Hosts’ perspective on home-based commercial hospitality: Evidence from the desert city of Arad, Israel

Anna Sandler and Amir Shani
Department of Tourism and Leisure Management, Ben-Gurion University of the Negev, Beer-Sheva, Israel, and Shahar Shilo
Department of Tourism Studies, Ashkelon Academic College, Ashkelon, Israel

Abstract

Purpose – Home-based commercial hospitality (HBCH) is the focus of this study. This community-based tourism (CBT), which has received little research attention, is examined to reveal the meaning of commercially hosting visitors in private homes for experiential meetings on a variety of topics such as food, art, culture, folklore and various workshops.

Design/methodology/approach – A qualitative research method was adopted, using semi-structured, in-depth interviews with HBCH providers in the desert town of Arad, located in southern Israel.

Findings – The study reveals the impact of this unusual occupation on the host’s quality of life, the factors that encourage and suppress involvement in this entrepreneurship, as well as the positive and negative consequences of HBCH on the local environment.

Practical implications – The findings could offer important guidelines to municipalities and local governments seeking to encourage CBT and sustainable micro-enterprises.

Originality/value – HBCH is a recent phenomenon and, as such, has been little researched. This study of one community raises issues that may be shared by HBCH enterprises. The findings could contribute to developing such initiatives elsewhere, avoiding the obstacles faced in this pioneering effort.

Keywords Community-based tourism, Micro-entrepreneurship, Hosts, Quality-of-life

Introduction

By adopting a qualitative research strategy, this study investigates the phenomenon of home-based commercial hospitality (HBCH) as it is perceived by micro-entrepreneurs who engage in it. Local culture and the life of the community are of interest to many tourists. They are often willing to pay more to have “authentic encounters” with locals (Richards, 2014), reflecting the broader trend of “social tourism”, a unique form of which is HBCH (Meagher et al., 2022). HBCH invites visitors into the local community’s folklore, art, culture and life stories. By using descriptive data from semi-structured in-depth interviews, this study presents HBCH hosts’ perspectives on these visits which are short up to a few hours, usually without an overnight stay.

To date, there is no single, widely accepted definition for HBCH (Meagher et al., 2022). Lynch (2005) coined the term “commercial home enterprise” to describe various types of accommodation, such as small hotels, B&Bs and guest houses, where paying guests can
interact with their hosts during the visit in shared spaces. Another term used is “homestay,” which refers to a vacation or overnight stay in the home of a local host family. This concept emerged from increased demand for “authentic” experiences and accommodation that differ from the tourist products offered by standard hotels (Moscardo, 2009). While the literature emphasizes the lodging component of the homestays phenomenon (e.g., Kulshreshtha & Kulshrestha, 2019), the current study is unique in that it examines HBCH venues that do not include sleeping arrangements, but focus on the direct interactions between hosts and guests.

Another term, which is broader and commonly used in the tourism industry, is community-based tourism (CBT). CBT provides hosts and visitors with opportunities to share personal experiences and develop relationships, contributing to the sustainable development of the local community and guests’ personal growth (Sunsri, 2003). In this study, the term HBCH refers to paid experiences in the personal homes of local hosts who present creative works and recount life stories. During the encounters, guests are treated to light refreshments or a full meal to offer them the atmosphere of hospitality typical to a local home. Visits are usually limited to several hours, depending on the content offered.

CBT in general, and HBCH specifically, offers several potential benefits. One notable benefit is economic because HBCH may provide a way to generate income in areas with limited employment opportunities (Nguyen, d’Hauteserre, & Serrao-Neumann, 2022). HBCH also allows exposure to lesser-known tourist destinations, which could reduce congestion resulting from over-tourism in well-established, popular tourist destinations (Pilato, Seraphin, & Sheeran, 2018). Many tourism researchers are concerned with preserving local culture and traditions (Paulauskaite et al., 2017). HBCH enterprises can contribute in this regard by providing economic incentives to preserve local traditions, crafts, cuisine, folklore, family stories, etc. (Mathew & Sreejesh, 2017).

The current study examines the significance of the HBCH, including its challenges for the quality of life of the hosts and the community and its impact on them. In addition, the study reveals the factors that encourage or inhibit this type of micro-entrepreneurship. To do so, face-to-face interviews were conducted with HBCH property owners in Arad, a town in the southeastern Negev desert in Israel, with the goal of shedding light on an intriguing tourist phenomenon that has not yet received sufficient attention in the academic literature.

**Literature review**

*Transformations in the tourism industry*

Social networks, which evolved rapidly since the turn of the century, allow consumers to track tourism services and actively seek those appropriate for them (Richards, 2018). The rise of the sharing economy and the growth of companies such as Couchsurfing, Airbnb and Uber put consumers in direct contact with tourism providers who have little or no association with the traditional and institutionalized tourism industry (Ochoa, 2015). One significant consequence of these developments is the blurring of the boundaries between tourists, hosts and the local population (Paulauskaite et al., 2017). This blurring intensified following the “open skies” revolution and the introduction of low-cost flights, which has resulted in tourism proliferating in places that had previously been considered “less touristy” (Richards, 2018). Previously, tourists could be easily identified and defined, but the open skies and sharing economy generate travel for a wide range of leisure, work and study purposes that have little or no resemblance to the classic idea of a “vacation” (De Loryn, 2022). One manifestation of this transformation is the trend of short trips for refreshment and revitalization, notably the “city break” – short leisure trips to a single city with or without overnight accommodation or short visits to other nearby destinations (Chen, James, & Shahavali, 2016; Dunne, Buckley, & Flanagan, 2010).
Much of the tourist market today seeks novel, exciting, unique and “authentic” experiences, which are no longer provided by classic and iconic historical and cultural attractions (Park & Santos, 2017; Richards, 2018). Tourists expect memorable experiences that provide long-term satisfaction that directly affects their happiness and, consequently, their future behavioral intentions (Kim & Ritchie, 2014). As noted by Beldona, Yoo, and Baiomy (2023), “[t]he pursuit for authenticity and integration with surroundings are important aspects of commercial hospitality, which provides Airbnb with a competitive advantage over traditional hotels” (p. 41). In order to maintain their business and even expand it, tourism outfits must seek and implement ways to transform ordinary tourism experiences into memorable experiences (Pine & Gilmore, 1998; Russo & Quaglieri-Domínguez, 2012).

Kumar, Killingsworth, and Gilovich (2014) found that experiences provide longer-lasting happiness and satisfaction than gained by purchasing material products. The authentic experiences contemporary tourists want cannot be found at mass tourism destinations with standard hotel accommodations, which have traditionally isolated guests from direct personal interaction with locals (Jovicic, 2014). It is now widely accepted that classic mass tourism sites are less likely to provide interactions with locals and “authentic” experiences that tourists pursue (Agarwal & Singh, 2022; Maoz, 2006). On the other hand, hospitality units at the local level, such as home-based accommodation, play an important role in creating unique and memorable tourist experiences, which include experiencing the authentic hospitality that reflects the local culture and lifestyle (Ghaderi, Butler, & Béal (2022)).

**HBCH as an expression of CBT**
The academic research literature generally addresses HBCH in the context of overnight accommodations with families living in rural areas and offering direct interaction between guests and local hosts (Bottone, 2023). Lynch (2005) referred to HBCH as a type of “commercial home enterprise” in which guests pay to stay in private accommodation and interact with their hosts in a shared space during the visit, so that HBCH represents the commercialization of a private home with the residential space used for profitable purposes (Janjua, Krishnapillai, & Rahman, 2021). By offering a local alternative to conventional hospitality provision, HBCH caters to travelers and vacationers seeking novelty, personalized service and real social interactions with hosts (Wang, 2007).

Lynch (2005) noted the distinctive characteristics of HBCH enterprises: family involvement in the operation of the business venture, benefits to the local community, guests being involved in the use of the property, guest-host interaction, property owners participating in the design of the hospitality product, involvement of “lifestyle entrepreneurs,” and finally, the importance of gender, personal networks, social values and the daily life of the family. As noted by Bhuyan and Deka (2019), micro-entrepreneur, which is based on commercial hosting by local residents in a way that allows tourists to experience the local culture and be part of the community for a short period of time, is one area in which CBT can be promoted. Among other things, micro-entrepreneurship from home allows women to earn a living and work for self-fulfillment without compromising on the home front and achieving family goals (Randhave & Sadhale, 2020). Here HBCH has the potential to contribute to CBT’s social missions regarding empowerment of women and gender equality.

In Israel, one of the many benefits of CBT, and particularly of HBCH, is that it provides economic opportunities in areas characterized by socioeconomic conditions below the national average and high unemployment, such as among the Bedouin in the Negev, the Arab community in northern Israel, or in development towns throughout Israel (Benita & Bekker, 2018). New tourism trends indicate the need to preserve local culture and traditions (Paulauskaite et al., 2017), and HBCH enterprises contribute to this by preserving traditions, arts and crafts, family stories, legends and foods (Mathew & Sreejesh, 2017).
IBCH hosts as tourism lifestyle entrepreneurs

A formal definition of entrepreneurship is “the process of developing and managing an innovative business venture through identifying and exploiting business opportunities and gathering necessary resources to develop and manage the business” (Mohammad & Ebrahem, 2022, p. 208). Micro-entrepreneurship is a specific approach to entrepreneurship that emphasizes the establishment of small businesses (usually with limited resources and personnel, as well as minimal start-up capital), which often provide solutions in areas that are not addressed by larger businesses. In recent decades, social scientists have conducted extensive research on entrepreneurship to identify the characteristics of successful entrepreneurial thinking. These characteristics were classified according to the entrepreneur’s motivations, behavior and personality (Timmons, 2003).

While many studies have addressed entrepreneurial behavior, there not much reference to entrepreneurs’ perceptions of opportunities (Low, 2001). Because the tourism and hospitality industry does not require a high level of specialization and barriers to entry into this field are low, it offers unprecedented opportunities for micro-entrepreneurs (Peters & Schuckert, 2014). This is a significant advantage for marginalized groups, including those living in peripheral areas, which are often excluded from the traditional labor market. The study of Cetin, Altinay, Alrawadieh, and Ali (2022), for example, illustrates the importance of micro-entrepreneurship among refugees living in Turkey and the UK. Contextual factors such as their inferior position in the local labor market, in addition to individual motives such as the desire for independence, constitute significant driving forces for them to be involved in micro-entrepreneurship in hospitality and tourism.

Burns and Dewhurst (1996) proposed the term lifestyle entrepreneurs to describe people who shape their careers around their lifestyle. Unlike traditional entrepreneurs, who build their life around their careers and focus on economic growth, lifestyle entrepreneurs often use the profits from their business ventures to support their way of life. Their focus is on maintaining their lifestyle while ensuring their standard of living, and they tend to be independent and view their business venture as providing them with opportunities for freedom, creativity, challenges and flexibility in decision-making (Peters & Schuckert, 2014; Skokic & Morrison, 2011). The launch of sharing economy platforms in hospitality have greatly contributed to the accessibility of micro-entrepreneurship among many populations that had difficulty finding the necessary funding or knowledge for this in the past (Abdelhady & Ameen, 2022).

The tourism industry encourages the development of small ventures by lifestyle entrepreneurs, who may be identified primarily by their business-management style. They combine economic goals with other non-financial goals, and their decision-making is not solely financially based (Hjalager, Kwiatkowski, & Østervig Larsen, 2018; Wang, Li, & Xu, 2019). As found by Sun, Xu, Köseoglu, and Okumus (2020), lifestyle micro-entrepreneurs in the hospitality industry strive to simultaneously achieve a livelihood with a work-life balance. This is a considerable challenge, since for those micro-entrepreneurs work and personal life are integrated and the boundaries between them are flexible and permeable. Lifestyle entrepreneurs working in tourism, like HBCH proprietors, are active in the local community and therefore play an essential role in making tourist destinations more attractive (Czernek, 2017).

Methodology

Research setting: Arad, Israel

Arad is a small town in the south of Israel, bordering on the Negev and Judean deserts. The city was established in 1961, and the current population is about 30,000. In the 1970s and 1980s, Arad attracted international tourists because of its proximity to the Dead Sea.
However, in the 1980s and 1990s, modern hotels were established near the Dead Sea, and the flow of tourists to Arad dwindled. Recently, a novel type of local tourism industry, based on HBCH provision, has begun to develop in Arad. Approximately 150 private entrepreneurs in tourism and HBCH operate there, offering a variety of accommodation types. Arad’s municipal tourism department has been supporting this trend for several years by helping the community of HBCH proprietors improve tourist experiences and encourage visitors to extend their stay there.

**Research objectives**

The overarching goal of this study is to examine the potential for developing CBT by promoting the HBCH model, using the town of Arad as a test case. Specifically, the study examined the following questions.

1. How does HBCH affect hosts’ quality of life?
2. What factors encourage or discourage HBCH entrepreneurship in Arad?
3. What are the impacts of HBCH on the local community?

**Research methods**

To date, HBCH has received little research attention, and this study was designed to shed light on this growing tourism phenomenon. We chose a qualitative approach for this is a preliminary and exploratory study, as it is an analytical process, usually non-statistical, with intuitive elements or characteristics, aimed at providing meaning, interpretation and generalization to the phenomenon under study (Gibton, 2001). According to Burns and Grove (2009), qualitative research is a systematic and subjective approach to highlight and explain daily life experiences and to further give them proper meaning. This methodology is expected to reveal subjective worldviews and contribute to understanding the phenomenon of HBCH ventures in Arad.

**Research instrument**

To address the research questions, semi-structured in-depth interviews were conducted with HBCH proprietors in the city of Arad. In-depth interviews explore how respondents perceive and understand reality. This qualitative study includes individual conversations conducted with a few respondents. Interviewees had significant freedom of expression in how they chose to answer the questions (Gabler, 2013). The interviews were conducted at face-to-face meetings, with time and location set at the interviewees’ convenience.

The interviews began with background-information questions about the interviewees and their families and then to speak in-depth about their perceptions of Arad and their business ventures as part of the tourist experience in town. Among the guiding questions were:

1. Why did you decide to start a tourism business in Arad?
2. How did you get into HBCH?
3. What are the benefits of starting a HBCH business, specifically in Arad?
4. How does the operation of HBCH enterprise affect your quality of life?
5. What conflicts or dilemmas can arise from operating a business in a residential neighborhood?
6. What challenges are involved in this type of entrepreneurship?
(7) What role should the municipality play in encouraging CBT in general and HBCH in particular?

(8) What factors encourage/discourage involvement in HBCH ventures?

(9) How does HBCH affect the local community?

Research population and sample
For the study, we used a sample derived from census records; that is, a sample of all those engaged in the field of HBCH in Arad, according to records from the Arad municipality. The municipality has given all HBCH proprietors professional training in entrepreneurship, with topics including marketing, developing a tourism product and crafting one’s personal narrative. In January 2019, the municipality organized meetings with a professional tourism consultant to benefit all members of the HBCH community in Arad. During 2019, tours were organized to increase exposure to the tourism market, with significantly beneficial marketing results for HBCH proprietors in Arad, who now number 18.

For the purposes of the present study, interviews were conducted with 17 of the 18 HBCH proprietors (see Table 1 for descriptions of the interviewees). The one host who was not interviewed had temporarily suspended her business due to the outbreak of COVID-19 and the birth of a baby. All interviews were conducted at the hosts’ homes, except for one interview that was conducted by telephone at the interviewee’s request. The interviews were conducted in Hebrew and the subjects chosen for this paper were translated into English.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Gender</th>
<th>Age</th>
<th>Marital status</th>
<th>Type of HBCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keren</td>
<td>Female</td>
<td>36</td>
<td>Married without children</td>
<td>Experiential workshops: yoga, flamenco, Indian and gypsy dance and special dance performances</td>
</tr>
<tr>
<td>Michal</td>
<td>Female</td>
<td>76</td>
<td>Married with three children</td>
<td>Couscous = cooking workshops and home gallery for decorative applied art</td>
</tr>
<tr>
<td>Ruthie</td>
<td>Female</td>
<td>70</td>
<td>Married with four children and ten grandchildren</td>
<td>Traditional Yemenite meals accompanied by personal stories about the heritage of Yemenite Jews</td>
</tr>
<tr>
<td>Dorit</td>
<td>Female</td>
<td>52</td>
<td>Married with two children</td>
<td>Intuitive drawing workshops</td>
</tr>
<tr>
<td>Shirly</td>
<td>Female</td>
<td>46</td>
<td>Divorced with one child</td>
<td>Guest house and desert-style meals</td>
</tr>
<tr>
<td>Yael</td>
<td>Female</td>
<td>41</td>
<td>Married with five children</td>
<td>Persian-style hospitality, accompanied by personal stories of the immigration of Iranian Jews to Israel</td>
</tr>
<tr>
<td>Gal</td>
<td>Female</td>
<td>73</td>
<td>Married with three children</td>
<td>Story-telling meetings and workshops for strategy games</td>
</tr>
<tr>
<td>Elli</td>
<td>Male</td>
<td>45</td>
<td>Married with three children</td>
<td>Healing sounds workshop</td>
</tr>
<tr>
<td>Judy</td>
<td>Female</td>
<td>60</td>
<td>Married with three children and one granddaughter</td>
<td>Multidisciplinary art workshops</td>
</tr>
<tr>
<td>David</td>
<td>Male</td>
<td>64</td>
<td>Married with three children</td>
<td>Art gallery</td>
</tr>
<tr>
<td>Ronny</td>
<td>Male</td>
<td>53</td>
<td>Married with two children</td>
<td>Art workshops using wire</td>
</tr>
<tr>
<td>Daniel</td>
<td>Male</td>
<td>68</td>
<td>Married with four children</td>
<td>Tour in the garden of metal sculptures in his yard</td>
</tr>
<tr>
<td>Shelley</td>
<td>Female</td>
<td>61</td>
<td>Married with two children</td>
<td>A gallery for bronze works of art</td>
</tr>
<tr>
<td>Maya</td>
<td>Female</td>
<td>42</td>
<td>Married with two children</td>
<td>Natural remedies and a soap-making workshop</td>
</tr>
<tr>
<td>Adam</td>
<td>Male</td>
<td>36</td>
<td>Single without children</td>
<td>Studio gallery for applied art and design</td>
</tr>
<tr>
<td>Joy</td>
<td>Female</td>
<td>60</td>
<td>Married with three children</td>
<td>An authentic Tripolitan culinary experience</td>
</tr>
<tr>
<td>Sandra</td>
<td>Female</td>
<td>49</td>
<td>Married with three children</td>
<td>Studio and ceramic workshops</td>
</tr>
</tbody>
</table>

Table 1. Description of interviewees

Source(s): Table by authors
Data analysis
All interviews were recorded and transcribed to analyze the major themes. The data analysis offered an in-depth understanding of the effects of HBCH in Arad on the hosts and the local community. Data coding was used to identify key themes and to formulate insights regarding the research subject. The themes that emerged in the data analysis allow for a comprehensive and in-depth understanding of HBCH in Arad. From this, conclusions can be drawn regarding the phenomenon of HBCH. It should be noted that since this is an exploratory study that aims to reveal the wide range of themes surrounding the topic under investigation, the findings presented in the next section are not reported in relative frequencies since such reporting may be misleading. In light of the current research approach, quantification of themes and/or other findings is not necessary because the focus of the study is on an in-depth understanding of a phenomenon and its meanings and not necessarily on a review of a representative sample or the establishment of external validity. At the same time, it should be emphasized that Arad is a peripheral city located in a rural area, thus possessing many similar features of other tourist destinations where HBCH ventures are popular.

Research findings
The research findings describe the positive and negative effects of HBCH enterprises on the local population and on the hosts. Additionally, the findings reveal the challenges in this form of commercial hospitality and the critical role played by the community and the local authorities in the success of these initiatives. As noted in the previous chapter, a thematic analysis was conducted on data collected for the qualitative study. The categories resulting from this data analysis are presented, along with selected quotes from interviewees illustrating the themes that emerged.

HBCH proprietors’ quality of life
Aesthetics of the private home. The findings indicate that HBCH ventures have multiple and varied effects on the hosts’ quality of life. One positive effect noted by interviewees pertains to the cleanliness and organization of their homes. Because hosts must be prepared to receive guests at any time, they keep their homes meticulously clean and organized. As one proprietor, who often receives guests on short notice, said:

Because I have to host, I’m motivated to organize and tidy the house. So, it may sound funny, but after the guests leave, I’m left with a clean and organized home [laughs]... It’s great for me! [emphasizes] It only improves over time... So, this way, it improves my quality of life (Adam).

Although frequently cleaning and organizing the house and yard may create some pressure and inconvenience, it is also rewarding because the house is always aesthetically pleasing.

I ask for at least an hour before guests arrive to clean up the house because I live here, and there’s nothing to do about it. I watch television and things like that. On the other hand, it’s good, because the house, you could say, is always clean... I’m always thinking about what to add to the home, about how it looks. That means there are always flowers, the garden is tended, and the fountain has to work. I’m always working to make it nicer. Then afterwards, I can enjoy all this beauty (Ronny).

Improvement in hosts’ working conditions. In some cases, running a HBCH enterprise can be more convenient than working as a salaried employee or being self-employed outside the home. It is simpler and allows maximum flexibility regarding the times guests arrive. A HBCH host who previously worked as a salaried accountant for an organization, offers an example of how going into the home-based hospitality business can improve quality of life. As a mother of five, she used to have to navigate long work hours in addition to running her
household. The shift to working at home gave her more time with her family and improved her relationship with her husband.

In terms of my quality of life, I'm riding the crest of the wave! Now, I have more free time at home. I get groups two or three times a week, now even less. I have more time to be with my family, with my husband. I'm home more, away from home less, [I’m not] at the office, returning late. My children aren’t in afterschool programs. They eat a warm meal with mom at home. This is something I didn’t experience for a long time! My whole life, I worked very hard, and suddenly I can just chill, with money coming in at the same time (Yael).

Connection with family and community heritage. Some interviewees offer HBCH that includes ethnic foods and folklore. They noted that their quality of life improved due to a renewed connection to their diasporic family traditions and a strengthened bond with their extended family. For example, Ruthie’s HBCH enterprise is based on Yemenite food and stories. She said that when she decided to run a HBCH enterprise, she realized that she needed to know more about her family’s Yemenite traditions and the cultural characteristics of that ethnic group. She did in-depth research, then invited her family to her home and shared what she learned about the family’s history and about Yemenite traditions. She said she even managed to surprise her brothers, who had grown up with her.

At first, I didn’t know what I could do or contribute. I felt I might have fallen into a place where I don’t really belong. But gradually, I caught this ‘virus’ called home tourism. I became interested and enthusiastic and quickly became a host of Yemenite-style home hospitality because I am a Jew of Yemeni descent, so it’s close to my heart. It inspired me to do research and learn about my origins. Things that . . . either I had forgotten or hadn’t taken seriously suddenly became more interesting. I looked at them from a professional perspective and wanted to understand the nature of everything. I knew there are Yemenite pants – great, so I knew that. But I didn’t know the significance of the embroidery around the cuffs. Why is it like that? Suddenly I was learning things, and it excited me. Suddenly, I knew things I hadn’t known before (Ruthie).

Personal empowerment and self-fulfillment. Analysis of the interviews revealed that a critical common denominator among the hosts is their desire to share their work with others as part of a process of realizing their potential. For example, David, a professional engineer and former business consultant, was always attracted to the arts and wanted to present his artwork to the general public. He saw HBCH as an opportunity to show visitors his artwork in an unmediated way. This became a means to achieve his dream.

This started with the desire to show my artwork. Now, I learned that you have to pay for participating in exhibitions, and you have to constantly look [for sponsors]. I showed my work in a few exhibitions, but you have to pay to lease the space. I realized this isn’t what I want to do. I thought home hospitality would be a better option to show my work. That’s why I started with this, not for the money or anything like that (David).

HBCH can empower hosts and boost their self-esteem. The local municipality provided them with training, including the opportunity to give speak in front of an audience, helping to improve their verbal-expression skills and story-telling abilities. This training, and the experience they gained from being HBCH proprietors, enhanced and strengthened their self-image.

I really wanted to be on stage. But because of my fears, I didn’t think I could say anything at all in front of an audience. Even going out somewhere with everyone looking at me was hard. There was an opportunity. Now, it’s a part of the business and partly an experience of being in front of people. Once, just to get a word out of my mouth was really hard. Today, I can talk for hours about myself, about my work. I feel like I’m actually on stage and I’m no longer scared. People listen, and they ask questions. That means they’re listening, and I have to know how to answer them. I learned how to answer, what to say and what not to say, and how to keep their attention. It is interesting. At first, it was hard, but now I feel I can do it and enjoy it. I really enjoy it (Ronny).
**Work-life imbalance.** Alongside these positive effects on quality of life, there are also negative effects, primarily related to the invasion of privacy involved in hosting strangers in one’s home. In addition to the basic invasion of privacy inherent to having strangers enter one’s personal space, some interviewees said that HBCH adversely affects household members who are not active partners in the business. Conflicts and tension may arise when one family member feels uncomfortable with the exposure involved in this form of commercial hospitality provision, which may damage a couple’s relationship and quality of life. For example, a HBCH proprietor who offers natural pharmacy workshops, spoke about marital difficulties when she began hosting guests in their home.

The partner doesn’t always flow with it... what does it mean to not flow with it? Gabi (her partner) opposed it. Gabi was very, very supportive of me at the beginning of this business. He was the one who pushed me into the project. He really supported me in this; he was the wind at my back. But once it became home hospitality, he got frustrated. He was really upset. He didn’t want... He doesn’t like people coming into our house. He doesn’t like people we don’t know coming into our home (Maya).

Some interviewees noted that successfully managing a household while hosting strangers, who sometimes arrive at unusual hours, requires great flexibility. Yael said that when she hosts groups at home, she must either find a babysitter or integrate her children into the visit, making it difficult to run the business.

When there are guests in the evening, I really try to find a babysitter to take care of them somewhere else. Also, in the afternoons. Because many times when there are guests, the children mingle with them. Sometimes it’s nice that they get involved. But usually, I make sure they are upstairs, or with a babysitter somewhere else so I can have some peace of mind to work (Yael).

In conclusion, working in HBCH has both positive and negative effects on the hosts’ quality of life. Positive effects include realizing personal potential, self-fulfillment and improved working conditions. However, there may be adverse effects on hosts’ quality of life, including potential harm to spouses and other family members, invasion of privacy and a work-life imbalance for hosts resulting from operating a business out of one’s private home.

**Factors encouraging HBCH entrepreneurship**

*Cooperation among community members.* One factor that encourages involvement – and enables success – in HBCH is the mutual support and help among local HBCH proprietors. This includes help during the hosting itself, such as lending equipment and giving advice, emotional support and encouragement.

In the beginning, before I bought all the equipment, I would get equipment from other hosts; and not just equipment, but everything. We help each other, encourage each other, share each other’s posts, and do publicity for each other. And I think because of this, people find out about us. They want to come to me and go to other hosts. When people come to me for a meal, they often want to visit a couple of artists and vice versa. When people visit them, they suddenly get hungry, so they come to me or go to another host’s home, and that is welcome (Yael).

*Local government as a factor in encouraging and nurturing entrepreneurship.* Most interviewees stated that the municipality should encourage entrepreneurship, for example, by easing taxation and bureaucracy and removing regulatory obstacles. HBCH proprietors require that the local authorities be flexible, because they operate in the heart of urban environments not originally intended for businesses. Interviewees noted that the support and involvement of the Arad Municipality were significant in encouraging them to establish and expand their HBCH activities and that local authorities should be leaders in this process because they have access to the necessary information and resources. HBCH proprietors in Arad benefit from courses, advanced training and workshops offered by the municipality on
a wide range of topics, such as tourism basics and introduction to the tourism industry, account management, creating a business plan, speaking in front of an audience and responsible community behavior.

Interviewees widely agree that the local authority should provide a marketing/advertising umbrella for all tourism-related businesses in town and should be a key partner in launching HBCH initiatives. They perceive the municipality as neutral, with a broad vision and no self-interest, unlike commercial entities. Interviewees expressed concerns regarding a lack of transparency on the part of the municipality and unnecessary bureaucracy, which make it difficult for them to open and operate their HBCH businesses. They expect the municipality to exercise discretion and implement reasonable, accommodating and transparent policies concerning taxation, licensing processes and enforcement of building regulations.

I'd be happy to have more freedom to do what I want on my own property. The municipality shouldn’t be so rigid that it takes a year-and-a-half or two years to do simple things and get this or that permit. It's crucial that the by-laws and regulations are clear and transparent... that is, the Engineering Department should actually be able to take something and say: 'Okay, you want to do something – this is what needs to happen.'[It should be] something accessible, not giving me a bunch of useless words, putting the whole law in front of me. Practically speaking, they should provide me with information and the phone number of the department, so if someone has a question, like how I can easily make a pergola for my business, or businesses that might need... something else like that (Elli).

**Characteristics of the tourism destination**

The findings indicate ways in which the character of the town and its community influence HBCH. Small cities and towns in peripheral areas offer an ideal context for developing such enterprises, as opposed to large cities in the central region. The hosts see Arad as a place that inspires creativity and home-based hospitality as both an economic opportunity for the town and a means for enabling hosts to feel unique.

If I were in Tel Aviv now, in some kind of competitive energy with dozens of others just like me, or hundreds of dancers trying to find their way, it probably would have been harder for me to stand out and find my unique nature. In this respect, Arad is very comfortable because I am pretty unique [in what I do]. I feel like the Dancer of Arad. It’s quiet here, and the energy isn’t one of survival. If I worked in a more expensive area, I would have to act differently in terms of my business, and I might have been less able to realize my dreams. I would have had to work just on what earns more money. It’s very helpful to me also in this respect (Keren).

**Accessibility of HBCH to broad audiences**

Interviewees favorably noted the relative ease of developing HBCH enterprises because they do not require significant start-up capital and are based on existing knowledge and physical infrastructures. This type of hospitality provision is especially appropriate for residents of peripheral areas, who often find it challenging to receive funding from entrepreneurship-development institutions. Therefore, they need the support and training in essential business and marketing issues, and these were provided by the municipality.

HBCH is a relatively new business field, and often HBCH proprietors operate in a “gray area” regarding the laws and regulations for economic activity in the destination area. Most owners have little or no experience with regulations and by-laws, and some perceive the weakness or absence of regulations as an advantage, permitting them a broader range of activities.

I think that in terms of the culinary side, food and sanitation and all that, the municipality is doing the right thing by not interfering. Because if it went into people’s homes, it would disqualify everyone [in
the home hospitality business]. It wouldn’t be permitted for 30 people to go into a small house and use the same bathroom, one stall, and no bathrooms for men and women. I know that sanitation laws are a death sentence for anyone who wants to open a restaurant, or a shawarma or falafel stand in the center [of the country]. They get under your skin to the extent that until all the regulations and requirements are met, you can’t open the business. They need a permit from the fire department, a sanitation permit, and an environmental quality permit ... but someone who hosts at home can sort of bypass all that (Daniel).

In conclusion, several factors influence interviewees’ degree of involvement in HBCH. For most interviewees, this is not the sole or primary income source but a means of fulfilling personal dreams and finding self-actualization. Therefore, bureaucratic barriers could decrease their motivation to participate in this entrepreneurship.

**Impacts of HBCH enterprises on the local community**

**Neighborhood relationships and urban cohesiveness.** Arad has a heterogeneous population that reflects many elements of Israeli society (secular, religious and ultra-Orthodox; new immigrants and veteran residents; Jews and Arabs). Several interviewees expressed the opinion that HBCH ventures contribute to the sense of cohesiveness that is essential for harmonious life within the complex reality of a diverse urban community. Some said that their neighbors help them and participate in their activities without asking for monetary compensation, which contributes to positive neighborhood relationships and a sense of unity and mutual help.

However, such businesses can also adversely affect neighborly relations because they operate in a residential area, not originally intended for businesses or commercial recreation and leisure activities. Conflicts may arise with neighbors, who, for various reasons, do not approve of commercial hospitality activities near their private homes. Some interviewees said that disputes have arisen over issues such as parking spaces on the street, noise from group visits, or disturbances caused by hosting activities at unusual hours. The hosts, however, do not always agree with their neighbors’ complaints.

It might be disruptive, but there is also an element of jealousy that could be resolved if they [the neighbors] understood that this is a natural process. It is not something personal against them. People need to realize that, while it’s true that they came to Arad because they wanted to live in peace and quiet, they came to Arad in the 1970s when there was nothing here. There is nothing to do about it, life changes everywhere. Things change, and it’s part of development, and that’s something people sometimes refuse to accept. They want to hold on to what they had before (Shirley).

**Contribution to the image of Arad as a tourism destination.** With locations vying for investors, new residents, tourists and visitors, the location’s image is essential and maintaining or creating it is paramount in the decision-making processes of the local authorities. Many hosts noted that HBCH enterprises have positively affected Arad’s image as an attractive destination. For example, Daniel said that visitors to the sculpture garden in his backyard also see various other attractions that Arad offers, which they did not expect. Visitors who come specifically to see his exhibit may visit other places in town “along the way,” increasing their exposure to Arad’s lesser-known attractions. Some interviewees said that home-based hospitality businesses improve Arad’s image both in the eyes of visitors and local residents.

People didn’t know this town. They had never been exposed to it. If they came here, it was on their way to the Dead Sea. They came in, ate something in the mall or shopping center, and kept going. But they come specifically to Arad. They are here on purpose, to visit the sculpture garden, then maybe go to a few other open houses around here. They enjoy themselves and don’t want to leave. They want to stay. Afterwards, they eat at a good restaurant in town. They’re happy when they return home: ‘Wow, we went abroad’ (Daniel).
HBCH enterprises enrich the tourism destination by offering unique attractions and introducing visitors to local art and artists, which helps meet tourists’ demand for “authentic” experiences, an issue mentioned in virtually every interview. Thus, Ronny noted that visitors are curious and want a “peek” into the artists’ world – not only to see the tools and materials they work with but also to glimpse their private, personal lives. HBCH businesses do not have a clear boundary between the artwork being exhibited, the place where the artwork is made and the artist. While these elements are separated in commercial spaces such as galleries, HBCH merges them in a single space, giving the visitor a more authentic and intimate experience. Such ventures bring new market segments to the town, people who would not have come to Arad had it not been for their desire to glimpse the world of local artists and creators. HBCH enterprises provide an appropriate way to satisfy this curiosity, and exposure to artists’ private lives gives visitors a renewed perspective on their own lives.

It’s interesting for them to see where you are, where the artist lives, even where the artist sleeps, where he creates, where he works, what tools he uses, and the room he works in. It’s fascinating to people. It seems more interesting than walking around for hours in big museums. Now, everything is personal here; they really get individual treatment. And it seems that it works. People keep saying: ‘What fun to be with you at home!’ At home – it looks like the right word because they do feel at home. We do everything we can to make our guests feel at home. There’s nothing artificial here. They sit where we sit, walk around where we walk, and everything is for them (Ronny).

**Contribution to sustainable local economy in peripheral areas.** There is a great need to create employment opportunities for residents of localities far from the main economic centers. HBCH owners said they view their businesses as an appropriate way to earn a living in remote and peripheral areas. The nature of HBCH encourages cooperation among local entities, with visitors often going to several hosts to get the most out of their visit. In this way, HBCH drives growth in multiple sectors of economic activity and contributes to building a sustainable local economy.

The bottom line is that everyone benefits. There’s income. If I do home hospitality here, I hire a worker to help me, and I buy food at the local supermarket. Afterwards, there’s more work for a cleaning person. It’s basically driving the economy, and it has a ripple effect. It’s not just the hosting that I do right now. There’s preparation beforehand and things that follow it. Many people are involved and wind up being hired. This is something that should be emphasized (Shirley).

**Enriching local leisure.** HBCH enterprises positively impact local leisure by increasing the range and diversity of cultural activities that Arad offers, which benefits the life on the local population in addition to bringing in visitors. Some interviewees said they would host local residents and their families at no cost.

I would say there are Aradhniks [Arad residents] who come to us and are very surprised. They say: ‘Wow, you’ve been here for years, and we didn’t know. How come we didn’t know you’re here with such a great exhibit?’ They hear by word-of-mouth that it’s worth visiting us. And the whole thing of having an open house, say on holidays, when we are open, raises awareness among Arad residents that we’re open. There are hospitality places they can come and see (Shelly).

**Contribution to urban pride and strengthening the sense of place.** Some interviewees said that running a HBCH enterprise gives them a sense of purpose as “Arad’s ambassadors.” They feel they should present the attractive and creative face of this southern town, which does not always enjoy a positive reputation in Israel. Several interviewees noted that this enhances their sense of belonging to the town and encourages them to become more socially involved by meeting other local artists and collaborating with other hosts. This involvement with the town’s rich and varied human and cultural capital can create “team spirit” and strengthen the personal connection with the place. It should be noted that team spirit is based on people’s belief that they have played a special role or helped create positive phenomena or events, even
if their contribution was secondary or peripheral. The interviewed hosts said they believe that the HBCH activities strengthen the local population’s connection to Arad, because local residents learn about the hosts’ activities and are proud to tell their guests about them.

I think it contributes a lot to a positive atmosphere in the town. I think people are thrilled with this. When they have personal guests visit the town, let’s just say there wouldn’t be much for them to do without this, so it’s simply fun to have houses that can be visited. There’s something to do in the town. This is very important. It gives, you could say, a feeling of life to the town. It’s a good feeling. I’m sure it adds (Gal).

In summary, HBCH enterprises affect the local community in multiple ways. According to the hosts, the diverse activities contribute to a town’s image as a tourist destination and improve its reputation in residents’ eyes. These ventures contribute to a sustainable local economy in a town far from Israel’s central region and major employment sources. Additionally, they strengthen the fabric of community life, add to the town’s leisure and cultural life, create urban pride and strengthen residents’ emotional connection with the town. However, it is impossible to ignore conflicts that may arise due to HBCH businesses operating in residential neighborhoods.

Discussion and conclusions
This study presents the perceptions held by local micro-entrepreneurs regarding the important contribution that home-based hospitality enterprises make to the local tourism and leisure industries in Arad. The interviewees expressed a holistic perspective, emphasizing that home-based hospitality enriched and diversified the tourism products in Arad and enhance the town’s reputation and image as a tourist destination. HBCH offers an alternative to institutionalized mass tourism, which does not always correspond with current trends in tourism or meet tourists’ needs and desires. These ventures are well-suited to current trends in the global tourism industry, according to which modern tourists are interested in personal experiences in which they can take an active part (Park & Santos, 2017). In the words of Beldona et al. (2023), “[b]y offering customized and localized home hospitality experience, it can create an emotional connection with people, the product, and the brand” (p. 41).

Figure 1 shows a summary of the research findings. As can be seen from the figure, this study highlights the critical role of three key stakeholders who influence and are influenced by the activities of these tourism-provision ventures: hosts, the local community and the local authorities. The findings indicate important theoretical and practical insights into the interrelationships between them.

Hosts
HBCH affects the quality of life of hosts and their families. This includes positive effects, such as self-fulfillment or connection to family heritage and negative effects, such as invasion of privacy and work–life imbalance. To successfully establish and operate such venture, hosts must develop business and managerial skills that will enable them to face technical, bureaucratic, marketing and publicity challenges. Additionally, they must strive to develop and maintain positive relations with their neighbors, even if conflicts arise. Perhaps the most significant positive aspect of HBCH is that it improves hosts’ working conditions in terms of allowing them flexibility, freedom, autonomous decision-making and the satisfaction of expressing a particular lifestyle, which is a prominent characteristic of lifestyle-oriented entrepreneurship (Peters & Schuckert, 2014; Timmons, 2003).

Studies on trends in tourism indicate that, nowadays, tourists seek to accumulate authentic, unique and emotionally moving experiences (Park & Santos, 2017). The present study found that experiential aspects also motivate many hosts to become involved with
HBCH, as they realize that it contributes to their own personal development and self-actualization, and they enjoy the intimate and stimulating experiences of meeting guests. At the same time, similar to other lifestyle entrepreneurs in the hospitality industry discussed in the literature (Sun et al., 2020), the HBCH entrepreneurs interviewed for this study struggle to find a work-life balance. The permeability between work and personal life requires the micro-entrepreneurs to apply different tactics to manage the boundary between these two domains (for example, setting a clear separation between the hospitality area and the residential area).

Preserving local cultures and traditions contributes significantly to creating authentic tourism experiences (Mathew & Sreejesh, 2017; Paulaskaite et al., 2017). This affects both the providers and the consumers of HBCH. The providers – the hosts - who offer home hospitality based on their culture and family tradition said it brings them closer to their heritage and inspires them to explore their family and community roots in greater depth. These feelings contribute to empowering the tiny entrepreneurs and improving their quality of life. These feelings empower the micro-entrepreneurs, raising their self-worth and improving their quality of life. For the consumer, the HBCH experience is an attractive alternative to mass tourism. This, in turn, creates an additional incentive for hosts to continue their business.

Financial considerations were not the sole motivation to become involved with HBCH. One social factor is a fundamental need and desire for a sense of belonging to a community or social group with shared identity and interests. This finding is consistent with previous studies on people engaged in lifestyle-oriented entrepreneurship (Hjalager et al., 2018). The economic factors that encourage or discourage engagement in HBCH relate primarily to the local authority’s role in supporting this type of entrepreneurship. Finally, environmental factors related to the characteristics of the tourism destination significantly affect involvement in HBCH enterprises. Hosts perceive Arad as a town that inspires art and creativity, an atmosphere well-suited to this type of tourism. Arad is a slow-paced and quiet town, far from the busy center of the country. This encourages establishing home-hospitality businesses that preserve the town’s character and the local way of life. HBCH micro-entrepreneurs in Israel’s central region need to develop different business skills that enable
them to survive in the competitive environment of large cities. In tourism destinations on the periphery, far from the main tourist areas, local residents have greater potential to become providers and producers of experiential content based on their lives, skills and personal heritage (Paulaskaite et al., 2017).

The local community
The findings confirm prior claims that, since the beginning to the twenty-first century, conceptualizations of tourists, guests and locals have changed significantly and the boundaries between these groups are becoming increasingly blurred (Uriely, 2005). Arad residents not only operate HBCH enterprises but also take an active part as “tourists” or guests who enjoy home-based hospitality experiences in their town, with the potential of enriching the leisure and cultural life of the local community. These local ventures drive economic growth and help build a sustainable local economy. Many hosts employ other residents in their hosting ventures, creating employment opportunities in the town. Another notable finding is that HBCH ventures strengthen residents’ sense of place and community cohesion.

The study also found that HBCH can negatively affect relationships among neighbors, mostly in such matters as conflicts and arguments over parking, overcrowding and noise from hosted groups. Previous studies have shown that mass tourism can lead to conflicts within the destination’s local population and harm the social, community and economic fabric of the local community (Pilato et al., 2018). In the case of HBCH, negative impacts mostly result from business activities in residential neighborhoods, rather than in areas zoned for commercial leisure activities. Since the success of these micro-enterprises depends, among other things, on a tolerant attitude on the part of the local residents (Wang, Jiang, Xu, & Guo, 2021), these findings indicate the importance of their participation in the decision-making processes concerning the operation of HBCH businesses in their area of residence.

The local authorities
The interviewees unanimously agreed that HBCH enterprises significantly contribute to the town by creating a feeling among residents that "something positive is happening in Arad." Although Arad has not always been portrayed favorably in the Israeli media, its HBCH projects have received positive coverage in the national press and on various online media sites. Hosts said that this has improved the way many Israelis perceive the town. Furthermore, C, such as HBCH, contributes to the sustainable development of the local community and urban economy (Nguyen et al., 2022). The research findings are in line with the conclusion of Kulshreshtha and Kulshrestha (2019), according to which local authorities should support this type of ventures since they have the capacity to sustain economic growth for local residents who struggle to make a living in peripheral areas in general and rural areas in particular.

The municipality and other local branches of local authorities play a vital role in supporting the development of a CBT in general and HBCH in particular. According to the interviewees, such help could be manifested in removing or reducing bureaucratic and regulatory barriers and strengthening the local community by integrating it into relevant planning and decision-making processes. As noted in the literature (Mohammad & Ebrahem, 2022), in addition to contributing to the touristic image of the destination and urban renewal, the local authorities have a clear interest in promoting this type of micro-entrepreneurship since it is attractive to disadvantaged populations (mainly in peripheral areas) and contributes to gender equality.
Managerial implications
The success of CBT, and of HBCH within it, requires establishing a clear management policy that meets the needs of visitors as well as those of the local community. To be sustainable, management plans must consider the interests of all stakeholders – hosts, the local authority and residents. HBCH enterprises can be part of an effective strategy for developing a sustainable tourism industry in peripheral areas that strengthens the local economy and improves residents’ quality of life. The success of such ventures depends, among other things, on the support of the local community and decision-makers in the local authority. The lack of clear rules and regulations for home-based hospitality businesses can create situations that disempower residents not involved in the ventures, who may even feel they are being harmed. Therefore, the local authorities should set and implement clear by-laws and regulations for operating home-hospitality businesses.

As discussed in this paper, local authorities in peripheral areas have an important role in promoting HBCH ventures for the advancement of the economy, culture and local residents. Since these HBCH proprietors often start their entrepreneurial journey without training and with minimal business skills, initiating formal workshops on topics relevant to the establishment and operation of HBCH enterprises is expected to be of great help. Such workshops can deal with a variety of areas such as accounting, raising start-up capital, human resource management in small companies, digital marketing and properly maintaining a work–life balance. Decision-makers in local authorities must understand the unique status and circumstances of these businesses and take this into account when it comes to setting policies regarding taxes, zoning, noise laws, parking, etc.

Another practical aspect that emerges is the importance of access to information for the micro-entrepreneurs in HBCH. It is recommended that the local authority establish a centralized platform or website where the HBCH proprietors can get access to relevant information, resources and guidelines on how to start and manage a hospitality business in their own home, with all the complexities and difficulties involved. Such a platform can include templates for business plans, budgeting tools and regulatory information. It is important not to “abandon” HBCH initiatives after their launch but to support them through mentorship and networking programs. Such a mentorship program will include meetings and conversations with successful micro-entrepreneurs or hospitality professionals who can provide guidance and advice to newcomers. Conducting networking events, conferences and forums where successful micro-entrepreneurs can inspire and share experiences and lessons from their activities can also be beneficial to the success of HBCH ventures.

Research limitations and directions for further research
This study has several limitations. As is common in qualitative studies, here too there is a difficulty in establishing external validity, i.e. generalizability. A quantitative study based on a representative sample could support the achievement of this goal, although, as already mentioned earlier in the paper, the interviewees in the article possess similar characteristics of other micro-entrepreneurs in the hospitality industry: residence in a peripheral town, belonging to marginalized groups and running a hospitality venture in a residential neighborhood (beyond the “tourist bubble”). This creates a context similar to other situations in a way that enables the transferability of the research findings. In light of this, there is a solid foundation to conclude that the research findings, conclusions and recommendations provide effective information and a basis for planning strategies to encourage and manage HBCH in different settings.

The data collection for the present study was conducted in 2020, during the COVID-19 pandemic, which may have affected the results. Because most HBCH activities stopped during this time, many interviewees were recounting their experiences as
micro-entrepreneurs before the pandemic, which raises the issue of memory bias. Additionally, this study only examines HBCH from the hosts’ perspective. To gain a deeper understanding of this developing global phenomenon and establish external validity for the findings of this study, follow-up studies should examine the perspectives of other stakeholders using diverse research methods. Despite these limitations, the study enriches our understanding of HBCH enterprises and their effects on micro-entrepreneurs and the local community. It provides theoretical and practical insights based on HBCH hosts’ narratives and personal experiences.

References


**Corresponding author**

Amir Shani can be contacted at: shaniam@bgu.ac.il