Tourist hostel development in the East Taiwan area

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Abstract

The purpose of this study is to update research findings about the development of hostels for tourists in East Taiwan as a budget-friendly option in a competitive tourist industry. We focus on a limited area of Hualien County as an example. Research design is based on observation and archives Strengths, Weaknesses Opportunities and Threats (SWOT) analysis. We aimed to restore the research gap since previous papers needed updating due to recent rapid developments. We found that East Taiwan is gifted with highly diverse and un-spoilt natural resources likely to attract more tourists in search of leisure activities. Local difficulties included uncertain weather, poor transport and high prices. Opportunities were the improvement of transportation and active eco-friendly attractions such as whale watching, boating, hostel and B & B accommodation. Threats were the spoiling of landscape by overdeveloping sites, excessive competition and variable quality of labor force. We conclude that development should harmonize with local traditional styles, transport and roads should be improved; information should be easier to obtain via dedicated websites and staff should be better trained. Care must be taken to prevent spoiling areas of outstanding natural beauty by overdevelopment.

Keywords: Leisure Activities, Hostel, SWOT, B & B, Tourism

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INTRODUCTION

The Tourism Bureau has done a survey of the way people have travelled in 2015, they found that the number of domestic tourists grew by more than 14% in the year. It showed the booming trend of domestic recreational tourism. People pay more attention to the idea of leisure activities. The survey indicated 81.7% of the people engaged in tourism inside the country for the purpose of “sightseeing, recreation, and vacation”, and 17.4% visited relatives and friends. 69.0% of foreign Travel was also aimed at “sightseeing”, while 18.3% were travelling for “business” (Department of Tourism Administration Information Network 2016).

The central and local government co-operates and advocates actively in developing characteristics of the leisure industry to attract domestic and foreign tourists. Now all counties and cities are committed to develop leisure industry with local characteristics, driving up the number of “short days’ stay” visits and interest in vacation fashion trends (Zheng and Wu 2004). In this popular tourism and leisure context, the demands for accommodation continue to increase in the various sightseeing locations (Zhang 2002). It is hard to find accommodation in the popular tourist areas. Tourists are usually looking for inexpensive and good quality leisure accommodation (Lin 2014; Weng and Yang 2016). This has brought opportunity for hostels to flourish, and hence “bed and breakfast” accommodation has become very popular.

Hualien has a unique natural environment to attract tourists. In recent years, leisure and tourism industry has continued to develop. There are a variety of un-spoilt rural areas to attract visitors in the mountains or by the sea. Among the many facets of the tourism industry, residential development is the most prosperous business. According to the survey of the number of guest houses, the statistics show that the number of Hualien hostels ranks as the highest in the country. This is a total of 1,658 legal residential hostels, providing 6311 rooms (Department of Tourism Administration Information Network 2016). Literature provides statistics but there is a research gap...
in dealing with the implications and the possible threats to the landscape resulting from rapid overdevelopment of sites and the building of hotels which may be out of harmony with the environment and could spoil the amenities which they are trying to celebrate. Our study pays some attention to the balance of un-spoilt areas of outstanding natural beauty, and rapid competitive commercial development of tourist friendly amenities.

**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.

RESEARCH METHOD

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.

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

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.

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