentions. But in this study, there are limitations, namely sampling bias. Research conducted by Wonganawat, et al, in Bangkok Thailand using a mixed method, findings that service innovation and service quality play a positive role in advancing the non-hotel homestay business (Wonganawat et al., n.d.). Promotion of service innovation and service quality increases satisfaction and trust which in turn leads to increased loyalty behavior but is limited to homestays with a small scope.

In 2021 research conducted by Novitaningtyas, et al, at Borobudur Indonesia using the Structural Equation Model (SEM) with AMOS, and Sobel Test to examine the mediation effect, results show that service quality and image have a positive and significant effect on tourist satisfaction, tourist trust, and tourist loyalty (Novitaningtyas, Verawati, et al., 2021). In addition, tourist satisfaction and tourist trust prove that these variables mediate the relationship between service quality and tourist loyalty, as well as between image and tourist loyalty. The results of the study have implications for managers of homestay tourism villages to improve service quality based on health and CHSE protocols, communicate a positive image to guests through the marketing communication mix, and increase guest satisfaction and trust. This research was conducted in a limited way to homestays in the Balkondes area of Borobudur. Another limitation is the exact unknown population size and limited sample size of 192 people. For further research, you can develop research at other homestays in tourist destinations or other types of accommodation industries to expand the benefits of research. Besides that, you can also develop models by adding other variables or using other data analysis methods. In the same year, research conducted by Mai et al. (2021) in Vietnam using Structural Equation Modeling (SEM), the results showed that 3 dimensions constitute service recovery namely distributive justice, interactional justice, and procedural justice. Most importantly, this research has proven the positive impact of service recovery on the satisfaction and word of mouth of foreign tourists towards homestays in the Mekong Delta, Vietnam. The results emphasize the importance of service recovery on tourist perceptions of service quality and service image. This study suggests that homestay owners develop risk management and risk prevention plans for their services.

In 2020 research conducted by Zhao, et al, in China using the Cluster Analysis method, this paper examines the impact of demographic variables, such as tourist age, gender, education level, employment, and discretionary income, on functional values, emotional, and social feelings through a multi-layered hierarchical approach, age plays an important role in the classification of homestay guests (Zhao et al., 2020). Male students and male business owners pay more attention to the emotional value of hotels than any other type of guest. Women business owners and employees of companies and institutions are more concerned about the perceived social value brought to them by living in homestays. This study has useful implications for homestay accommodation management. Limitations in this study include, apart from functional value, emotional value, and social value, further research on the value felt by homestay guests must examine whether there is a significant difference between the perceived value and other demographic variables, such as cultural cognition values, service values, and non-monetary costs of homestays, together with their specific performance, in this study we categorize Chinese consumers into five tiers based on social stratification theory of economic aspects (income, especially disposable income) and observable demographic characteristics (occupation, education, age, etc.) to study differences in perceived value in homestays. Further research was conducted by Al-
Laymoun, et al, in Malaysia using SPSS analysis of the results of his research. This study examines the relationship between service quality and tourist satisfaction and realizes that there is a positive and significant relationship between service quality and customer satisfaction (Al-Laymoun et al., 2020), this research is only limited to service quality and does not discuss its relationship to operational risk.

In 2019 there was research conducted by Van, et al, in Vietnam using qualitative methods, the results of his research showed that tourist loyalty was influenced by four components of homestay service quality (reliability, responsiveness, assurance, and tangibles), tourist satisfaction; and tourist satisfaction is influenced by the five components of homestay service quality (reliability, responsiveness, assurance, physical evidence, and empathy), and cultural contact (Van & Viet, 2019). The limitations of this study were due to limited resources in conducting research, and the number of samples consisting of 294 tourists. This study conducted a sampling technique using the direct interview method of respondents who used homestay services in Ben Tre Province, Vietnam. Furthermore, research conducted by Sawatsuk, et al, in Thailand, using the Case Study method. One of the results in this study stated that good governance for homestays is how these managers can use parameters in assessing governance, namely effective risk management, but from the results mentioned is limited to risk identification, namely to the extent that there is an evaluation division, risk mitigation plan: in terms of risk mitigation planning, villagers can coordinate with government officials in meetings, and risk mitigation results: the resulting risk mitigation is that villagers participate in tourism evaluation and form a committee to implement the risk mitigation (Sawatsuk, Darmawijaya, Ratchusanti, & Phaokrueng, 2018).

d. Open Research Problems

Several previous studies using data and references that are still limited have tried to review various recommendations that are expected to be applied by homestay managers to see the extent to which risk management can play a role in creating tourist satisfaction and tourist loyalty. Table 1 below will present various recommendations from previous research concerning risk management, tourist satisfaction, and tourist loyalty.

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<th>Element</th>
<th>Generated activity</th>
<th>Ref</th>
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<tbody>
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<td>Satisfaction Traveler</td>
<td>1. Homestay Service Experience Direct positive influence on Satisfaction.</td>
<td>(Voon et al., 2016)</td>
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<td></td>
<td>2. There are 8 dimensions of Experience (Culture, Guide, F&amp;B, Environment, Cleanliness, Accommodation, Service, Accessibility),</td>
<td>(Voon et al., 2022)</td>
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<td>3. Homestay service experience has an indirect positive effect on the intention to revisit through the satisfaction</td>
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<td>(Zhao et al., 2022)</td>
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<td></td>
<td>1. Aesthetic and escapist experiences are significant predictors of the functional, emotional, and social value perceived by visitors.</td>
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<td>2. Educational experience influences emotional value, but entertainment experience does not affect functional, emotional, or social value.</td>
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<td>3. Functional, emotional, and social values affect the satisfaction of homestay tourists which in turn drives behavioral intentions.</td>
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<td>1. Service innovation and service quality play a positive role in advancing the homestay non-hotel business.</td>
<td>(Wonganawat et al., 2022)</td>
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<td></td>
<td>2. Promotion of service innovation and service quality increases satisfaction and trust which in turn leads to increased loyalty behavior</td>
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</table>
1. Quality of service and image has a positive and significant effect on tourist satisfaction, tourist trust, and tourist loyalty.
2. The results of the study have implications for managers of homestay tourism villages to improve service quality based on health and CHSE protocols, communicate a positive image to guests through the marketing communication mix, and increase guest satisfaction and trust.

1. There are 3 dimensions of service recovery, namely distributive justice, interactional justice, and procedural justice.
2. This research has proven the positive impact of service recovery on the satisfaction and word of mouth of foreign tourists towards homestays in the Mekong Delta, Vietnam.
3. The results emphasize the importance of service recovery on tourist perceptions of service quality and service image.

**Traveler Loyalty**

- Tourists who visit homestays due to recommendations from friends are higher than tourists who do from Moments recommendations or recommendations from other online social platforms and information from tourism reservation platforms.

1. Homestays with highly designed surroundings of the building and features will be more likely to attract higher customer loyalty through word of mouth, customer satisfaction, and recommendations from others.
2. The beautification and uniqueness of the surroundings at a homestay will likely increase customer loyalty.

**Risk management**

- Planned resilience, risk management, and connectedness have a positive impact, while the age and size of businesses and multiple disasters hurt the speed of recovery of micro and small enterprises.

1. Governance for homestays is how the manager can use parameters in assessing governance, namely effective risk management, but the results stated that it was only limited to risk identification, namely that there was an evaluation division.
2. Risk mitigation plan: in terms of risk mitigation planning, villagers can coordinate with government officials in meetings, and Risk mitigation results:
3. The resulting risk mitigation is that the villagers participate in the tourism evaluation and form a committee to carry out the risk mitigation.

- This article focuses on risk management in hotels by evaluating and preventing risks in the hospitality industry as a factor in increasing their entrepreneurial value.
2. The results of the research in this article show that to optimize cash flow in hotel operations, it is advisable to provide a balanced business mix and improvement of strategic internal processes. (Lžičař, 2018)

3. In addition, it appears that for optimal implementation of risk management, it is important that strategic analysis updates are carried out every year in business entities following developments in both the external and internal environment.

1. The international business environment is highly competitive, and companies must be aware of how to manage business risks, which methods to choose, and what impact these risks have on the sustainability of these methods and the entire system. This article aims to analyze the impact of SME internationalization on risk management and define the different perceptions of the importance of sustainability regarding this system. Data from an extensive research study in V4 countries (Czech Republic, Hungary, Slovakia, Poland) were analyzed. (Virglerova et al., 2020)

2. The findings in this study indicate that there are more specific risk managers who have the authority to handle risk management in international companies than in domestic companies. There are also differences in the relationship between risk management techniques and risk reduction strategies, depending on the presence of the business in international markets. Companies in the international market are more focused on risk management methods that support sustainability and their risk management systems have a more stable future. 

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Risk management at homestays needs to be implemented to achieve tourist satisfaction and tourist loyalty. The risk management process in homestays must be mitigated so that tourist satisfaction and loyalty can be realized. As research conducted by Voon, et al, the experience of homestay services has a direct positive effect on satisfaction. There are eight dimensions of Experience (Culture, Guide, F&B, Environment, Cleanliness, Accommodation, Service, and Accessibility), and the eight dimensions are operational risks that need attention (Voon et al., 2022). Furthermore, this study also confirmed that the homestay service experience had an indirect positive effect on the intention to return through satisfaction. For this reason, it is necessary to re-examine to ascertain whether a mitigating operational risk can increase tourist satisfaction and loyalty. In line with research conducted by Novitaningtyas, et al, service quality and image have a positive and significant effect on tourist satisfaction, tourist trust, and tourist loyalty (Novitaningtyas, Rahardjo, et al., 2021). The results of the study have implications for managers of homestay tourism villages to improve service quality based on health and CHSE protocols, communicate a positive image to guests through the marketing communication mix, and increase guest satisfaction and trust. The results of this study also focus on how service can affect tourist satisfaction and loyalty. Such as health protocols and CHSE are operational risks that need to be considered in risk management. Furthermore, research conducted by Mai, et al, there are three dimensions of service recovery, namely distributive justice, interactional justice, and procedural justice (Tien et al., 2021). This research has proven the positive impact of service recovery on the satisfaction and word of mouth of foreign tourists towards homestays in the Mekong Delta, Vietnam. The results emphasize the importance of service recovery on tourist perceptions of service quality and service image.
Furthermore, research conducted by Ma, et al, states that tourists who visit homestays because of recommendations from friends are higher than tourists who do from recommendations of moments or recommendations of other online social platforms and information from tourism reservation platforms (MAI et al., 2021). This explains that the dimension of operational risk needs to be considered so that tourist loyalty can be realized. This research is in line with research conducted by Wonganawat, et al., promoting service innovation and service quality increases satisfaction and trust, which in turn leads to increased loyalty behavior (Wonganawat et al., 2022). This research is supported by research conducted by Sawatsuk, et al, which states that good governance for homestays is how the manager can use parameters in assessing governance, namely effective risk management, but from the results it is stated that it is only limited to risk identification, namely to the extent that there is evaluation division, risk mitigation plan: in terms of risk mitigation planning, villagers can coordinate with government officials in meetings, and the results of risk mitigation What resulted was that villagers participated in the tourism evaluation and formed a committee to carry out the risk mitigation (Sawatsuk, Darmawijaya, Ratchusanti, & Phaokrueng, 2018). From the research of Sawatsuk, et al, it is clear that risk management is needed to mitigate the risks that may arise in a homestay so that tourist satisfaction and loyalty can be realized and later the existence of a homestay can last a long time (Sawatsuk, Darmawijaya, Ratchusanti, & Phaokrueng, 2018).

Conclusion
This research conducts a review of various studies related to the topic of risk management in homestays that influence the development of tourism in Indonesia. The existence of the Covid-19 pandemic resulted in a halt in the tourism business including the homestay business. The Covid-19 pandemic is one of the risks that must be faced in the tourism business so that this risk does not become a disaster. For this reason, risk management is needed to deal with various risks that may arise, one of which is the Covid-19 pandemic. Therefore this study provides an overview of research opportunities that can assist in seeking novelty in research for the future. Based on the search for previous studies, it was found that no research had been found that detailed the risk management model associated with tourist satisfaction and tourist loyalty. So that it is a novelty that can be done in further research.

References


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