



# Between Tradition and Transformation: Revitalizing Traditional Homestays for Sustainable Ecotourism in Ubud, Bali



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**Abstract:** The global transition toward sustainable tourism requires community-based tourism enterprises to reconcile cultural preservation, economic viability, and environmental stewardship. In Ubud, Bali, traditional homestays represent living expressions of intangible cultural heritage shaped by the philosophy of Tri Hita Karana (harmony among people, nature, and spirituality). However, the preservation of cultural integrity and community-centered values must be balanced with market adaptation and technological integration. Despite extensive research on community-based tourism, the negotiation of competing institutional logics by local actors remains underexplored. This study adopts a qualitative case study approach to examine how homestay operators in Ubud navigate these tensions. Data were collected through focus group discussions with homestay owners, tourists, and community leaders, complemented by field observations and document analysis. The findings reveal that local institutions—particularly adat (customary law) and the banjar (community council)—play a dual role by enabling collective governance and cultural continuity while also constraining rapid innovation. Within this context, homestays adopt a strategy of “negotiated hybridity,” implementing incremental adaptations without undermining cultural authenticity. Based on these findings, a triadic negotiation model is proposed to explain the interaction among cultural preservation, market modernization, and ecological sustainability. The model shows how hybrid governance enables informal institutions and formal sustainability frameworks to coexist and strengthen adaptive capacity. Practically, the findings indicate that destination management organizations and policymakers should promote culturally embedded support mechanisms that reinforce community governance while encouraging innovation, digital transition, and environmentally responsible tourism to sustain authentic cultural landscapes and long-term destination resilience.

**Keywords:** Cultural sustainability; Community-based tourism; Institutional logics; Negotiated hybridity; Tri Hita Karana; Balinese homestays

## 1. Introduction

Ubud, Bali’s cultural heart, epitomizes the global pursuit of sustainable tourism, balancing artistic heritage and spiritual traditions with its status as a wellness and ecotourism hub (Cole, 2007). Central to this identity are traditional homestays, which offer immersive cultural experiences and direct economic benefits to local households, thereby reducing the leakage associated with conventional resorts (Scheyvens, 2007). These homestays are not merely accommodations; they are living repositories of intangible cultural heritage, facilitating intergenerational knowledge transfer and acting as a practical expression of the Balinese philosophy Tri Hita Karana—harmony with people, nature, and the spiritual realm (Sutawa, 2012). However, this harmonious ideal is under duress. The rapid incursion of global platforms like Airbnb and boutique villas, coupled with shifting tourist preferences towards hybrid experiences that blend authenticity with comfort and wellness (Coşkun, 2021), poses a fundamental challenge. While the literature on community-based tourism extensively documents the benefits of such models (Goodwin & Santilli, 2009; Yanes et al., 2019), a significant gap remains in understanding the lived tensions and negotiation processes at the micro-level.

Existing scholarship often treats sustainability's three pillars—economic, socio-cultural, and environmental—as harmoniously aligned. This study, however, argues that in practice, they often exist in a state of creative tension, especially for traditional enterprises. The critical research gap this study addresses is how do traditional homestays navigate the paradoxical imperative to remain culturally authentic and community-centric while simultaneously adapting to the disruptive forces of digitalization, generational change, and environmental pressures? It is posited that this negotiation is mediated by local institutions like *adat* (customary law) and the *banjar* (community council), which act as both enablers and constraints. Accordingly, this study is guided by two research questions. First, how do the institutional logics of *adat* and the *banjar* shape the capacity of traditional homestays in Ubud to innovate and adopt sustainable practices? Second, what strategies of “negotiated hybridity” can facilitate their revitalization without eroding their core cultural and communal values?

The study's significance is twofold. Theoretically, it contributes to sustainable tourism and institutional theory by illustrating how local wisdom mediates global tourism pressures. Practically, it offers a nuanced roadmap for policymakers, destination management organizations, and community leaders to support a form of tourism development that is resilient, inclusive, and authentically Balinese.

## 2. Literature Review

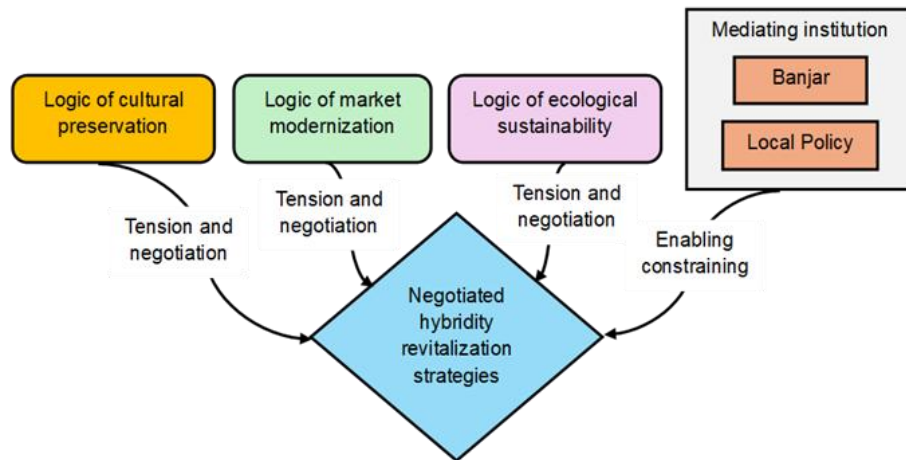
This review moves beyond a descriptive account to critically integrate global sustainable tourism concepts with the specific socio-cultural context of Bali, highlighting both synergies and points of friction. The global principles of ecotourism—environmental conservation, community well-being, and education (The International Ecotourism Society, 2015)—find a powerful local analogue in Bali's Tri Hita Karana (harmony among people, nature, and spirituality) philosophy. While international frameworks like those from the United Nations World Tourism Organization (2013) provide a valuable structure, they can risk being prescriptive and decontextualized. This study aligns with critics who argue for a “localized turn” in sustainable tourism (Saarinen, 2020), where universal goals are interpreted and implemented through indigenous worldviews. Tri Hita Karana is not merely a checklist of sustainability criteria; it is a cosmological order that inherently integrates spiritual, social, and ecological harmony, offering a more holistic framework for evaluating homestay operations than Western-derived models alone.

Homestays are celebrated in the community-based tourism literature as vehicles for authentic cultural exchange and pro-poor tourism (Yanes et al., 2019). However, this very pursuit of authenticity is fraught with a fundamental paradox (MacCannell, 1999). The “authentic experience” sought by tourists is often a commodified construct, and the pressure to perform authenticity can lead to the “staging” of culture, potentially undermining its lived, spiritual significance (Cole, 2007). In Ubud, this paradox is acutely felt. Homestays are expected to be both timelessly authentic and equipped with modern amenities like Wi-Fi—a tension that existing community-based tourism models often fail to adequately address.

A mere discussion of “community participation” is insufficient for the Balinese context. The resilience and operational logic of Ubud's homestays are deeply embedded in the formal and informal institutions of *adat* and the *banjar*. These institutions regulate land use, architectural styles, and ritual life, ensuring cultural continuity (Ardika, 2018). From an institutional theory perspective, they represent a powerful set of “rules of the game” (North, 1990) that can either facilitate or hinder change. While literature acknowledges their role in preservation, there is less analysis of how these institutions interact with, and often resist, the logics of market modernization and digital disruption. This study explicitly examines this interplay, arguing that *adat* and the *banjar* are not passive backdrops but active agents in the revitalization process.

To analyze the revitalization of traditional homestays, this study employs a conceptual framework grounded in institutional theory. The research moves beyond a generic discussion of “challenges” to frame the situation as a site of institutional complexity, where multiple, competing institutional logics converge (Greenwood et al., 2011). An institutional logic is defined as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality” (Thornton & Ocasio, 1999). In Ubud, three dominant and often competing logics can be identified. The central concept of this study, “negotiated hybridity,” is positioned as the strategic response of local actors to this institutional complexity. Negotiated hybridity refers to the combination of elements from different institutional logics into new practices, structures, and identities (Battilana & Lee, 2014). In tourism, this often manifests as the blending of traditional culture with modern market expectations. However, “negotiated hybridity” is defined more specifically as the processual and often informal strategies through which local actors (homestay owners and the *banjar*) pragmatically blend, compromise, or find provisional settlements between competing institutional logics to ensure survival and revitalization. It is not a top-down imposed model but a bottom-up, agentic practice (Tracey et al., 2011). This negotiation is a form of “institutional work”—the purposive action aimed at creating, maintaining, and disrupting institutions (Lawrence et al., 2009). This study extends this literature by focusing on the micro-level, everyday negotiations that occur within traditional community structures, offering a more granular understanding of how negotiated hybridity is enacted in practice.

The conceptual framework of this study is visualized in the triadic negotiation model (Figure 1). This model posits that the revitalization of traditional homestays is an ongoing process occurring in the contested space at the intersection of the three core logics.



**Figure 1.** The triadic negotiation model for homestay revitalization

Note: Banjar: community council.

### 3. Methodology

This study adopted a qualitative case study approach, which is appropriate for investigating complex, real-world phenomena within their contextual boundaries (Yin, 2018). The research was guided by an interpretive paradigm, seeking to understand the meanings, perceptions, and lived experiences of stakeholders involved in the revitalization of traditional homestays in Ubud, Bali (Creswell & Poth, 2018). The study was conducted in Ubud, Bali, a globally recognized cultural and spiritual hub. Ubud was selected as the research setting due to its status as a living repository of Balinese intangible cultural heritage and its manifestation of tensions between community-based tourism and commercial development. To mitigate subjective bias in the banjar's identification of "traditional homestays," verification was conducted through site visits and cross-referencing with architectural criteria (e.g., the presence of a family temple and traditional pavilions). Of the 15 homestays initially suggested by the banjar, 10 met all objective criteria and were included in the study.

Field observations (40 hours total) were distributed across 10 days, with 4 hours per homestay during both high season (July–August) and low season (January–February). Observations covered morning rituals, guest check-ins, daily operations, and evening interactions to capture a full range of activities. (Cole, 2007; Picard, 1996). A purposive sampling strategy was employed to ensure the selection of information-rich cases that could provide deep insights into the research problem (Etikan et al., 2016). This was supplemented with snowball sampling to identify key community informants who might otherwise be difficult to access. Homestays were selected based on the following criteria:

#### **Inclusion criteria:**

- Family-owned and operated for a minimum of 10 years.
- Located within a traditional family compound featuring Balinese architectural elements (e.g., a family temple and open courtyards).
- Identified by the local banjar as a "traditional homestay."
- Derives a significant portion of household income from the homestay.

#### **Exclusion criteria:**

- Recently built boutique villas or commercial guesthouses.
- Homestays that are primarily listed on and managed through global online platforms like Airbnb, indicating a different business model.

Three distinct stakeholder groups were recruited:

- Homestay owners/operators: The primary decision-makers in the family business.
- Community leaders: Including banjar chiefs and adat elders responsible for upholding cultural norms and community welfare.
- Tourists: International visitors who had stayed in a traditional homestay in Ubud for at least three nights, ensuring they had sufficient experience.

The final sample consisted of 35 participants, as detailed in Table 1.

**Table 1.** Participant demographics

| Stakeholder Group | Number of Participants | Details                                                                                                                          |
|-------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Homestay owners   | 15                     | 10 females and 5 males; average operational experience: 18 years.                                                                |
| Community leaders | 8                      | 6 banjar (community council) leaders and 2 adat (customary law) elders (all males, reflecting traditional leadership structures) |
| Tourists          | 12                     | 7 females and 5 males; nationalities: Australia (4), USA (3), Europe (5); average length of stay: 5 nights.                      |
| Total             | 35                     | –                                                                                                                                |

Note: The en dash (–) denotes no data available.

Triangulation of data sources was used to enhance the validity and reliability of the findings (Denzin, 2017). Six focus group discussions were conducted (two per stakeholder group), with 4–6 participants in each, following a semi-structured protocol. Focus group discussions were particularly effective for capturing shared values, community dynamics, and divergent viewpoints (Krueger & Casey, 2015). All focus group discussions were audio-recorded and transcribed verbatim. In addition, approximately 40 hours of participant observation were conducted across 10 selected homestays. An observation guide was used to document homestay operations, spatial arrangements, guest-host interactions, sustainability practices (e.g., waste management and energy use), and cultural expressions (e.g., daily rituals and architecture) (Spradley, 2016). Field notes were expanded and coded immediately after each session.

Relevant policy documents, tourism development reports from the Ubud Regency, and local banjar regulations were collected and analyzed to contextualize the empirical findings within broader governance frameworks and identify institutional priorities (Bowen, 2009). The data analysis followed a systematic process of thematic analysis, as outlined by Braun & Clarke (2006), and was facilitated by the use of NVivo 12 to manage and code the extensive qualitative dataset. The process occurred in three iterative stages:

#### **Phase 1: Open coding**

The transcribed data and field notes were initially coded line-by-line to identify basic concepts. This involved labeling data with descriptive codes. For example, a participant noted that “the tourists ask to see our morning offerings but then complain if the Wi-Fi is slow in their bale,” which was coded as “Wi-Fi complaint amidst cultural expectation.”

#### **Phase 2: Axial coding**

Initial codes were grouped into broader categories that represented recurring patterns and relationships. For example, open codes such as Wi-Fi complaint, request for air conditioning, and need for online booking were synthesized into the axial category “pressure from market logic.”

#### **Phase 3: Selective coding**

Axial categories were further refined and integrated into overarching thematic constructs that directly addressed the research questions and conceptual framework. For instance, axial categories such as pressure from market logic, resistance from cultural logic, and invisible upgrades were consolidated into the selective theme “authenticity–comfort paradox.”

This coding process was not linear but iterative, moving back and forth between the data and the emerging thematic structure. To ensure trustworthiness, member checking was conducted by sharing a summary of findings with five participating homestay owners for validation. Furthermore, triangulation was achieved by comparing insights from focus group discussions, observations, and documents, which helped minimize researcher bias and strengthen the robustness of the interpretations (Denzin, 2017). This study received ethical approval from the Research Ethics Committee of Universitas Pelita Harapan. Prior to data collection, all participants were provided with detailed information sheets explaining the study’s purpose, procedures, and their rights. Written informed consent was obtained from each participant. To ensure confidentiality, all transcripts and field notes were anonymized, with pseudonyms used in reporting. Special care was taken when discussing sensitive topics with community leaders and homestay owners, ensuring that their opinions would not be attributable to published materials.

## **4. Results**

### **4.1 Current Conditions of Traditional Homestays**

The findings from focus group discussions with homestay owners, tourists, and community leaders, complemented by field observations, reveal the present state of traditional homestays in Ubud. Most traditional homestays in Ubud are built within family compounds (banjar), reflecting Balinese architectural principles such as open courtyards, shrines, and traditional pavilions. The lag in facility modernization reflects a tension in resource allocation between the logic of cultural preservation, which restricts structural changes, and the logic of

market modernization, which demands contemporary amenities. Observations showed that several homestays lack adequate sanitation systems, Wi-Fi connectivity, and energy-efficient utilities, which are increasingly expected by international tourists. Homestay owners in focus group discussions acknowledged the difficulty of upgrading facilities due to limited financial resources and regulatory restrictions on modifying traditional structures.

Management is primarily family-based, with operations handled informally by household members. Daily tasks such as guest reception, meal preparation, and housekeeping are integrated into family routines, offering tourists an intimate cultural experience. However, focus group discussions highlighted that many owners lack formal training in hospitality management, digital marketing, and financial planning, limiting their ability to compete with boutique hotels and villas. Only a small portion of homestay operators use online booking platforms, relying instead on walk-in guests or local travel agents. Occupancy rates for traditional homestays show seasonal fluctuations, with higher demand during Bali's cultural festivals (e.g., Galungan and Kuningan) and peak international travel seasons. However, compared to the pre-pandemic era, many homestays reported a 20–30% decline in occupancy due to the rise of modern accommodations such as Airbnbs and luxury villas. Focus group discussions with tourists revealed that while cultural authenticity is valued, many travelers prioritize comfort, convenience, and eco-friendly amenities—areas where traditional homestays often fall short.

In summary, traditional homestays in Ubud retain strong cultural value but face challenges in infrastructure modernization, professional management, and market competitiveness. These gaps create both risks and opportunities for revitalization, particularly if sustainability and cultural preservation can be integrated into future homestay development strategies.

#### **4.2 Challenges in Sustaining Traditional Homestays**

The study identified several structural and operational challenges that hinder the sustainability of traditional homestays in Ubud. These challenges emerged consistently across focus group discussions with homestay owners, tourists, and community leaders, as well as through direct field observation. Traditional homestays face intensifying competition from boutique hotels, luxury villas, and international accommodation platforms such as Airbnb. Tourists seeking comfort and modern amenities often choose these alternatives, which offer air-conditioned rooms, private pools, and professional services. In focus group discussions, homestay owners expressed concern that their reliance on cultural authenticity is no longer sufficient to attract younger, experience-driven travelers, especially when basic amenities are lacking.

A significant barrier to competitiveness lies in the limited adoption of digital marketing tools. Observations revealed that only a minority of homestays are listed on global booking platforms, while most still depend on word-of-mouth or traditional travel agents. Focus group discussions highlighted a digital skills gap, with many owners—particularly older generations—struggling to navigate online booking systems, social media, and promotional strategies. This limits visibility in an increasingly digitized tourism market. Generational dynamics further complicate the future of traditional homestays. Many younger family members show less interest in continuing the homestay business, preferring jobs in urban areas or modern tourism sectors. Community leaders in focus group discussions noted a widening gap between older hosts, who value cultural preservation, and younger generations, who prioritize income diversification and modern lifestyles. This disconnect threatens the continuity of homestays as a family-based and culturally rooted enterprise.

In sum, the challenges of market competition, weak digital integration, and intergenerational shifts undermine the resilience of traditional homestays. Addressing these issues requires targeted capacity building, policy support, and adaptive strategies that balance cultural authenticity with modern sustainability practices.

#### **4.3 Community and Cultural Dimensions**

Findings from focus group discussions and field observations highlight the central role of family, community networks, and adat in the management and sustainability of traditional homestays in Ubud. Homestay management in Ubud remains family-centered, with household members collectively involved in guest reception, food preparation, and cultural engagement. This arrangement not only reduces operational costs but also ensures that guests experience the warmth of Balinese familial hospitality, often cited by tourists as a unique strength of homestays. Observations revealed that family compounds, with their traditional architecture and shrines, serve as both living spaces and cultural learning sites for guests. Homestays are embedded within the banjar system, which plays a key role in regulating social and cultural life. Community leaders noted in focus group discussions that cooperation among homestay owners—through shared promotion, joint events, and cultural performances—helps sustain the appeal of Ubud as a cultural destination. This collective spirit reflects the Balinese principle of mutual cooperation, strengthening the social sustainability of homestays.

Local adat institutions govern how land, architecture, and rituals are managed within family compounds. For instance, the placement of shrines, the use of specific materials in building structures, and the performance of ceremonies are dictated by adat. Focus group discussions with community leaders highlighted that adherence to

adat reinforces cultural authenticity while ensuring that homestays do not compromise spiritual values for commercial gain. At the same time, strict adherence can sometimes constrain modernization efforts, such as installing new facilities or expanding guest spaces. In essence, the community and cultural dimensions of homestay management demonstrate that these accommodations are not merely commercial enterprises but are deeply tied to social cohesion, cultural continuity, and spiritual life. This embeddedness within family and community structures provides resilience but also requires sensitive balancing between tradition and adaptation to modern tourism demands.

#### 4.4 Ecological and Sustainability Practices

The findings from focus group discussions and field observations show that traditional homestays in Ubud are increasingly aware of sustainability issues, yet the adoption of ecological practices remains uneven. Most homestays rely on conventional electricity sources, with limited use of renewable energy. Field observation indicates that only a few homestays have installed solar panels or energy-saving devices such as light-emitting diode lights. Guests often reported that rooms lacked modern energy efficiency measures, such as temperature control or water-saving showers. Homestay owners acknowledged in focus group discussions that the cost of installing renewable technologies is a barrier, although many expressed interest if government subsidies or community cooperatives could provide support.

Waste management emerged as one of the most pressing ecological challenges. While some homestays practice basic waste separation, observations revealed that plastic waste and food scraps are often disposed of through informal systems, including burning or dumping. Community leaders noted that village initiatives for waste reduction exist, but inconsistent participation among homestays reduces their effectiveness. Tourists in focus group discussions emphasized their preference for eco-friendly accommodations, including recycling bins and organic composting systems, which are still limited in most traditional homestays. Despite challenges, several positive practices were observed. Some homestays provide locally sourced meals, use organic gardens within the compound, or encourage guests to participate in cultural and ecological activities such as rice field walks and temple-based environmental rituals. These initiatives strengthen the connection between tourism, culture, and nature, aligning with ecotourism principles. However, they remain small-scale and lack systematic promotion to eco-conscious tourists.

In summary, while traditional homestays in Ubud demonstrate a growing awareness of sustainability, practices such as renewable energy adoption, structured waste management, and eco-friendly innovations are still at an early stage. Stronger support from local authorities, training programs, and partnerships with sustainable tourism networks are needed to scale up these efforts.

#### 4.5 Integrated Analysis and Discussion: Navigating the Triadic Tensions

This section integrates findings and discussion through the lens of the triadic negotiation model, framing the tensions and negotiations observed in the data as manifestations of the interplay among three competing institutional logics: cultural preservation, market modernization, and ecological sustainability.

##### 4.5.1 The authenticity-comfort paradox: Straddling two logics

Field data confirms that tourists value cultural immersion but equally prioritize comfort and connectivity—a classic manifestation of the authenticity paradox (Coşkun, 2021). One homestay owner lamented, “They want to see our morning offerings, but they also complain if the Wi-Fi is slow in their bale.” This creates a direct tension between the logic of cultural preservation (maintaining traditional architecture without modification) and the logic of market modernization (installing modern infrastructure). This tension exemplifies the clash between the logic of cultural preservation and the logic of market modernization within the triadic negotiation model. Homestays navigate this by adopting strategies of negotiated hybridity, such as invisible upgrades, which allow them to respond to market expectations while respecting cultural-spatial norms governed by adat.

**Table 2.** Typology of negotiated hybridity strategies

| Strategy Type               | Primary Actors                     | Primary Actors     | Example Outcome                                                                             |
|-----------------------------|------------------------------------|--------------------|---------------------------------------------------------------------------------------------|
| Invisible upgrades          | Homestay owners                    | Market ↔ culture   | Hidden Wi-Fi routers, modern plumbing                                                       |
| Institutional mediation     | Banjar (community council) leaders | Market ↔ community | Collective digital marketing portal                                                         |
| Cultural framing of ecology | Owners and community elders        | Ecology ↔ culture  | Waste management framed as Tri Hita Karana (harmony among people, nature, and spirituality) |
| Generational bridging       | Younger family members             | Market ↔ tradition | Youth managing online bookings                                                              |

The analysis of this study reveals that successful homestays engage in “negotiated hybridity” by making sensitive, often invisible, upgrades. For example, several owners have installed modern plumbing and discreet Wi-Fi routers without altering the external, sacred structure of the family compound, thus adhering to adat. This demonstrates a pragmatic negotiation where market demands are met without overtly compromising cultural integrity, a strategy less documented in standard community-based tourism literature (Table 2).

#### 4.5.2 Figures and tables

The study found a significant gap between the philosophical embrace of Tri Hita Karana and its practical implementation. While homestay owners expressed a deep-seated respect for nature, the adoption of systematic practices like waste segregation and renewable energy was limited. A key finding is that adat and the logic of cultural preservation play a dual role here.

The banjar provides a powerful structure for collective action, such as organizing village-wide clean-ups. However, adat regulations can also inhibit technological upgrades. One owner explained, “Installing solar panels on the main family shrine roof is forbidden; it would disrupt the spiritual balance.” This illustrates a critical trade-off: the very institution that safeguards cultural-spatial harmony can directly constrain technological adoption for sustainability. This nuanced constraining role of local institutions is often overlooked in optimistic accounts of community-based tourism.

#### 4.5.3 The digital divide and generational shift: Reconfiguring community

The data reveals a sharp generational divide in digital literacy, threatening the economic viability of homestays. This is a clash between the informal, relational logic of cultural preservation and the platform-driven logic of market modernization.

Older owners, who are custodians of cultural knowledge, often lack the skills to navigate online booking systems. Conversely, younger generations possess digital fluency but often lack interest in the demanding, low-margin homestay business, seeking employment in more lucrative urban sectors. This creates a critical rupture in intergenerational knowledge transfer. The analysis suggests that the banjar could act as a mediator by organizing collective digital marketing training and establishing a unified online portal for traditional homestays, thereby distributing the burden and benefits of digitalization—a form of institutional-level “negotiated hybridity.”

### 5. Discussion

The findings of this study illustrate that revitalizing traditional homestays in Ubud requires a multidimensional approach that integrates cultural authenticity, ecological responsibility, and economic viability. This aligns with existing scholarship on community-based tourism and sustainable development, which emphasizes that tourism must simultaneously preserve heritage, support livelihoods, and minimize environmental impacts (Goodwin & Santilli, 2009; Saarinen, 2020). The findings reveal that the banjar acts not merely as a traditional governance body but as an active intermediary that negotiates between market pressures and cultural preservation. This extends the community participation models proposed by Yanes et al. (2019), which often emphasize community control but underplay the strategic brokerage role that local institutions can play in digital and market adaptation. Similarly, the proposed concept of “negotiated hybridity” aligns with Battilana & Lee (2014)’s work on hybrid organizations but foregrounds the informal, processual nature of such negotiations in a culturally embedded context. This highlights the theoretical contribution of this study: it moves beyond static models of institutional logics to capture the dynamic, agentic work performed by local actors in real time.

The preservation of Balinese architecture, rituals, and adat within homestays highlights their role as cultural spaces rather than merely accommodation facilities. This supports theories of cultural heritage tourism, which argue that authentic cultural practices are central to visitor experiences and destination competitiveness (Richards, 2018). However, findings also revealed tensions between maintaining traditional forms and meeting modern tourist expectations, such as reliable Wi-Fi and sanitation. As emphasized by Smith (2015), achieving a balance between authenticity and adaptation is essential for sustaining cultural tourism in dynamic markets. Homestays’ current ecological practices—such as limited waste separation, occasional organic gardening, and reliance on conventional energy—demonstrate both progress and gaps in achieving sustainability. This reflects broader challenges in ecotourism, where the rhetoric of sustainability often exceeds practice (Weaver, 2001). To move forward, homestays can adopt eco-certification schemes and community-based environmental initiatives that align with Bali’s Tri Hita Karana philosophy, which stresses harmony between humans, nature, and the spiritual world (Cole, 2007). Integrating local cultural frameworks into sustainability strategies may increase acceptance and long-term adoption compared to externally imposed models.

Economically, the revitalization of homestays presents opportunities for inclusive growth by channeling tourism revenues directly to local families and communities. This resonates with the principles of pro-poor tourism and inclusive development, which highlight tourism’s role in reducing inequality and empowering local populations (Scheyvens & Biddulph, 2018). The study’s findings on digital transformation and wellness/ecotourism integration

suggest pathways for increasing competitiveness without eroding cultural values. As Yanes et al. (2019) observed in community-based tourism initiatives in Thailand, economic viability is crucial for sustaining local engagement, as communities will only continue cultural and ecological practices if they provide tangible benefits.

Overall, the findings suggest that revitalization strategies must integrate three interdependent dimensions: cultural authenticity through heritage-based branding and adherence to adat; ecological responsibility through improved waste management, energy efficiency, and eco-friendly initiatives; and economic competitiveness through digital transformation and integration into niche markets such as wellness and ecotourism. This integrated approach reflects the broader vision of sustainable tourism as defined by the United Nations World Tourism Organization (2013), which emphasizes environmental integrity, cultural preservation, and economic prosperity as mutually reinforcing pillars. If effectively implemented, traditional homestays in Ubud can serve as models of community-based sustainable tourism that balance tradition with innovation. Local government and other tourism stakeholders play a pivotal role in enabling the revitalization of traditional homestays by providing governance frameworks, capacity building, financial instruments, and market linkages.

First, policy and regulation from local authorities can protect cultural landscapes (e.g., zoning and heritage conservation rules), set minimum health and safety standards for homestays, and create incentives for eco-friendly upgrades (Bramwell & Lane, 2011; United Nations World Tourism Organization, 2013). Well-designed regulation balances preservation of adat and vernacular architecture with permissible, sensitive upgrades (Cole, 2007).

Second, capacity building and training are essential. Local government, in partnership with non-governmental organizations and vocational institutions, can offer hospitality training, digital marketing workshops, financial literacy programs, and technical assistance for small renewable energy or sanitation projects. Such interventions reduce skill gaps observed among family-run homestays and improve competitiveness in digital marketplaces (Scheyvens & Biddulph, 2018; Yanes et al., 2019).

Third, financial and technical support mechanisms—microcredit schemes, matching grants, or community cooperative funds—help homestay owners invest in sustainable infrastructure (solar panels, composting toilets, and water-saving devices) without compromising household livelihoods (Honey, 2008). Public–private partnerships can also subsidize community waste systems or shared utilities that individual homestays cannot afford alone (Yokohari et al., 2000).

Fourth, stakeholders such as destination management organizations, tourism boards, private tour operators, and community organizations have roles in marketing, quality assurance, and value-chain integration. Destination management organizations can help create heritage-based branding and certification schemes that signal authenticity and sustainability to niche markets (e.g., wellness and ecotourism), while tour operators can design packages that include homestays, ensuring steady demand and fair revenue distribution (Goodwin & Santilli, 2009; Yanes et al., 2019). Finally, ongoing stakeholder coordination platforms (multi-stakeholder forums and banjar meetings) ensure that policies and programs are culturally appropriate and locally owned, which increases legitimacy and uptake (Yanes et al., 2019).

Comparative cases from Thailand, Vietnam, Nepal, and other destinations offer practical lessons for revitalizing homestays while safeguarding culture and environment. Four transferable lessons emerge:

First, community ownership and participatory governance are essential. Successful community-based tourism models (e.g., Mae Kampong, Thailand; Sirubari, Nepal) show that community ownership and participatory decision-making bolster social cohesion and equitable benefit sharing. When communities control tourism planning and revenue allocation, cultural practices are more likely to be preserved and tourism income used for local priorities (Nyaupane et al., 2006; Yanes et al., 2019).

Second, integrated capacity building must be coupled with market access. Capacity building must be paired with tangible market linkages. Training in hospitality and digital skills raises service quality, but without access to booking platforms, cooperative marketing, or partnerships with niche operators, improvements fail to translate into higher occupancy or income. Cases in Vietnam and Thailand illustrate successful pairing of training with certification and destination management organization support (Rakpathum et al., 2025; Yanes et al., 2019).

Third, public support for shared infrastructure and environmental management is essential. Small homestays benefit from public investment in shared infrastructure—waste management facilities, water treatment, community composting, and renewable energy cooperatives. Nepalese homestay villages reinvest tourism revenue into communal assets, improving both environmental outcomes and local living standards (Honey, 2008; Nyaupane et al., 2006).

Fourth, heritage presentation should remain authentic while adapting to tourism contexts. International experience warns against commodifying rituals into staged spectacles. The best practice is to support authentic presentation with visitor education and respectful participation protocols, ensuring that rituals remain community-led. Where homestays successfully integrate heritage into tourist experiences, they do so through storytelling, guided cultural exchanges, and quality control mechanisms that preserve meaning (Cole, 2007; Richards, 2018).

Taken together, these lessons emphasize that revitalization is not a solely commercial task: it requires aligned policy, community governance, investment in shared public goods, market-oriented capacity building, and careful stewardship of cultural expression. Ubud's homestay sector can draw on these lessons by fostering cooperative

institutional arrangements, leveraging destination branding for heritage and wellness niches, and seeking targeted public and private support for sustainable infrastructure and skills development (Bramwell & Lane, 2011; Scheyvens & Biddulph, 2018).

## 6. Conclusions and Implications

This study examined the revitalization of traditional homestays in Ubud, Bali, within the framework of sustainable ecotourism. Findings from focus group discussions, observations, and document analysis highlight that traditional homestays remain critical in preserving Balinese culture, fostering community participation, and generating household income. However, they face mounting challenges such as competition with modern villas, limited digital marketing capabilities, and generational reluctance to continue family-based operations. Opportunities for revitalization lie in adopting digital platforms, heritage-based branding, and integrating homestays into wellness and ecotourism markets. The overarching insight is that balancing cultural conservation, community involvement, and economic growth is essential to ensure the long-term sustainability of homestays in Ubud.

This study makes two key theoretical contributions. First, it proposes a “triadic negotiation model” that expands the institutional logics perspective by introducing a third, spiritually grounded “ecological logic” (Tri Hita Karana) into the classic tension between community and market. Second, it identifies and conceptualizes “negotiated hybridity” as a critical form of local agency that allows traditional enterprises to navigate institutional complexity without forsaking their core identity. The findings suggest a phased approach to supporting homestay revitalization, prioritizing immediate capacity needs while building toward long-term systemic integration.

### **Phase 1: Capacity and digital empowerment (short-term)**

Basic training can be provided for homestay owners in digital literacy, hygiene standards, and guest communication. For local governments and non-governmental organizations, a community-managed digital booking platform can be launched and micro-grants for Wi-Fi and sanitation upgrades can be offered.

### **Phase 2: Sustainability and market integration (medium-term)**

For destination management organizations and tourism boards, a heritage-based certification scheme can be developed and homestays can be integrated into wellness and ecotourism packages. For banjar, shared waste management systems and collective marketing campaigns can be facilitated.

### **Phase 3: Policy and ecosystem strengthening (long-term)**

For policymakers, hybrid governance frameworks can be formalized that recognize adat within regional tourism regulations. For researchers and consultants, outcomes can be monitored and strategies can be adapted based on longitudinal data.

The study is limited in three key aspects. First, its scope is geographically bounded to Ubud, which may not capture variations across other regions of Bali or Indonesia. Second, the qualitative methodology offers depth of understanding but limits statistical generalizability. Third, the findings reflect a particular moment in time, which may not account for future shifts in tourist preferences, global crises, or policy changes. Future studies could expand in several directions. Comparative studies across different regions in Bali, or even Southeast Asia (e.g., Thailand, Vietnam, and Nepal), would enable cross-cultural analysis of homestay revitalization. Additionally, longitudinal research tracking homestay performance over time would provide insights into the resilience and adaptability of traditional accommodations amidst evolving global tourism dynamics. Finally, integrating quantitative approaches (e.g., surveys of tourist satisfaction or economic impact assessments) could complement qualitative findings, enhancing both academic rigor and policy relevance.

## Author Contributions

Conceptualization, R.P.; methodology, R.P.; investigation, R.P., R.S., and I.W.R.J.; resources, R.P., R.S., and I.W.R.J.; data curation, R.P., R.S., and I.W.R.J.; data analysis, R.P., R.S., and I.W.R.J.; writing—original draft preparation, R.P.; writing—review and editing, R.P.; project administration, R.P., R.S., and I.W.R.J. All authors have read and agreed to the published version of the manuscript.

## Data Availability

The data used to support the research findings are available from the corresponding author upon request.

## Conflicts of Interest

The authors declare no conflicts of interest.

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