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# Tourist hostel development in the East Taiwan area

# CHUN-CHIEH YANG, SU-FANG WU\*, MEI-YING LU

- <sup>1</sup> Department of Recreation Management, Shih-Chien University, Kaohsiung, Taiwan
- <sup>2</sup> Department of Social Work, Tajen University, Pintung, Taiwan
- <sup>3</sup> Institute of Leisure Business Administration, Tajen University, Pintung, Taiwan

#### **Abstract**

Aim: The study aims to provide up-to-date information on the growth of East Taiwan's hostel industry, which offers tourists a low-cost alternative in the otherwise pricey tourism sector. The area of Hualien County we use as an example is quite small. Since there had been a void in the literature due to the rapid pace of change, this study set out to fill it.

Methodology: The SWOT analysis used in this study was developed from data gathered through observation and archival research.

**Findings:** According to this study, East Taiwan is blessed with a wealth of pristine natural resources that are likely to draw in more tourists looking for leisure activities. Challenges unique to the area included erratic weather, a lack of convenient public transportation, and prohibitively high prices. Opportunities included better public transportation and more eco-friendly, active attractions like whale watching, boating, and staying in a hostel or bed and breakfast. Overdevelopment of sites, an over-saturated market, and a workforce with wildly varying skill sets posed risks to the natural environment.

Novelty/ Implications: The results suggest that the development should be in sync with local traditional styles, that transportation and roads should be upgraded, that information should be more readily available via specialized websites, and that people should be better trained. It's important to take precautions to ensure that pristine natural environments aren't ruined by construction.

Key Words: Leisure Activities, Hostel, SWOT, B & B, Tourism

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# INTRODUCTION

In 2015, domestic tourism increased by more than 14%, according to a survey conducted by the Tourism Bureau. It demonstrated the exploding trend of domestic leisure tourism. The concept of leisure activities is becoming more popular. According to the survey, 17.4% of people visited friends and family, while 81.7% of people traveled within the country for "sightseeing," recreation, and vacation. Sixty-nine percent of international vacationers were there to "sightsee," while only 18 percent went on "business" trips (Department of Tourism Administration Information Network 2016).

The federal and state governments work together and actively advocate for the growth of the leisure industry's defining features, which they hope will draw in visitors from all over the world. There has been a recent surge in the number of "short days" stay visits and interest in vacation fashion trends, which has led to a commitment on the part of all counties and cities to develop a leisure industry with local characteristics (Zheng and Wu 2004). The need for lodging in various tourist destinations is growing in this highly popular context of tourism and leisure (Zhang 2002). There is a severe lack of available lodging in the most visited areas. Vacationers frequently seek out both low prices and high standards in lodging (Lin 2014; Weng and Yang 2016). Because of this, hostels have flourished, and quote-unquote "bed and breakfast" lodging has become very popular.

Hualien's natural beauty is one of the city's biggest selling points. The travel and leisure sector has expanded recently. Many mountainous and coastal areas have remained largely untouched by modern development, making them ideal vacation spots. The residential development sector is the most lucrative of the tourism industry's many subsectors. According to a recent survey, Hualien has the highest concentration of hostels in Taiwan. There

†Email: suwu@tajen.edu.tw

<sup>\*</sup>Corresponding author: Su-Fang Wu

are a grand total of 1,658 legitimate residential hostels with 6311 beds (Department of Tourism Administration Information Network 2016). It is possible that the rapid overdevelopment of sites and the construction of hotels that are out of harmony with the environment and could spoil the amenities which they are trying to celebrate could have a negative impact on the landscape, but there is a research gap in dealing with these implications and threats. Our research attempts to balance the preservation of pristine natural areas and the rapid, competitive commercial development of visitor-friendly services.

#### LITERATURE REVIEW

Taiwan Provincial Tourism Bureau (1994) defined that hostel is a way of staying within the general public housing, so it is not a specialized and commercial hotel. The hostel has five characteristics: 1. Private services, with a certain degree of communication with the owner. 2. An opportunity to appreciate the local environment and building character and style. 3. Usually the owner of the property has the right to operate their own, non-chain business. 4. Special events are offered to visitors. 5. Less accommodation capacity than a hotel.

Lubetkin (1999) referred bed and breakfast is the operator's own business, providing 5 to 10 rooms, with breakfast and sometimes providing catering to the guests. Lanier, Caples, and Cook (2000) defined that B & B is a small, self-contained accommodation with usually 3 to 10 rooms, usually owned by the hostel and the local residents. Shen, Wang, and Chen (2005) argued that the number of guest rooms is not more than 15 rooms, combined with local amenities or natural resources, providing accommodation and experience for visitors. Lin, Cai, and Qiu (2007) argued that hostel is the use of private rooms to provide visitors with food, and accommodation facilities. Visitors can interact with the owner and experience the local natural environment, cultural characteristics and local customs, which gives a special experience with this accommodation (Morrison et al. 1996; Luangsa-Art 2016).

Hualien has a vast territory, the region is long and narrow, north-south length of about two hundred kilometers. The mountainous area is covered by Taroko National Park, East Rift Valley and East Coast. Outside the warm Pacific Kuroshio flows, there is a rich habitat for wild animals and plants, and also brings rich areas of Hualien marine resources. East Taiwan has been developed later, and thus retains a rich indigenous culture. Indigenous people not only have a diversity of traditional cultural features, but also, their population accounts for a quarter of the total population of Hualien County. Hualien has the most magnificent scenery, contains many rich mineral resources, and was called "home of the stone".

Since 1990, local government continued to promote cultural activities, and developed the art of stone carving. Because Hualien retains the rich pure natural style and historical sites, this piece of beautiful virgin land has always been a place where everyone flocked to. In the past few years, many agricultural areas have been transformed into working farms for tourists to visit. Tribal festivals are open to tourists, and rural fishing villages are popular for visitors. It is planned to develop a diversity of tourist features (Hualien County Tourist Information Network 2016).

According to "The B & B in Taiwan" (2016): Between 2011 and 2016, the number of hostels is 1658 in Hualien, it is the largest number of all areas in Taiwan. Tourism development has brought a multitude of tourists, and thus led to the development of Hualien local hostels. Hualien city has convenient transportation, is full of vibrant lively activity and is one of the main attractions of the region. There are 232 guest houses in rural areas, 15 hot spring accommodations, 29 guest houses, 65 sea-view guest houses, 16 South-East Asian style B & B, 117 villas in European style and 38 guest houses, Forest Bed and Breakfast in 6, DIY activities in 26 guest houses, farm accommodation in 17, facilities for large-scale activities in 34 guest houses, national characteristics, a specialty, in 11 residential hostels, and 320 urban accommodation hostels. Zheng (1992) pointed out that according to area and characteristics, the accommodations are divided into seven categories of guest houses: farmland accommodation, seaside accommodation, hot spring bed and breakfasts, sports accommodation, traditional architecture, B & B, and Western farmhouse.

Huang (2013) studied the satisfaction with the residential accommodation in the Hualien area and found that Hualien area guest accommodation satisfaction scored between "agree" and "strongly agree". The first three categories of hotel guests' satisfaction in the Hualien area were "Service attitude of hostels", "Environment cleanliness of hostels" and "Rate of accommodation response", "Internet facilities", "The noise insulation effect of the



guest room" and "the package tour provided by the hostel". Tourists are very satisfied with Hualien hostel service attitude and environmental hygiene. The area to be improved is the planning of the Hualien hostel industry in the modern information-driven life, privacy maintenance, and package travel itineraries. Travelers are most satisfied with the price and service of the Yan (2003) found that there is still room for improvement in the added value of hostels in the Hualien area, such as hostel reservations, parking facilities and package tours. This paper explores the current situation and the future development strategy of the Hualien hostel industry.

#### METHODOLOGY

SWOT analysis is applied to business models. It mainly considers the advantages (Strengths) and inferiority (Weaknesses) of the internal environment of the industry, and examines the strengths and weaknesses within the enterprise. It also checks opportunities and future development of the external environment as well as threats to the external environment and future pressures (Threats), identifies all external factors affecting the industry and predicts and assesses future changes in external factors, to explore the evolution of the industry's future situation.

Our methodology is based on the SWOT analysis of archives. We observed many hostels taken as unselected representative samples, in the locality, and offered a theoretical and practical improvement and updating, and a template for further studies in this developing field.

# **SWOT Analysis**

In this study, SWOT is a tool for business model analysis. SWOT not only covers the whole industry environment, but also analyzes the competitors. Analysis of this SWOT information shows that despite the rapid competitive development of the tourist industry in Taiwan, there remain unspoilt areas of great natural beauty that are awaiting eco-friendly development under careful encouragement, coordination, and scrutiny. This study showed the results as the following:

# Strengths (S)

- With coastal, plain, mountain and other geomorphic terrain, the type of accommodation is diversified.
- Sightseeing spots, indigenous areas, and remote areas provide appropriate harmonizing accommodation .
- The spoiling of the beautiful natural environment is diminished, and the wild animals and plants are conserved in their rich diversity.
- Rich and diverse indigenous culture is conserved, and dance and singing performances demonstrate the history and customs of all ethnic groups.
- Local government promotes, and often organizes combined activities in which multitudes of visitors can participate.
- There are rich mineral resources, and town named for its stone carving, combined with artistic and cultural activities.
- Promotion of non-toxic organic pesticide-free agriculture and the production of high-quality non-toxic agricultural products.
- There are rich historical sites.

# Weaknesses (W)

- Journeys from abroad are often interrupted due to weather, affecting the transport of tourists and economic goods.
- Train tickets are often difficult to get. Especially with a ticket to the south. without fast-moving train, the journey takes a long time.
- Less transport, more inconvenient for driving, trains, motorcycles or coach-based travel.
- Hualien terrain is narrow, the distance between the spots, widening the travel time.
- For Economic goods, transportation time is long, so for many items prices remain high.

# Opportunities (O)



- After the opening of land routes from the low ground, there would be an increase of a large number of travelers by land.
- Diversification of options for visitors.
- On the East Coast, whale watching, boating and marine parks and other special visitor activities, are bringing crowds.
- The Taroko International Marathon or Triathlon is held regularly and attracts domestic and foreign tourists.
- In Public places free networks can quickly travel spread information.
- An Increase in Taroko, Puyouma and other fast trains, can reduce travel time.

# Threats (T)

- Political factors may reduce the un-spoilt land in Taiwan, resulting in decline in the number of tourists.
- All localities are committed to developing sightseeing activities and may be excessively competing with each
  other
- Employers hire cheap foreign workers, and the quality of service personnel may vary.
- Hostel reservations and parking facilities may need improvement. Also there is lack of soundproofing equipment.
- The lack of free Internet in remote areas, makes it not easy to access the local travel information.

#### RESULTS AND DISCUSSION

- 1. The development of local characteristics and style B & B
  - The problem of addressing the potential conflict between conservation of natural landscape and uncontrolled market-driven tourist-centered commercial development needs to be faced, and there remains the question of who will take responsibility for such control. Planning permission is usually under the control of local authorities. There are standard application procedures, but lobbying is often powerful.
  - Local specialties such as indigenous cuisine could be introduced into dining service.
  - Cooperation with different business enterprises may provide improvements to the local natural and cultural activities, such as bathing pools, harvest festival celebrations, rafting and so on.
  - Provision of local itinerary and traffic information will be helpful.
  - B & B places according to the location of the environment should be built in various local architectural styles. Small hospitable friendly family-run B & Bs may generally be preferable to large hotels and less obtrusive.
- 2. To provide high-quality services
  - Provide transportation connections to the accommodation.
  - Housing and hostels should be complete with equipment and supplies, and have available for rental other items and facilities, such as bicycles, car parking and so on.
  - Set up the exclusive website for the guesthouse, to plan the way of booking to facilitate the operation, and to detail the housing and travel-related information.
  - Build a free online network to make it easy for visitors to get relevant travel information.
  - Regular counseling and training of housing service personnel, to encourage more participation in relevant training.
- 3. The Government is actively developing plans to attract a large number of visitors.
  - Combination with local activities, regular large-scale activities, such as lily flower season, the Joint Harvest Festival and so on.
  - To set up a training course for those who train and provide services.
  - The private sector groups have significantly enhanced the added value of health care services with quality services, buses, to facilitate the arrival of tourists.
  - Increase the train frequency, road construction and road safety and maintenance, for visitors to and from Hualien to make travel more convenient and safe.
  - To build a whole network system, so that there is no disconnection between urban and rural areas, and tourism information is provided without hindrance.



Implications of our study are that further research in different areas of Taiwan is needed, to explore ways in which the tension can be resolved between commercial exploitation of the sites for an expanding tourist industry, and conservation of areas of outstanding natural beauty. Limitations of our study were that our sample may not be representative of other regions in the country, being largely rural and agricultural, and was relatively inconvenient to access. There is future scope for further studies to keep abreast of the rapidly accelerating tourist industry to explore ways to ensure that demand for rapid development is appropriate and does not spoil the environment.

# CONCLUSION, RECOMMENDATIONS AND IMPLICATIONS

The hostel industry is booming, residential hostels and hotels are competitive in Taiwan. This paper studied the present situation and future development strategies for recreational tourist hostels in Hualien area. Accordingly we make recommendations for the industry to achieve sustainable development objectives, and provide the Hualien area as a reference for the operation and management of the hostel industry in Taiwan.

Taking the Hualien area as an example, this paper uses SWOT analysis framework to strengthen the advantages and opportunities of hostels in Hualien to overcome the internal disadvantages of remoteness, unstable terrain and difficult transport and the external threats (from rushed overdevelopment). Therefore, in the development of leisure accommodation, very personal characteristics and individual local styles are very important.

Natural resources and historical sites are of inestimable value. Hualien is rich in historical sites, natural scenery and cultural resources. In the blueprint for future development, it is necessary to maintain a balance between maintaining the un-spoilt historical culture and natural environment, and developing new amenities for tourist recreation and sightseeing. Tourist-related industries need fostering appropriately and sensitively, in order to achieve sustainable development.

# **Limitations and Future Research Directions**

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