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HOMESTAY INNOVATION CAPABILITY IN PROPERTY BUSINESS PERSPECTIVE

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Abstract

The rapid development of entrepreneurship-based tourism has encouraged households in tourist areas to try to take advantage of opportunities to do business through residential property to become homestays. Homestays are offered for tourists who want to spend the night naturally, enjoy daily life with the local culture of the destination visited with all the facilities which of course can meet the needs of traveling. Residential home owners try to become property entrepreneurs by understanding the management of the property business through innovation capabilities that transform residential homes into homestays. The needs of tourists in choosing homestay accommodation are different from hotels or villas or bungalows, preferring to enjoy a homely atmosphere by getting memories and local experiences in tourist destination areas. Residential homeowners will seek information regarding home repairs and the physical availability of residential homes, arrange schedules, and need to study property management in collaboration with residential developers. So this study aims to determine the innovation ability of homestay property developers who are considered influential in increasing business through the dimensions of technology development, operational capabilities, managerial routines and property transactions. This descriptive research with quantitative and qualitative approaches uses triangulation data collection techniques and is statistically analyzed using Partial Least Square. It is important for homestay business owners to find building developers who can repair or rearrange buildings who have the ability to innovate in the property business. The results of measurements from residential home owners and property developers in tourist destinations show that the dimensions of strong property innovation capabilities are innovation capabilities in management and routine operations, while the dimensions of innovation capabilities that still have weaknesses are innovation capabilities in technology development and transactions.

Keywords: Innovation capability; homestays ; Property Business.

A. INTRODUCTION

The interest of tourists to visit tourist attractions after the easing of the pandemic has increased. Tourist attractions that were previously empty of visitors because Covid 19 has shown its performance again, although the Health Promotion program with CHSE (Cleanliness, Health, Safety and Environmental Sustainability) certification from the Ministry of Tourism and Creative Economy is still in effect, to prevent a spike in Covid. The attractiveness of iconic tourist attractions in the development of buildings as facilities offered to tourists has increased the number of visitors.

The ability to innovate has the potential to create new and valuable products or knowledge, being able to continuously transform knowledge and ideas into new products, processes or systems so that for business activities this becomes a weapon to face competition (Saunila, 2020). Homestay is the ability to innovate in property products from a private house that is converted into a product-process-and its system becomes a tourism business activity.

(Jiang, 2019) stated that homestays are comprehensive tourism products including local environmental experiences, production, culture and entertainment, food and beverages, with local culture as the soul of homestay development especially in rural areas, including concrete manifestations of the inheritance and development of local culture from new vernacular architectural perspectives, rural settlement spaces and non-material forms.

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(Pan, Lin, & Wang, 2016) say it is difficult for the homestay industry to create positive memories and experiences for tourist guests. Creating an accommodation experience for guests is very beneficial for the development of a homestay besides being able to increase the desire to return as well as word of mouth promotion (Coelho, Gosling, & Almeida, 2018) and (Kim, Ritchie, & McCormick, 2012), besides can also increase the competitive advantage for the homestay business for home property owners (Kim & Ritchie, 2014). Not many studies have been conducted on creating memories and homestay accommodation experiences so (Kim J. H., 2014) notes that studies are needed to explore how the environment includes infrastructure, products and activities in a homestay. This study proposes for this exploration to manage the homestay business from a property business perspective through innovation capabilities in property technology development, innovation capabilities in operations, management and transactions of a dwelling into a homestay that can achieve competitive advantage. Homestay owners as property businesses in carrying out activities related to infrastructure and property units (houses as homestays) need to collaborate with housing developers who can accommodate the homestay needs of the owner. The selection of the developer is based on how the ability of property innovation will be carried out to turn a private house into a business-oriented homestay.

Innovation capabilities in a property including homestays are a continuous development of capabilities and resources that enable property owners to explore and take advantage of new opportunities by introducing new products to meet market needs. The current phenomenon in the academic environment is concentrated on the concept of capability or innovation capability with the underlying reason being that the ability to innovate has the potential to create new and valuable products or knowledge, being able to transform knowledge and ideas continuously into new products, processes or systems so that for these business activities become a weapon to face competition (Priyatiningsih K., 2021). The ability to innovate in technology development, operational capabilities, managerial and transactional routines is an indicator of the ability to innovate from property organizations that want to win competitive advantage is a concept initiated by (Zawislak, Alves, Tello-Gamarra, Barbieux, & Reichert, 2012).

The operational variable of innovation capability (IC) to transform residential homes is the ability to adapt or transform infrastructure, products or processes into homestays which significantly leads to the ability to innovate technology development, operations, routines - managerial and property transactions (homestay entrepreneurs and developers) so that can increase competitive advantage. Technology development capability (PT) is the adjustment or change of product ideas including design, concept, layout, precrafted construction, geolocation; zero waste / environmentally friendly. Operational capability (OP) is the adjustment or change of new product ideas consisting of location, facilities, supporting infrastructure; and new processes (cooperation with banks). Routine - managerial skills (MG) namely adjustment or changes to new product ideas or new processes, responsiveness to changes in market behavior, fulfilling regulatory/legal aspects, PPJB). Transactional capability (TR) is the adjustment or change of new product ideas i.e. prices; cost efficiency , faster ROI and new processes . In accordance with the concept of property management, the research indication shown through innovation capability is a solution that is expected to be able to answer the problem, namely how is the ability to innovate in homestay business management from a property perspective to achieve competitive advantage. This study aims to determine the innovation capabilities of homestay property developers who are considered influential in increasing business through the dimensions of technology development, operational capabilities, managerial routines and property transactions. Based on the explanation above, the paper entitled "Homestay Innovation Capability in a Property Business Perspective" involves local property developers in tourist destinations.

B. RESEARCH METHOD

The research method used is descriptive method, used to obtain actual and valuable information about the homestay property business in tourist destinations, especially in West Java. This research will be conducted to find and analyze the relationship that occurs between the ability of innovation that turns residential houses into homestays carried out by property owners through property development companies. Based on the objectives, this research is a confirmative and exploratory research conducted by focusing on explaining the variance in the innovation capability variable in homestay properties by testing the research model (Hair & et al., 2017). The type of data used in this study is primary data, namely data obtained from the first source, both individually homestay owners and development companies through filling out questionnaires distributed by researchers and interview results, while secondary data is obtained from various sources issued from several relevant agencies. authorized and relevant to the research objectives.

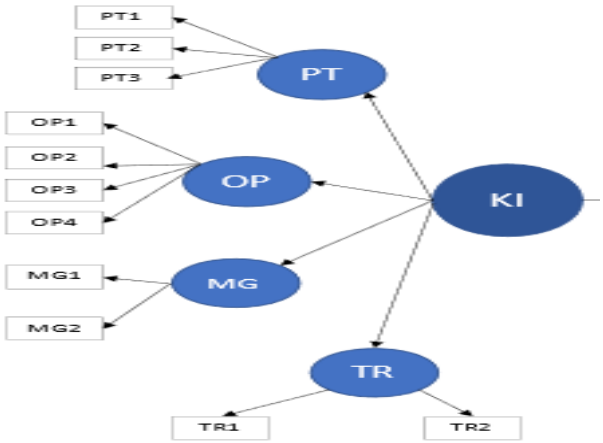

Figure 1. Research Structural Model
Source: Processed research, 2022

The use of Partial Least Square – Structural Equation Modeling is an option because the structural model proposed in this study displays the path between construction and endogenous latent models (KI/Innovation Capability) which have dimensions of Technology Development (PT), Operations (OP), Management (MG) and Transactions (TR). This study has a relatively small sample size so that the use of PLS-SEM is expected to achieve a high level of statistical power with 11 indicators according to PLS-SEM analysis. This research involves property developers building residential houses to be used as homestays in tourist destinations in West Java and determining the sample in this study using a probability sampling technique, a sampling technique where each member of the population has the same opportunity to be selected as a sample by simple random sampling.

C. RESULTS AND ANALYSIS

The PT1 and CP1 indicators have an outer loading value below the cut off value of 0.70 and the reliability of the indicator is also smaller than the cut off value of 0.50. re-estimate. The results of the second estimation are obtained in Table 1 which shows that after the re-estimation process, the results of all indicators show a good level of convergent validity, internal consistency reliability and

discriminant validity where the values are at the predetermined requirement values, so that the validity value can be fulfilled.

Table 1. Analysis of the Estimation Results of Reprocessing the Research Model at the Lower Order Component Level

Latent Variable	Dimensions	Indicator	Convergent Validity			Internal Consistency Reliability		Discrimant Validity	
			Loadings (>0,70)	Indicator Reliability (>0,50)	AVE (0,50)	Composite Reliability (0,60 - 0,95)	Cronbach's Alpha (0.60-0.95)	HTMT confidence interval does not reach 1 / value is not below 0.9	Fornell Locker
KI	PT	PT1	0.611	0.373	0.753	0.859	0.672	achieved	In accordance
		PT2	0.865	0.748225					
		PT3	0.871	0.759					
	OP	CP1		0.000	0.564	0.794	0.626	achieved	In accordance
		CP2	0.766	0.587					
		CP3	0.801	0.642					
		CP4	0.681	0.464					
	MG	MG1	0.927	0.859	0.802	0.890	0.758	achieved	In accordance
		MG2	0.862	0.743					
	TR	TR1	0.739	0.546	0.746	0.852	0.721	achieved	In accordance
		TR2	0.973	0.947					

After the measurement model for the lower order is appropriate, the next analysis is the analysis of the measurement model for the higher order. Table 2 shows the results of the analysis of the measurement model for the Higher Order. All values that need to be evaluated, both from convergent validity, internal consistency reliability and discriminant validity, are in accordance with the cut-off value. Therefore, data analysis is continued with structural model analysis.

Innovation capability which is well understood as a technology learning process from the company and translated into technology development, operational capability, managerial and transactional routines as represented by management innovation capability, operational innovation capability with indicator reliability > 0.50 while technology development capability and transaction capability have lower reliability value. Even so, the results of internal consistency reliability and discriminant validity have met suitability and are valid, so the integration of these four capabilities (technological development and operational capabilities, as well as managerial and transactional routines) is effective by (Zawislak, Alves, Tello-Gamarra, Barbieux, & Reichert, 2012) can promote innovation to create competitive advantage. Innovation as a comprehensive capability that includes the ability to absorb, adapt and change technology in management, operations and transaction routines to be able to direct property innovation that can transform residential homes into homestays

Table 2. Results of the analysis of the measurement model for the Higher Order

Latent Variable	Dimensions	Convergent Validity			Internal Consistency Reliability		Discrimant Validity	
		Loadings (>0,70)	Indicator Reliability (>0,50)	AVE (0,50)	Composite Reliability (0,60 - 0,95)	Cronbach's Alpha (0.60-0.95)	HTMT confidence interval does not reach 1 / value is not below 0.9	Fornell Locker
KI	MG	0.857	0.734449	0.495	0.790	0.640	yes	In Accordance
	OP	0.741	0.549081					
	PT	0.675	0.455625					
	TR	0.488	0.238144					

The ability of property innovation when associated with technological change includes three forms of technology, namely property, construction and finance (Priyatiningsih & Ramadhan, 2022), so that the explanation of this concept strengthens research findings where the main innovation capabilities are technology development innovation, operation innovation, management innovation and transaction innovation, although the results in this study of homestay property dimensions of strong influence are on management and operational innovation capabilities while technology development innovation capabilities and transaction innovation are still weak.

This illustrates the ability to innovate in companies that 'sell products and processes' with technology have more business driven capabilities with dimensions on management and operational capabilities compared to technology driven capabilities with dimensions on technology development capabilities and transactions. The indications can be seen in the design of buildings and rooms related to graphic design programs, the application of environmentally friendly technologies to building materials, the concept of TOD and the operation of property facilities are not yet fully understood. While the ability to innovate in management and operations is indicated in service to consumers for products and the legal aspects of homestays that are marketed have better innovation capabilities.

This research model can be used in measuring the ability of innovation in other businesses outside of homestays by measuring indicators according to the research subject being conducted. Further research on Homestay Innovation Capabilities in the Property Business Perspective can be carried out by developing innovation capabilities in technology development and transactions based on the property sector which are closely related to the application of technology, especially in construction and financial digitization.

D. CONCLUSION

1. The ability to innovate in homestay based on a property perspective includes four dimensions, namely the ability to innovate in technology development, operations, management and transactional.
2. The dimensions of the greatest innovation capability are in management and operations, while the dimensions of technology development and transactions are weaker in relation

to the innovation of turning residential houses into homestays to achieve competitive advantage.

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