Following local touristic enterprises for backpackers in Yogyakarta from their start

An analysis of the perception of local small-scale entrepreneurs of the start of and running a touristic enterprise specialised in backpackers.

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Preface

It was a challenge to write this bachelorthesis about the process of the start of and running a touristic enterprise. Since the beginning of my study, I got interested in starting enterprises and this process. For my whole life, I have been curious about different countries and the difference between the Netherlands and other countries. An interesting difference is a difference in starting and running a business. The support of the formal networks is also an interesting difference. I presumed that there was no support of formal networks in Yogyakarta in comparison with a country like the Netherlands. Because backpacker tourism is still growing in Indonesia, it is very interesting to do research about touristic enterprises specialised in backpackers in Indonesia.

I want to thank some people who helped me with this bachelorthesis. First, I want to thank my supervisors from the Radboud University M. Sc. Kolar Aparna and Dr. Martin van der Velde. They supervised my research during the whole semester. I also want to thank M. Sc. Prof. Dr. Pak Rijanta. He helped me with finding respondents and pointed me to the right places to find the interviewees. The third person I want to thank is Estu Mei, who showed us the Gadjah Mada University and supported me in the research process. Without their help, I would not have been able to write this bachelorthesis.

Nijmegen, June 2016
Anne van Dam

Summary

It is possible to divide international tourism into conventional mass tourism and other forms of tourism. Conventional mass tourism focuses on package holidays and 'all-inclusives' . One of the other forms of tourism is backpacker tourism. This kind of long-term independent travelling has grown in popularity. The difference with regular tourists is that gaining new experience plays a role when travelling (Richards, 2001). Moreover, backpackers make other choices and the demands and services could be met with low quality products and with more local products in comparison to the demands of the mass tourism (Hampton, 1998). These demands are constantly changing. Local entrepreneurs see this as a business opportunity and therefore start enterprises specialised in this subsector.

The government of Indonesia wants a turbulent change and attract a lot more tourists. The government is investing a lot of money to reach this goal. This money will not be invested in the local entrepreneurs, consequently it will be more difficult for locals to develop touristic facilities (Okech, 2007).

The main objective of this research is to expand the current insights and to provide valuable information to other researchers who already did research about the difficulties for locals to develop touristic facilities for backpackers. Research into this topic is tourism-related.
The goal of this research is *to gain insight into the perception of the process of the start of and running a touristic enterprise specialised in backpackers by local small-scale entrepreneurs.*

This thesis is about the perception of the local entrepreneurs of the start and running a local small-scale enterprise. Until now, the government has ignored this subsector, but the government and other agencies are one of the elements that influence the process of the start of and running a local small-scale business. When the government learns about the attitude and views of the locals regarding this topic, they will have better insights. With these new insights, formal networks could start with providing key services and equipment for small enterprises (Buhalis, Cooper, 1998). By doing this, the government could contribute positively to factors that are of high influence and thereby eliminating a big part of the struggles of a start-up and positively influence the perceptions of locals concerning the start-up. Entrepreneurship can be stimulated by the government (Burt, 1992). When more enterprises are started and they are prosperous, this can influence the development of Indonesia in a socio-cultural way.

A clarification and explanation of the process of the start of and running a business could also positively contribute to the start-up process and the regular everyday business when local entrepreneurs exchange their perceptions. This information can be used to eliminate or reduce the perceived struggles. The presence of an informal network contributes to this (Burt, 1992).

To achieve the goal of this research, the main question needed to be answered. The main question was as follows:
How is the perception of local small-scale entrepreneurs in Yogyakarta of the process of the start of and running a touristic enterprise for backpackers and why do the local small-scale entrepreneurs perceive the process in this way?
Because of the demands of backpackers, local entrepreneurs see opportunities and therefore start

enterprises for this subsector (Hampton, 1998). It is discussed if an entrepreneur has 'inborn' characteristics or that experiences and outside influences are the driver to start a business. In this research, the search is focused on what an entrepreneur actually does, hence on the influences of outside.

The reasons why entrepreneurs start a business are necessary to know, because this influences the explanation of the entrepreneurial process (Alvarez et al. 2010). It is observed if the entrepreneurs perceive the process of the start and running a business as passing through various stages (Gibb and Ritchie, 1982) or as a trial-and-error process (Watkins, 1976). A more in-depth analysis of this process of Gibb and Ritchie (1982) showed that the process is a result of the continuing interaction between four 'success' factors: the idea itself, the resources available and obtainable, the ability of the entrepreneur and his associates and the level of motivation and commitment.

Gibb and Ritchie (1982) conclude that the majority of learning about the marketplace takes place once the entrepreneur has stepped into it. This leads to continuous modification of products and services. The entrepreneur needs to adapt to the backpackers continuously. Schoppe et al. (1995) mention two possible reasons for this continuing process of adapting to the market, where the 'optimal enterprise' is never achieved. These reasons are applicable to the backpacker sector. First, the dynamic changes in product and factor markets of backpackers result in changing patterns. And secondly, the rapid development of management techniques and organisations and new information, communication and coordination systems (Day, 1999). The continuing process of adapting to the market and continuous learning is tested in this research.

Resources also influence the start of a business (Stinchcombe, 1965; Gibb and Ritchie; 1982). Information about this influence is needed if you want to know how somebody perceives the whole start-up and running a business process.

Another factor of influence is the support of the formal networks. These networks need to be included in this research, because they have an influence on the perception of the local entrepreneur. Concerning the founding process, the network resources, activities, and support are used for new firms and social networks stimulate entrepreneurship (Burt, 1992).

A qualitative approach is applied to this research. This approach was chosen to understand how and why the processes are the way they are in this specific case. I wanted to collect in-depth detailed information about the views of the object, the entrepreneurs. This qualitative research consists of in-depth interviews, a literature study and observations.

The analysis of the results was done by breaking up the main question into sub questions. By answering the sub questions the main question could be answered as well. The sub questions were about 'the difference between backpacker tourism and conventional mass tourism', 'the start-up reason', 'the perception of the start as difficult', 'the influence of the resources' and 'the support of the formal networks'.

An observed difference between backpacker tourism and conventional mass tourism is the difference in budget and the choice for an accommodation. This makes clear that backpackers make other choices and they have higher demand for local goods than mass tourism has. These results are in line with the research of Hampton (1998). Another observed difference is that gaining new experiences plays a role for backpackers. This theory is stated by Richards (2001).

As stated by Alvarez et al. (2010), it is important to know the reasons why an entrepreneur starts a business. The interview results show that a few entrepreneurs were curious about owning a business and just wanted to try it, most of the time they were already working with tourists. Another reason was the money and the interest in people from abroad. Some answers indicated a business gap as a reason for starting the business. Entrepreneurs respond to a growing demand of backpackers for services or accommodations. The entrepreneur reacts to the opportunities offered by the growing numbers of backpackers visiting Indonesia.

Resources positively contribute to the process of starting a business (Gibb and Ritchie, 1982). The respondents explained that you need 'just enough' money to start a business. Furthermore the respondents stated that you need staff who can speak English and handle tourists. Respondents also said that it was necessary to have knowledge about starting a business. Work experience is another resource that positively influences the process of the start of a business.

In general, the process of the start of and running a business is a struggle. This struggle is a result of competition between companies. The expansion of a business is a step-by-step process. People keep responding to the demands of the backpackers. As stated in the literature by Gibb and Ritchie (1982), the majority of learning about the market place takes place once the entrepreneur has stepped into the market. This is in line with the observations and this is also the main reason why it is a continuous process. Schoppe et al. (1995) mention two reasons for this continuous process that are observed in this research. First, the demands of backpackers are changing through the years. The entrepreneurs respond to these changes. The second reason is the rapid development of new communication (Day, 1999), this is in line with the fact that the competition nowadays is bigger than before, because of new communication channels, like Instagram.

Another reason for this struggle is that the entrepreneurs feel that no one is able to advise them. The entrepreneurs are not supported by the formal networks. The bank is part of the formal network. Getting a loan is described as complicated. The lack of support of the formal networks is substituted by the informal networks. The social community plays a big role. First of all, they advise you what to do when you start a business. These relations are channels for gaining access to information, as Granovetter (1974) stated. The informal networks also give the entrepreneurs information about the demands of the backpackers. The entrepreneur needs to keep responding to these demands. Another reasons why the community positively contributes to the process of the business is that people tell positive stories about the businesses to other people (Bögenhold, 1989).

There are also some respondents that advice to borrow money from family instead of from the bank. The presence of the social community shows the 'Motivation and determination' as a success factor (Gibb and Ritchie, 1982).

I am able to conclude that the general perception is that starting and running a business is a struggle and that expansion of that same business is a step-by-step process. This is because of the competition between companies and the fact that no-one advices you. The entrepreneurs are not supported by the formal networks. Networks which are seen as expensive and time-consuming. This is shown by the perception about loaning, which is perceived as complicated and hard. And there is no general information about loan procedures. Resources positively influence the perception of the process of starting a touristic enterprise. The three resources mentioned are money, knowledge on how to behave and work experience. The step-by-step process of expansion is perceived in the fact that the entrepreneur needs to keep responding to the demands of the backpackers. They have to

react to the constantly changing demands of the backpackers. Crucial in the process of starting a touristic enterprise in Yogyakarta is the presence of the social community. The social community is a critical factor in a positive perception about this process. The informal networks can advise the entrepreneurs, inform them about the demands and can help to find elements of the business, like staff.

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1. Introduction

The subject of this bachelor thesis is the relationship between backpacker tourism and local small-scale entrepreneurs in Yogyakarta, Indonesia. Most specifically the focus in this thesis will be on the perception of the challenges of the start of a local small-scale touristic enterprise by the local small-scale entrepreneurs of Yogyakarta and after this start-up period the challenges to keep the business running. The main question that will be researched is what the perception is of the local entrepreneurs regarding the start up and running a touristic enterprise. This chapter provides an introduction to the relevant topics of this research. Next to that, the project framework is included which provides insight into the present background and relevancy. Based on the objectives formulated, the main research question is formulated followed by the sub questions.

1.1 Project framework

The relevant topics in this thesis are 'Tourism', 'Backpackers', 'Local opportunities' and 'The opinion of the local entrepreneur'. The framework of this project includes a discussion of previous research and which areas are still not researched sufficiently. The structure of this project will be explained in the theoretical framework.

Tourism

An effect of the globalisation process is that it becomes easier for people to travel long distances (Smith, 2003). Nowadays people are travelling abroad more and more. Rates show that tourism is still growing (Statista, 2016). The tourism industry is one of the biggest economic markets (Faulkner & Tideswell, 1997; Statista; 2016) and offers approximately 10 million jobs worldwide. These numbers are increasing as well (World Travel & Tourism Council, 2015).

These growing tourism rates are also visible in Indonesia. The Jakarta Post (2015), an English newspaper in Indonesia, published an article stating that the government of Indonesia wants a turbulent change. The government has an ambitious plan to attract 20 million foreign tourists per year by 2019, despite the rain seasons and regular volcanic eruptions clouding the industry. Hereby the target is to gradually increase to this number in the next five years. First, the goal was set for 10 million foreign tourist visits in 2015, up from approximately 9.5 million in 2014 (Jakarta Post, 2015). The government is investing a lot of money to reach this goal and attract tourists. These investments involve both soft and hard infrastructure and the establishment of hotels, tourists, attractions and other facilities. The estimate is that up to 200 trillion (approx. USD $14.8 billion) is needed to improve the touristic sector (Indonesia Investments, 2017). This money will be mainly invested in hotels and other facilities for mass tourism. This money will not be invested in the local community, consequently it will be more difficult for locals to develop touristic facilities. This points out a lack of cooperation between the locals and the government (Okech, 2007). This will be explained in the upcoming paragraphs.

Backpacker tourism

It is possible to divide international tourism into conventional mass tourism and other forms of

tourism. Conventional mass tourism focuses on package holidays and 'all-inclusives', this form of mass tourism is also described as 'family tourism'. One of the other forms of tourism is backpacker tourism, which is an important subsector (Hampton, 2005). Backpacking has become increasingly common over the last few decades. Backpacking started as a marginal activity by society's drop-outs. This kind of long-term independent travelling has grown in popularity. Backpacking has become more accessible by economic and political development brought by globalisation (O'Reilly, 2006).

Backpacker tourism is a form of cultural tourism. The difference with regular tourists is that gaining new experience plays a role when travelling (Richards, 2001). Cultural tourists learn about the different cultures and gain new experiences related to that culture.

Despite the similarities in behaviour over time, the demands of the backpacker culture are constantly changing. The backpackers have a more demand-driven system in comparison with regular tourists. Backpackers have more time and need less organisation (Hampton and Hamzah, 2010). This points out that this kind of niche tourism has specific demands. These demands are constantly changing (Spreitzhofer, 1995; Murphy, 2011). Backpackers constantly seek new places and act as pathfinders by opening up new areas (Hampton and Hamzah, 2010). This means that key routes are changing regularly and the demands of the backpackers follow these changes. In this way, backpackers develop their own dynamics and market structures (Oppermann, 1992, 1993).

Backpacker tourism is often small scale and niche tourism (Mowforth and Munt, 1998). A characteristic is that it is lower-circuit tourism. Employment and the owner of the enterprise are key issues in small-scale tourism. Backpacker accommodations tend to be locally owned. In conventional tourism, it is common to find expatriates in managerial and skilled positions, with the less skilled employment being offered to local people (Hampton, 2005). In contrast, in backpacker tourism with smaller establishment, there is a tendency for more local owners and management. This shows how a shift in demand in backpacker tourism stimulates the locals to start an enterprise (Wilson, 1997; Scheyvens, 2002). The operational requirements of small-scale establishments are less complex than those of the (conventional) large hotels and do not need highly skilled staff. In this research, the focus is on the local small-scale tourism with a particular focus on backpacker tourism.

Local opportunities

As a subsector, backpacker tourism has developed certain characteristics regarding communication networks, demand for cheap accommodation, and a parallel structure of transport, restaurants, accommodation, and support. The preference of backpackers is to travel as cheap as possible. This affects travel choices and patterns. For example, there is a change in transportation: backpackers prefer to choose for local public buses or minibuses. Seeing this trend local entrepreneurs see a business opportunity and start private minibus routes especially for backpackers. This relation, between small-scale tourism and the emergence of backpacker's facilities, is observed in Indonesia (Hampton, 1998; The Jakarta Post, 2012).

In addition to these trends in backpackers' way of travelling, backpackers make other choices and the demands and services could be met with low quality products and with more local products in comparison to the demands of the mass tourism. Local entrepreneurs see this as a business opportunity, are able to satisfy the (changing) demands, and therefore start enterprises (Hampton, 1998). Similar trends have been detected in other Southeast Asian backpacker destinations (Wilson, 1997; Scheyvens, 2002).

Most government tourist planners ignore this subsector, but the backpacker tourists travel in significant numbers and spend their money in countries as Indonesia. And these numbers are still growing. The reason for this growth is that on the one hand routes and travel advice is very well documented by popular guide books like Lonely Planet (2013). On the other hand backpackers have outgrown their 'hippy' roots due to globalisation (O'Reilly, 2006). This growing subsector offers opportunities for local entrepreneurs, because the opportunities to start an enterprise increase due to the increasing number of backpackers.

The opinion of the local entrepreneur

There is a wider need to provide insight into the perception of the process of starting an enterprise which is primarily focused on backpackers. According to Hill and McGowan (1999), it is imperative to embark on in-depth research to fully comprehend the variables and the relationships in processes like this. Until now, the government has ignored this subsector, but the government and other agencies are one of the elements that influence the process of the start of and running a local small-scale business. There is a lack of actual research considering the prejudicial attitudes towards these 'hippies', characterized by many governmental officials (Hampton, 2005; McCarthy 1994; Wilson 1997). One could say there is a disinterest by the government. Some early exceptions are present (Cohen, 1973; Vogt, 1976), but it remains under-researched. The attitude of the locals concerning this issue requires more research. When the government learns about the attitude and views of the locals regarding this topic, they will have better insights. For example, research results can explain what factors influence the process and what struggles there might be. With these new insights, formal networks could start with providing key services and equipment for small enterprises. Supporting agencies can also play a significant role in the training of executives and personnel or can help to launch a promotional campaign (Buhalis, Cooper, 1998). By doing this, the government could contribute positively to factors that are of high influence and thereby eliminating a big part of the struggles of a start-up and positively influence the perceptions of locals concerning the start-up.

The perception of the locals around a potential start-up can indirectly influence the economic development of Indonesia. When the government knows the perceptions and is able to influence the challenges, locals can start to perceive the process of starting a business and running a business more positively. Burt (1992) states that concerning the founding process, network resources, activities, and support are used for new firms and that social networks stimulate entrepreneurship. Entrepreneurship can be stimulated by the government (Burt, 1992). When more enterprises are started and they are prosperous, this can influence the development of Indonesia in a socio-cultural way. Hence, with a positive perception, research about the potential of backpacker tourism can be used as a part of a policy toolkit for economic development in Indonesia.

In comparison to mass tourism, the numbers of backpackers visiting a place are much lower. This means that it is unrealistic that backpacker tourism could or even will replace the economic advantages of mass tourism (Hampton, 1998). However, backpackers could play a significant role in the total picture and this has implication for the government policymakers and tourism planners of Indonesia. The contribution of the small and medium sized touristic enterprises in the tourism industry is very significant (Buhulas, Cooper, 1998). Small and medium touristic businesses are still underdeveloped (Tinsley, Linch, 2001). Most touristic destinations are based on small and medium

sized touristic enterprises. Since this subsector is growing, the backpacker facilities are growing as well. Hence, the perception of the locals if they are willing to start a business targeting backpackers is getting more important to clarify for the development of Indonesia.

A clarification and explanation of the process of the start of and running a business could also positively contribute to the start-up process and the regular everyday business when local entrepreneurs exchange their perceptions. This information can be used to eliminate or reduce any struggles. The presence of an informal network could contribute to this. The informal networks include families, friends, colleagues, etcetera (Birley, 1986). Entrepreneurs can position themselves to shorten the path to information when they have presence in a network (Blau, 1997; Burt, 1992; Granovetter, 1973). By exchanging information, the entrepreneurs can co-work and reduce struggles when it comes to unclear permit processes. In this way, the social networks can stimulate entrepreneurship (Burt, 1992).

1.2 Objectives

The main objective of this research is to expand the current insights and to provide valuable information to other researchers who already did research about this topic. Research into this topic is tourism-related. This goal of this research is to find out the perception of the start of and running a local small-scale touristic enterprise.

The goal of this research is *to gain insight into the perception of the process of the start of and running a touristic enterprise specialised in backpackers by local small-scale entrepreneurs. In this research, the perception of the local small-scale entrepreneurs is central.*

With this goal, this research paper will be a useful addition to existing literature. The focus is on the perception of local entrepreneurs in Yogyakarta. Previous research and literature has not yet focused on this. Due to the (contemporary) effect of globalisation on tourism, Yogyakarta is an interesting city to do research in about this topic. Yogyakarta is an interesting city to do tourism-related research because tourism is growing (Jakarta Post, 2015). Moreover, formal networks in Yogyakarta are now ignoring the perceptions of the locals about backpacker tourism (Hampton, 2005). The amount of literature about this subsector is limited.

1.3 Research questions

The scientific questions are based on the research objectives and aim to reduce the knowledge gap in the context of the relationship between backpacker tourism and local small-scale entrepreneurship. The research questions are formulated to achieve the main objective of this research.

The main question in this thesis is stated below:
How is the perception of local small-scale entrepreneurs in Yogyakarta of the process of the start of and running a touristic enterprise for backpackers and why do the local small-scale entrepreneurs perceive the process in this way?

To give a well supported answer to the main question, the following sub questions are formulated:

1. How do local small-scale entrepreneurs perceive backpacker tourism in contrast to mass tourism and why do they perceive this in this way?
2. Why do local small-scale entrepreneurs start a touristic enterprise for backpackers?
3. How does the presence of resources influence the process of starting a business and why do they influence this process?
4. How do local small-scale entrepreneurs perceive support of formal networks when they wish to start a new business targeting backpackers and why in this way?
5. Do local small-scale entrepreneurs perceive the process of the start of and running a touristic enterprise for backpackers as difficult and if so, why?

First, it needs to be clear how locals perceive the difference between backpackers and conventional mass tourism. This distinction needs to be clear before elaborating on the next questions where the focus is on backpacker tourism. After this, the entrepreneur will describe the main clients of his/her business. The first research question will define this difference and describe why the entrepreneurs think there is a difference.

The reason why entrepreneurs start a business has influence on the perception of the process of the start of and running a business and the expansion of this business. Because of this influence, the reasons why one want to start a business need to be included in the sub questions. The second question is about this subject and elaborates on the question why the entrepreneurs have started their business.

Another factor that has influence on the process of the business, are resources. It is relevant to know how this factor influences the process and why. Resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etcetera controlled by a firm (Daft, 1983). What entrepreneurs think of the resources needs to be included to give a well-founded answer to the main question. The third research question is about the resources and the influence of these resources on the process starting a business.

In addition to the above subject, the view of the entrepreneurs on the support of the formal networks needs to be clarified to answer the main question. When there is more information about entrepreneurs views concerning this subject and in what way this can influence the start of and the running of enterprises, the process can be explained in-depth.

The fifth and last research question is about whether the period prior to the start of a business and running a business is perceived as difficult. This question is linked to the second, third and fourth question because these questions explain elements of challenges. These elements influence if and why the process is perceived as difficult. When there is information why the perception is perceived in a specific way, you get in-depth information about the process.

1.4 Relevance

1.4.1 Scientific relevance

Globalisation is the process of different parts of the world becoming more interconnected. A consequence of globalisation is tourism (Robertson, 2012). The tourism industry in Indonesia is booming and the government is focusing on increasing the number of tourists even more (The Jakarta Post, 2015). With the ongoing process of globalisation, there is also a transformation of the localities themselves. There is a growing interest in the local context, this is called 'glocalisation'.

Hampton (1998) argues that this concept deserves further consideration, especially the dynamics of the interaction between tourism and local development. This research focuses on a part of glocalisation, namely the interest of the backpacker tourist in local products and services.

When making investments, the government is ignoring the subsector of backpacker tourism. This subsector of tourism, backpackers, remains under-researched. Backpackers give small-scale entrepreneurs the opportunity to do business, because backpackers have a demand for different and low quality products and a changing demand for food and services (Hampton, 1998). The backpacker accommodations for this subsector are locally owned (Hampton, 2003). There is a tendency for more local owners and management. The view of these people remains under-researched and there is barely (in-depth) research about this. The benefits of backpacker tourism are highly concentrated in the local economy. Smaller scale tourism can also succeed with smaller numbers of tourist and may represent the best opportunity for providing potential earnings (Rodenburg, 1980). This requires further research.

This research contributes in clarifying whether or not backpacker tourism has the potential to play an important role in multi-actor governance. In burgeoning literature, it has been argued that alternative tourism may be more appropriate than traditional mass tourism for the development of Indonesia (Britton & Clark, 1987; Weaver, 1995).

1.4.2. Societal relevance

The government ignores the perception of local entrepreneurs in tourism planning (Hampton, 2005). The view of the local entrepreneur is excluded in planning in Yogyakarta. Places with carefully planned development are likely to experience the most success in terms of high tourist satisfaction level, positive economic benefits, etcetera (Getz, 1987). The perception of the local entrepreneurs could positively contribute to the tourism planning and economic development. When the government knows about the local views of the process of a local small-scale business, they know what factors influence the process and what kind of struggles the local entrepreneurs encounter. Formal networks could positively contribute to these influencing factors and eliminate the struggles. The local entrepreneurs could get a more positive attitude and the government can use this positive attitude. Burt (1992) states that network resources, activities, and support are used for new firms and that social networks stimulate entrepreneurship. Entrepreneurship could be stimulated by the government (Burt, 1992).

When more enterprises start and they are prosperous, it can influence the development of Indonesia in a socio-cultural way. In this process, local entrepreneurs could also contribute to the increasing numbers of tourists.

A clarification and explanation of the views of how to run a touristic business could also positively contribute to the rise of tourist numbers when local entrepreneurs exchange these perceptions. The local entrepreneurs can exchange information with each other to eliminate or reduce the perceived struggles. The presence of an informal network contributes to this (Birley, 1986). In this way, the social networks can stimulate entrepreneurship (Burt, 1992).

2. Theory

2.1 Theoretical framework

In this chapter, the theoretical background is explored. Theoretical insights form the basis for this thesis. With these insights, the conceptual model is constructed. The conceptual model illustrates the relationship between concepts. The major concepts are also explained in this framework.

The discussed theories focus on the way of thinking and acting of local people in how they perceive starting a touristic enterprise with the actual support of formal networks. In the practical framework, five main topics are explored. To connect these topics and elaborate on them, the following chapters are composed 'Tourism', 'Local opportunities', 'Local entrepreneurs', 'The process of the start and running a business' and 'The support of the network'. These concepts need to be operationalized to make the research achievable and measurable.

Tourism

In this research the following definition of tourism is used:

Tourism involves the movement of people through time and space, and, as such, differences in consumption patterns should be reflected in differences in movement patterns (McKercher, Wong and Lau, 2006; 647).

Tourism in a combination with globalisation has a lot of effects on the economy. Chavez (1999) portrays globalisation combined with tourism as a 'deadly mix', implying that tourism has an adverse effect on the domestic economy (Chavez, 1999). In contrast, the results of the research about tourism and globalisation of Sugiyarto, Blake and Sinclair (2003) show that growth of tourism strengthens the positive effect of globalisation on the economy and lessens the adverse effects. This is mainly caused by increasing production and the improvement of welfare (Sugiyarto, Blake and Sinclair, 2003).

In Butler's life-cycle model of tourism development (1980) it is argued that when destinations develop over time, tourism becomes increasingly capital-intensive, with larger firms becoming involved in building and operating hotels e.g. There is decrease in local owners. Involvement of local people is increasingly marginalised by the transnational tourism industry on their doorstep. This process is shown in Figure 1. It appears, that the overall effect of globalisation seems to have accelerated the trend towards conventional mass tourism and the increasing vertical integration of touristic enterprises, often foreign owned (Debbage and Loannides, 1998). Hence, this research states that the numbers of local owners in the tourism branch decrease (Debbage and Loannides, 1998).
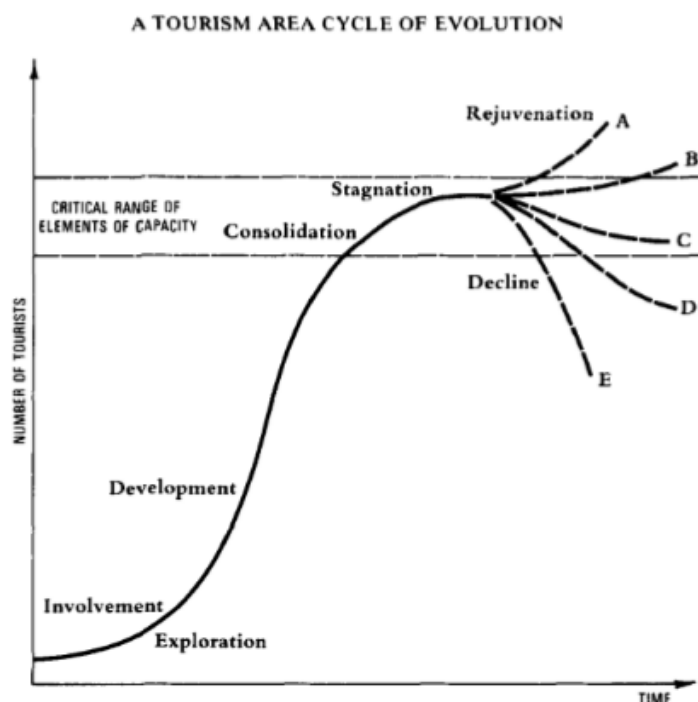
A TOURISM AREA CYCLE OF EVOLUTION

Figure 1. Hypothetical evolution of a tourist area (Butler, 1980)

'Backpackers' are defined in a lot of ways. Early terms that have been used, more strictly for 1970s travellers, include 'drifters' (Cohen, 1973) and 'wanderers' (Vogt, 1976). Riley (1988) adds a parallel between budget tourists and 'tramping'. Backpackers can be defined as *'people desirous of extending their travels beyond that of a cyclical holiday, and, hence the necessity of living on a budget'* (Riley, 1988: 317). In addition, backpacker tourism is a form of cultural tourism. The difference with regular tourists is the way that gaining new experiences plays a role (Richards, 2001). This experience is what Riley (1988) means with *'extending their travels beyond that of a cyclical holiday'.* Cultural tourists learn about the different cultures and gain new experiences related to that culture.
Backpackers also have a demand for local goods and services, rather than imported goods, in contrast with conventional mass tourism (Hampton, 1998). These demands are constantly changing. Backpackers need less organisation and have more time (Hampton and Hamzah, 2010). This points out that this kind of niche tourism has specific demands. Backpacker constantly seek new places and hence routs are changing. This means that demands are changing and contemporary (Spreitzhofer, 1995; Murphy, 2011).

Most government tourist planners ignored this subsector, but the backpacker tourists continue to travel in significant numbers and spend their money (Hampton, 1998). They continue to visit Yogyakarta. There can be spoken of a disinterest by the government in Indonesia (Hampton, 2005).

The research of Hampton distinguishes itself with the tourism life-cycle of Butler (1980). The research of Hampton argues that when you speak of growing international tourism a logical effect is no decrease in the number of local owners and local involvement, because of the presence of the subsector backpackers. The changing demands of backpackers give an opportunity for small-scale, bottom-up tourism (Hampton, 1998). The backpackers have a demand for local goods and services, and the local entrepreneurs see this as an opportunity to start a business.

Mowfort and Mund (1998) and Hampton (2005) argue that tourism has to be analysed within the

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context of the globalisation process of capitalism, Fordist towards post-Fordist. Conventional mass tourism is an industrial process in the Fordist sense of mass production, which means global flows of tourists part of a global market with the largest firms and transnational companies becoming increasingly dominant (Mowforth and Mund, 1998). In addition, Butler (1980) states that transnational tourism companies are able to benefit of economies of scale and scope, with increasing vertical integration and concentration of ownership. Furthermore, Mowforth and Munt (1998) argue that the values of Western industrialised societies seem to be reflected in its tourism, which may be characterised as having a declining interest in the places or sites visited, an increasing speed of change with new destinations appearing as briefly fashionable, and the 'collection' mentality where tourists visit once and do not revisit. What Mowforth and Munt (1998) term as 'new tourism' includes some forms of eco-tourism; backpacker tourism and independent travel. They (1998) argue that 'new tourism' tends to be post-Fordist in how it is produced: small-scale and often niche tourism (Mowforth and Munt, 1998). This makes the distinction with mass tourism. Local owners and local employment are key issues in small-scale tourism. In conventional tourism, it is common to find expatriates in managerial and skilled positions, with the less skilled employment being offered to local people (Hampton, 2005).

Local opportunities

There is a relationship between small-scale tourism and the emergence of backpacker facilities (Hampton, 1998). Backpackers make other choices and have other (lower quality and more local) changing demands for goods and services than the conventional mass tourism. Local entrepreneurs see this as a business opportunity and start enterprises (Hampton, 1998). In this way, these enterprises are demand-driven. Rodenburg (1980) adds that smaller scale tourism, like backpacker tourism, can also succeed and may represent the best opportunity for providing potential earnings. This opportunity offers opportunities and reasons, the business gap, for local entrepreneurs to start a business. This reason can influence the perception of the process of the start of the business (Alvarez et al., 2010).

Local entrepreneurs

For this research, the definition of an entrepreneur must be clear. This is important because the process of the start of and running a business depends on the definition of an entrepreneur. It is discussed if an entrepreneur has 'inborn' characteristics or that experiences and outside influences are the driver to start an enterprise. De Vries (1980), Collins and Moore (1964) state that entrepreneurs have an almost 'inborn' character trait which separates them from the majority. This trait creates a unique inner driving force. Others try to explain this with reference to their life, parents, and experiences. Gartner (1988) argues that if you are trying to define an entrepreneur you are doing it wrong. 'Who is an entrepreneur?' is not the right question. It is not important if it is correct to call someone an entrepreneur or not. It is important what the person actually does (Gartner, 1988). An entrepreneur is defined in this research as someone who owns, launches, manages and assumes the risks of an economic venture. This definition also includes persons who take over a business (Greve, Salaff, 2003). If we accept the assumption that you cannot describe an entrepreneur with character traits, but with 'what the person actually does', then it is possible that ideas and ambitions are personally evolved in social situations and that individualism in itself is a

social phenomenon. The individual is developed by transactions with other individuals and groups in his ongoing social life. With this view, class structure, the family of origin, social attachments etcetera are seen as influences. So there is no single social or psychological quality that brings individuals to the task of starting their own business. This means in this research, the search is focused on what an entrepreneur actually does and how an idea is developed in a social situation.

The focus of this research is on local small-scale entrepreneurs. 'The local' refers to a space inhabited by people who have a particular sense of place, a specific way of life and a certain ethos of worldview (Salazar, 2005). Local is characterized by place of position in space, it is a spatial concept. This definition of the local is used during the thesis. Small-scale points at a business that employs a small number of workers and does not have a high volume of sales (Richards-Gustafson, n.d.). The local is associated with glocalisation. Glocalisation is the intersection of the global with the local, it involves the construction of increasingly differentiated and distinct consumers, or the creation of new consumer traditions (Airriess, 2001). The concept glocalisation is applicable in this thesis because backpackers have more local demands, which indicates glocalisation.

The process of the start and running a business

The reasons why Indonesian people start a business are necessary to know in this research because these reasons influence the explanation of the entrepreneurial process (Alvarez et al. 2010). For example, a need for competition as a reason for the start of a business proposed the presence of competence or an ability to deal with the surrounding environment (White, 1959). This means that in this scenario you need to adapt to the environment, which influences the entrepreneurial process (White, 1959). In this research, the focus is not only on the start-up process, but also on the continuity of the business specialised in backpackers. The focus on the two processes because the continuity of the enterprise depends on the ways in which the entrepreneur adapts his business to the demands of the backpackers.

Previous literature highlights the relevance of an internal locus of control, which means that the entrepreneur believes his actions, rather than random elements, luck, or chance, lead to outcomes (Barba-Sanchez, Atienza-Suhuquillo, 2011). This is linked to this research because this has an influence on the reason to start a business as an entrepreneur (Barba-Sanchez, Atienza-Suhuquillo, 2011).

Gibb and Ritchie (1982) identify various stages of the start-up process. Watkins (1976) does not agree with this process and stresses that the process is not a scientific and logical process, but a more frequent one of trial-and-error. This research observes how local entrepreneurs in Yogyakarta perceive the (ongoing) start of a business specialised in backpackers. Backpackers develop its own dynamics and market structures (Oppermann, 1992, 1993). The demands are constantly changing (Spreitzhofer, 1995; Murphy, 2011). The local entrepreneurs see this demand-driven opportunity and respond to the demands. In this research, it is observed if the entrepreneurs perceive the process as passing through various stages or as a trial-and-error process.

Stage	Description
Acquiring motivation	Finding the stimulus and commitment to pursue the objective of setting up a business (for the individual, related group, community and family).
Finding an idea	Finding an idea which seems reasonable to spend time on. Or an alternative means of getting into business (franchise licence, buying a business, etc.)
Validating the idea	Testing the product/service (technically and with the customer). Protecting it. Testing the market.
Identifying the resources	Developing the plan of how to get into business. Identifying: the detailed resources required, the timing, the quality of suppliers, materials; identifying sources of assistance
Negotiating to get into business	Applying the plan. Negotiating for finance, premises, contracts, sub-contracts, etc. Selecting the type of company and registering it.
Birth and survival	Developing the necessary ongoing systems to keep a business in operation. Coping with all the statutory requirements. Building relationships with professionals who can help. Establishing clear ties with customers and suppliers (and the workforce).

Table 1. Stages of starting a business (Source: Gibb & Ritchie, 1982)

A more in-depth analysis of this process shows that the process is a result of interaction between four factors ('success' factors): the idea itself; the resources available and obtainable; the ability of the entrepreneur and his associates; and the level of motivation and commitment.

The ability of the entrepreneur and his associates point at the previous employment history of the entrepreneur and the relevance of this in terms of managerial and technical experience to the project. The motivation and determination points at the support that can be obtained from family and friends. This may also be a critical factor (Gibb & Ritchie), like the degree to which other abilities could be utilised through participation in the company. When the entrepreneur plans for and actually sets up a firm he can rely on his family and others in their networks for different kinds of help and support (Rosenblatt, de Mik, Anderson & Johnson, 1985). There are some reasons why entrepreneurs who receive a lot of support from their family might be more successful (Sanders and Nee, 1996). For example, the support is very helpful to sustain emotional stability. The next figure (Figure 2) shows key components for successfully developing a new small business. The key factors (positively) influence the process of the start of and running a business. This research is focused on the search for these key factors and how these key factors influence the process of the business.
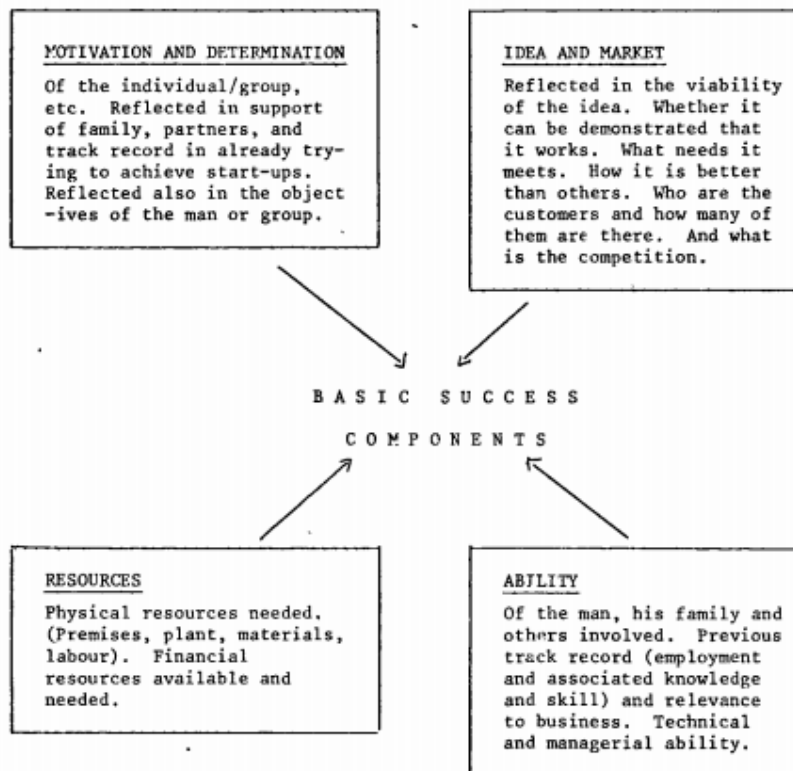
MOTIVATION AND DETERMINATION

Of the individual/group,
etc. Reflected in support
of family, partners, and
track record in already try-
ing to achieve start-ups.
Reflected also in the object
-ives of the man or group.

IDEA AND MARKET

Reflected in the viability
of the idea. Whether it
can be demonstrated that
it works. What needs it
meets. How it is better
than others. Who are the
customers and how many of
them are there. And what
is the competition.

B A S I C   S U C C E S S

C O M P O N E N T S

RESOURCES

Physical resources needed.
(Premises, plant, materials,
labour). Financial
resources available and
needed.

ABILITY

Of the man, his family and
others involved. Previous
track record (employment
and associated knowledge
and skill) and relevance
to business. Technical
and managerial ability.

*Figure 2. Key components in the successful development of a new small business (Source: Gibb &
Ritchie, 1982).*

Gibb and Ritchie (1982) conclude that the majority of learning about the marketplace takes place
once the entrepreneur is into it. This leads to continuous modification of products and services, an
continuous process. The demands ask for flexibility of the entrepreneur. The feedback from the
marketplace is a major factor in sustaining motivation. When the product is innovative, adaptability
to the market and market testing becomes more exact. This means that adapting to the market is
easier once the market has been entered (Gibb, Ritchie, 1982).

Schoppe et al. (1995) mention two possible reasons for this continuous process of adapting
to the market, where the 'optimal enterprise' is never achieved. First, the dynamic changes are
product and factor markets result in changing patterns of scale and scope economies. And secondly,
the rapid development of management techniques and organisations and new information,
communication and coordination systems (Day, 1999). This continuous process of adapting to the
market and continuous learning is tested in this research.

Stinchcombe (1965) argues that new organisations have limited access to capital, material and labour
markets, which has influence on the start-up wealth of a business. Resources include all assets,
capabilities, organisational processes, firm attributes, information, knowledge, etcetera controlled by
a firm (Daft, 1983). A lack of resources limits the amount of power that an organization can exercise
over the market and competitive conditions. This means that an organisation has a limited ability to
improve the environment it faces. The resources have an influence on the start-up process
(Stinchcombe, 1965; Gibb and Ritchie; 1982) and information about this influence is needed if you
want to know how somebody perceives the whole start-up process.

The support of the networks

Birley (1986) describes two networks where an entrepreneur can draw on: the formal and the informal network. The formal network includes all the local, state and Federal agencies such as banks, accountants, lawyers, etcetera. The informal network includes families, friends, colleagues, etcetera (Birley, 1986). These networks need to be included in this research because they have an influence on the perception of the process of the start of and running a business (Burt, 1992). The focus of this research is on the support of the formal networks because the government is ignoring the subsector of backpackers nowadays. An example of how the formal networks can influence the entrepreneur is with loaning money.

Social capital plays a key role in entrepreneurial networks (Burt, 1992). Social capital is defined as the set of resources that accrue to the social structure, facilitating the attainment of the actor his or her goals (Gabbay & Leenders, 1999). They include the contacts that help the entrepreneurs getting things done. When contacts contribute to the goals of the entrepreneur, then social contacts are social capital (Burt, 1992). Concerning the founding process, network resources, activities, and support are used for new firms and social networks stimulate entrepreneurship (Burt, 1992).

Networks are useful for entrepreneurs in three different ways (Blau, 1977; Burt, 1992; Granovetter, 1973). The first is the size of the network. It is possible to enlarge their network to get information from others. The second is positioning. Entrepreneurs can position themselves in a network to shorten the path to information (Blau, 1977; Burt, 1992; Granovetter, 1973). The third and last one is relationship structure. Social contacts can be related to the entrepreneur through several types of relations or interactions. Networks are useful in different ways and stimulate entrepreneurship even more (Blau, 1977; Burt, 1992; Granovetter, 1973).

The literature describes the functions of networks (Powell and Smith-Doerr, 1994). The literature of the function of network describes the mechanisms by which networks improve success.
1. Social relations/contacts provide channels for gaining access to information (compared with information from formal sources) (Granovetter, 1974).
2. Contacts give access to customers and suppliers. This determines the success of a new business. The 'snowball effect' is very important (Bögenhold, 1989). This effect is a process that starts from a state of small significance, one positive story of a customer, and build upon itself and is becoming larger. In this way, the positive stories are shared by more customers.
3. Contacts open the possibility to broaden the financial basis of a new firm (e.g., Yoon, 1991).
These functions are tested in this research. The focus is on the perception of the process of the start of and running a business and how the (formal) networks influence this process. These functions help to answer the research questions.

2.2 Conceptual model and operationalisation

With the use of the theoretical framework, it is possible to make a conceptual model. In the conceptual model, the most relevant concepts and relations are translated in a schematic model. The model shows how concepts relate to each other. This model clarifies how the research questions will be answered. The model will be interpreted on the basis of the letters shown in Figure 3.

A. Tourism consists of different forms of tourism, the focus in this research is on backpacker tourism. The demands of backpackers give local small-scale entrepreneurs opportunities to start a touristic enterprise (Hampton, 1998) because backpackers have (changing) low quality demands for local products and services. Local entrepreneurs use this opportunity and start an enterprise. The main focus is on the perception of the local entrepreneur of how he/she perceives the start of and running of a business.

B. The reasons for deciding to start a business are necessary to know in this research because these reasons have an influence on the explanation of the entrepreneurial process (Alvarez et al. 2010). The reasons to start a business could be confused with the opportunity that backpacker tourism offers. In this conceptual model, the reason for starting a business is set as a separate factor because it is not related to the business gap. Perhaps these two factors are overlapping because the business gap could be a reason to start a business and vice versa.

C. The process is influenced by the success factors. The success factors are motivation and determination, idea and market, resources and ability. The influence of these factors is tested in this research and it is observed how these factors indirectly influence the perception of the entrepreneur.

D. Another influence that is observed in this research is the support of formal networks. Networks could stimulate entrepreneurship (Burt, 1992). How do local entrepreneurs perceive this support? The actual support influences the perception of the support of the formal networks. The view of the local people on this factor must be clarified because this plays a role in the complete perception.
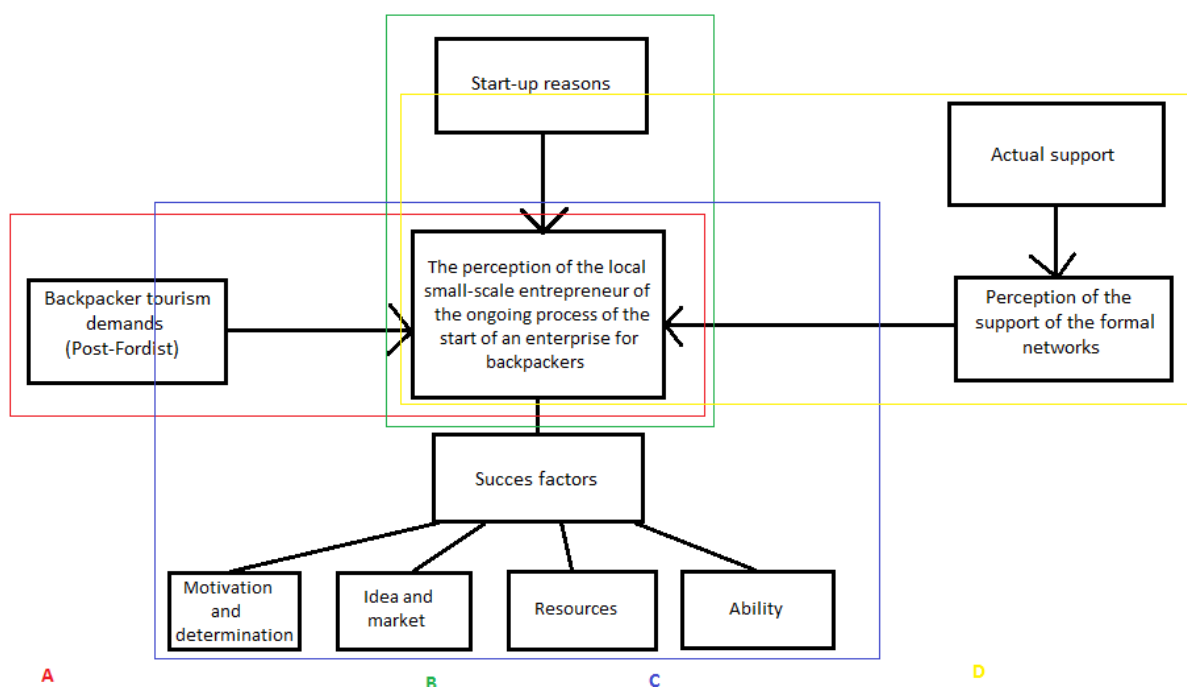

Figure 3. Conceptual model (own Figure)

3. Methodology

3.1 Research strategy

The research questions and the core concepts are already explained. This paragraph explains which methods are used to answer the main question and the sub questions. This paragraph also shows what kind of data should be collected to achieve the objectives and the way in which the data is collected.

A qualitative approach is applied to this research. This approach was chosen to understand how and why the processes are the way they are in this specific case. The object, local small-scale entrepreneurs who have started or have a touristic enterprise for backpackers in Yogyakarta, is very specific. I wanted to collect in-depth detailed information about the views of the object, the entrepreneurs. This qualitative research consists of in-depth interviews, a literature study and observations.

By using these research methods, insight is gained into the way of the process of the start of and running an enterprise in practice. The in-depth approach was necessary for the accumulation of useful 'stories' from the respondents. This made it possible to conceptualise experiences.

The internal validity of the research is strengthened by more units of analysis within embedded cases, data and by using analytical techniques by analyzing. The analytical technique that will be used is the grounded theory. Human actions are determined by dominant societal discourse. Discourses delimit and determine the way people think, speak and act; they 'frame' the daily practices (Glaser, Strauss, 2010). The theory-development is generated or 'grounded' in data from participants who have experienced the process (Strauss & Corbin, 1998). In this research the systematic approach of Strauss and Corbin (1990, 1998) is used. A theory is developed systematically and this theory explains processes, actions, or interactions on a topic.

To strengthen the reliability of the current study, the reports of the research are transparent, the data is separated in codes and report data and the use of field observation is explained with the interpretations.

3.2 The selection of the respondents

The research object is 'local small-scale entrepreneurs who have started or have a touristic enterprise for backpackers in Yogyakarta'. The goal is to determine what processes the research object encounters when running a touristic enterprise for backpackers.

It was necessary to go to Yogyakarta to find respondents to conduct interviews with to answer the main question. In a four week period, the interviewees were selected.

Essential was to get the right information to find the entrepreneurs who were specialised in backpackers. To find the entrepreneurs I had to go to a place or street where most backpackers go to. Reading travel blogs appeared to be a good source for this. These blogs pointed to the street 'Jalan Prawirotaman' (Prawirotaman Backpacker street, 2015). A second source for finding the right

place where entrepreneurs are located was my supervisor, Pak Rijanta. He suggested the street Jalan Sosrowijayan. The location of these streets is visible on the map in chapter 4.

I went to the street Jalan Prawirotaman and started to ask people questions in the shops, restaurants and bars. The first questions were about the English language. I asked if they could speak English and if they were able to understand me. I asked who was the owner of the enterprise. Most of the time the owner was present. If the owner or manager was not present, I asked when he or she would come back to find another opportunity to approach him/her. Then I asked the potential respondent if he/she was local according to the definition used in this research and if he/she knew about the start of the enterprise. If the potential respondent met the requirements, the questions was if he or she would answer some questions about the enterprise. If the respondent wanted to tell about this process, an appointment for an interview was made.

In four weeks, It was only possible to interview a limited group of the research objects. This limited group was still useful, this is explained in chapter 4.

3.3 The collected data

This qualitative research consists of in-depth interviews, a literature study, and observations. I gained insight into the way of the process of the enterprise with these methods. In this paragraph, each method is explained.

3.3.1 Literature Study

Before I was going to Yogyakarta, I did a broad literature study. During this literature study, important relations came up. With the literature study, it became clear what researchers have examined and what was interesting for me. There was not enough existing literature to answer the research questions.

Useful theories came up to explain the theoretical background of this research. Theoretical insights are the basis of this thesis. The discussed theories are about how people perceive the start of a touristic enterprise and which factors influence this process. These theories are explained in chapter 2.

3.3.2 Interviews

Interviews are a way to gather information about people's thoughts and experiences. Interviews were a fitting research method since I wanted to conceptualise experiences. I wanted to get an 'insider's perspective' and an in-depth view.

I made the interview guide with the theoretical insights gathered by the literature study and the research questions. The interview guide can be found in the appendix. The interview guide consists of three main parts, 'General information', 'The start of the enterprise' and 'The support of formal networks'. The first part regarding the general information will go into the difference between backpacker tourism and conventional mass tourism. This distinction must be clear for the respondents because the focus is on backpacker tourism. The second part of the interview guide is about the start of the enterprise and how this start is perceived. The reason why one wants to start a business is also an element that is involved in this part. The third part is about the support of formal networks and the challenges that come with this subject.

I made the choice to hold semi-structured interviews. In this way the interviews were an open conversation about the three main parts.

3.3.3. Observations

It was not possible to observe the whole research topic, because the topic is an in-depth process that only the entrepreneurs can perceive in practice. It was only possible to support the answer of the entrepreneurs to the first research question with observations. This question was about the difference between backpacker tourism and conventional mass tourism. I wanted to search for patterns in the demands and services that backpackers have. I made an observation table to make it easier to analyse the observations. The observed aspects are the clients, the supply, the price range and the presence of people (in the month March). I needed these aspects, to get a deeper insight in the specific enterprise. I observed the backpackers in every enterprise. With observation I could confirm whether the elements were present that I gathered through the literature study and the qualitative interviews. I observed if the answers given by the respondents were under set by the behaviour of the backpackers.

3.4 The analysed data

This paragraph is about how the collected data is analysed. The literature study, the interviews, and the observations were analysed in different ways.

3.4.1. Literature study

During the literature study, useful theories came up. With the theoretical framework, it was possible to make a conceptual model of these studies. In this model, the most relevant concepts and relations were translated in a schematic model. This clarifies how concepts relate to each other.

3.4.2. Interviews

The interviews are widely described in reports. These reports per entrepreneur can be found in the appendix. Interview reports were chosen instead of transcripts of the interviews, because of the language barrier. The respondents also had no office or quiet rooms, so the interviews took place in noisy spaces. As a result, it was not possible to make useful transcripts. Right after the interviews, the interview reports were described, in this way nothing was missing or was forgotten.

To give an answer to the research questions, first, the answers of the different entrepreneurs are summed up per question. This has led to an overview per question. Depending on the answers, I made an analysis by using codes. The codes were made with the use of the interview guide. The interview guide was based on the literature study and the research questions. These codes are reported in the appendix. By arranging different codes in groups and labelling them to the answers it was possible to compare the answers. When comparing the answers, I was able to search for similarities and differences per question. Also, these codes made it possible to compare the answers between different questions. In this way, answers were connected to give an answer to the main question.

The theory is presented in a grounded theoretical narrative. This consists of discourses of the perception of the local small-scale entrepreneurs. Every entrepreneur told his story of his business and his perceptions of this story. With all the interviews, it was possible to find a leading discourse. Chapter 6 represents the theoretical scheme. References to the literature are included to show outside support for the theoretical model.

3.4.3. Observations

I filled in the observation table per enterprise, this can be found in the appendix. I compared the observation tables and searched for similarities and differences between the observed aspects. The search was for patterns in the observed aspects. In this way, it was possible to make sub groups of the entrepreneurs. For example, the hostel owners were considered as one group. Chapter 4 focuses on this. The results of the observations are described in chapter 5.

3.3 Research Model

This schematic representation demonstrates an overview of how the research is built up. In addition, the research model is also relevant in determining the theoretical background of this research.
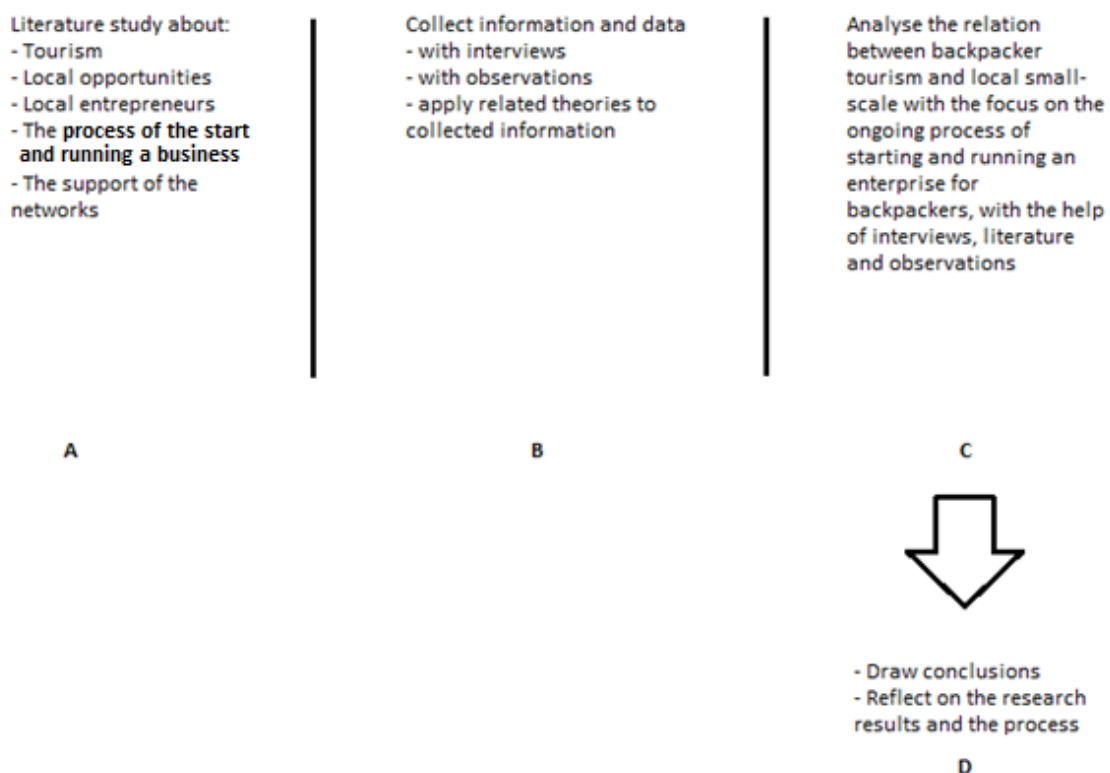
Figure 4. The different steps of this research (own Figure)

This research consists of four different steps (A-D). These steps are schematically illustrated in Figure 4. The first step (*A*) includes research information and scientific literature about the relationship between tourism and small-scale local entrepreneurs in general. Information about current issues and other developments are collected. As a consequence, there is a theoretical 'knowledge gap'. This knowledge gap is about the relationship between tourism and small-scale entrepreneurs and how these entrepreneurs perceive the start of a touristic enterprise. In addition, relevant theories were chosen.

In step *B* the choice was made for qualitative interviews. The theories have been applied and tested in practice by using in-depth interviews, observations, and a literature study.

In step *C* the analysis is performed with the help of step A and B. In the last step (*D*) conclusions are drawn. This step also includes a reflection on the research results and this process.

4. Case

This chapter focuses on the case. First, the research object is explained, the generalizability of this object is described. The choice for the city Yogyakarta is illustrated and the generalizability of Yogyakarta is discussed. The disadvantages of the case study are taken into account and explained. In the end, short stories about all entrepreneurs are reported to illustrate where they stand in the process and why their story is useful for this research.

4.1 The research object

The research object is 'local small-scale entrepreneurs who have started or have a touristic enterprise for backpackers in Yogyakarta'. In table 2 the interviewees and the kind of business they own or have owned is illustrated.

Name interviewee	Kind of business
Suska Joehen	Former owner of the House of Saté
Ikhsan	Owner of a Tourist Office
Ywan	Owner of a Tourist Office and Hostel Good Karma
Eddy Supharto	Owner of a Tourist Office and a little shop
Wisna	Employee since the start of a Tourist Office
Esther	Owner of apartments and of a furniture company
Darmaj	Owner of Monica Hotel and a Homestay
Harry and Tony	Owners of a Homestay and Restaurant
Boy	Owner of Hostel SAE SAE
James	Owner of Homestay Vinezia Garden and starter of an online travel agency

Table 2. The interviewees and the kind of businesses

The interviewees can be divided in the kind of businesses they (have) owned. Two interviewees own(ed) a restaurant, five interviewees own a tourist office of which one is a starter, five interviewees own an hostel or an apartment or an homestay and one interviewee owns a little shop. Interviewees who own more businesses, can talk about both businesses. This subdivision points out that there are differences between the research objects. You can make subgroups in the research objects. You can make subgroups of the kind of businesses people own or a subgroup of when a business was started. This subdivision should be taken into account in the analysis. For example, it might be that the subdivision 'hostel owners' give a complete other answer than the subdivision 'tourist office owners'. This subdivision has an effect on the generalizability of the research object. The specific answers given by the 'hostel owners' cannot be generalized to the whole group of entrepreneurs. Only if there is no specific subgroup that mentions the information, the answers can be generalized. In that case, the 'entrepreneurs' answer it, hence the research object. Generalisation is not the intention of this thesis. The goal is to provide in-depth information about the case.

The research was focused on local enterprises with backpackers as their main clients. The search was for places that are mainly visited by backpackers. It was hard to find enough entrepreneurs with backpackers as their main clients, so the main clients of a few businesses are families. You can subdivide these groups as well, in 'specialised in families' and 'specialised in backpackers'. This subdivision has to be taken into account when analysing and drawing conclusions. The subgroup

'enterprises focused on families' is useful because I could still ask them about the backpackers. These subgroups were also useful, because the groups could be compared to see the differences. In this way, families can be used to focus on the backpackers and get more information about the backpackers in specific.

4.2 Location of the research object

Most of the businesses are located in the street 'Jalan Prawirotaman'. For businesses specialised in backpackers, it is logical to locate in this street. The street is centrally located in Yogyakarta and a lot of facilities for backpackers are already located on this street. Six of the ten examined businesses are located there. Two businesses are located in Sosrowijayan, this place was advised by my supervisor. The SAE SAE hostel and the Vinezia Garden Homestay are located centrally in Yogyakarta, close to the street 'Jalan Prawirotaman'. *Esther* and the apartments are not located in the centre of the city, but in the North. The locations of the enterprises in Yogyakarta can be seen on the map (Figure 5).
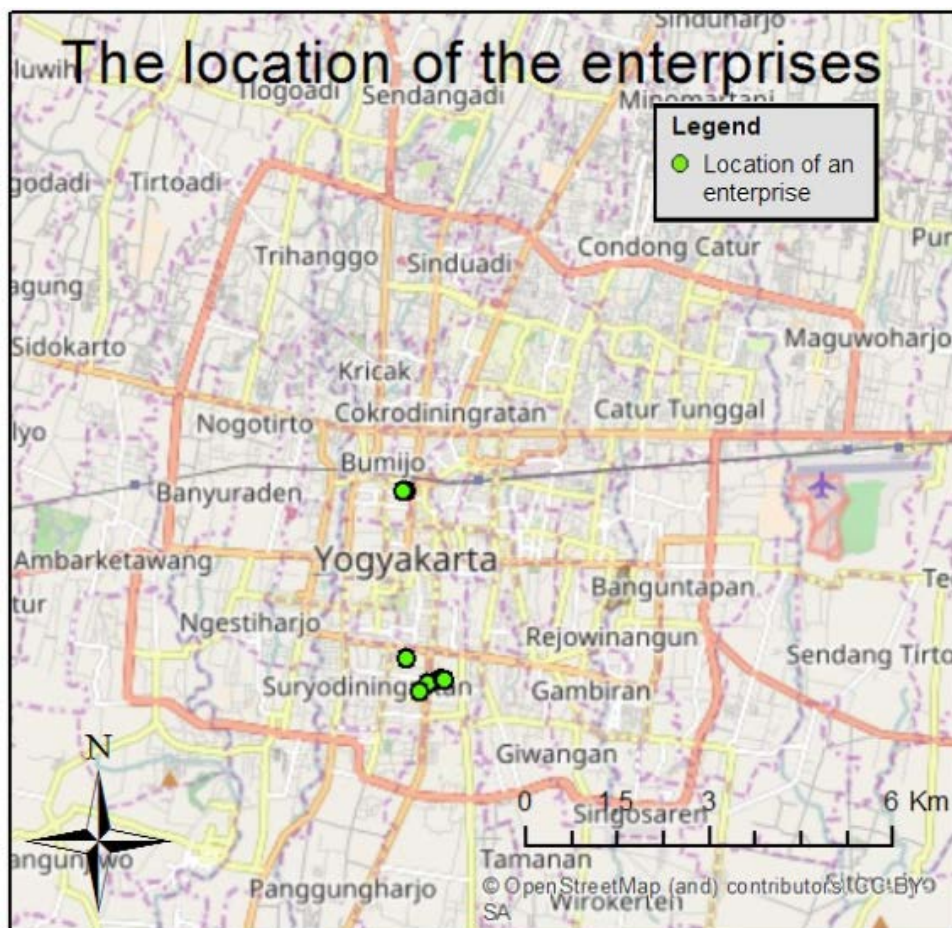
Figure 5. The locations of the enterprises in Yogyakarta (own source)

The tourism rates are still growing in Indonesia (Jakarta Post, 2015). Yogyakarta is called the 'cultural centre' and the 'soul' of Java. Yogyakarta is visited by a lot of tourists, of which most are attracted by the cultural heritages (Lonely Planet, 2013). One group of these cultural tourists are backpackers (Richards, 2001). This made Yogyakarta an appropriate city to perform research focused on enterprises for backpackers. Where Yogyakarta is the cultural centre of Java, Jakarta is the economic

centre of Java. Cities are not comparable to each other which means that it is not possible to generalize this research, conducted in Yogyakarta, to every other city. However, it is possible to generalize this research to other cities with a lot of backpackers as an effect of the cultural heritages.

4.3 The entrepreneur

This paragraph shortly introduces every entrepreneur. This paragraph explains who they are, why they are suitable for this research and in which stage they are in the process of the start of the business.

1. Suska Joehen, old owner of the House of Saté
Suska has owned the House of Saté, a restaurant focused on backpackers, for ten years. He gave plenty useful information about all the discussed topics. Before Suska started his own business he had been working with tourists for a long time. He used to work in a bar and as a result knows a lot about tourists. He started because he was curious what it would be like to run a restaurant. He was able to give a lot of information about the start of the business in 2004 and about the period that he ran the business. He explained that his broad informal network helped him to start his business. He also knows a lot about the support of the formal networks.

2. Ikhsan, owner of a Tourist Office
Ikhsan is the owner of a Tourist Office. As a result the clients are mixed. He gave some useful information about the competition in the market of tourist offices. For example, he explained that you have to offer something that is different. After four years, he has something distinctive to offer and now the business is prosperous. The reasons for him to start the office is that he thought it would be a good job and because he is interested in people from different countries. Before Ikhsan started the tourist office, he already had worked with tourists. This together with his experience with the office make him a good source for this research. He also told a lot about the struggle in the process of the start of the business. The start-up process was difficult because of the competition in the market. This is also very useful information in this research. Furthermore, he has a clear view on the support of the formal networks.

3. Ywan, owner of a Tourist Office and Hostel Good Karma
Ywan is the owner of a tourist office and a hostel, both specialised in backpackers. He started together with a friend because they were both interested in people from abroad. *Ywan* was able to give broad information about the expansion of the business. He started with a small scooter rental business and this just expanded further and further. His hostel is growing and in November he will open a second hostel. Broad information like this is very useful for this research because I can search for a similar process in other businesses. Ywan was very clear about the support from the government and knows what the government can do better. This could be an indication that the government is doing something wrong now.

4. Eddy, owner of a Tourist Office and little shop
Eddy is the owner of a tourist office and a little shop. His clients are mixed. He started this business in 2006 because the shop he was working in at the time relocated to another city. This gave *Eddy* the opportunity to start a business with similar activities. He started with minimal resources, but the business is still expanding and adapting to its clients. *Eddy* and his business are a good example that

you need to adapt to the market in order to earn money. He also talked a lot about his informal network. He is convinced that people-to-people contact is better than getting into contact with formal networks.

5. Wisna, employee from the beginning of the Tourist Office
Wisna is an employee at a tourist office that focuses on backpackers. *Wisna* her story is also still useful in this research because she is used to working with tourists and knows a lot about the start-up process of this business. The Tourist Office started in 2008 as an expansion of touristic programs that were sold in hotels. She was able to give useful information about this expansion. She also shared specific information about cooperation with other companies, for example flight companies. For a touristic office it is important to cooperate. She also explained that the business was able to borrow money and she shared why she thought this was possible for the Tourist Office. This information is useful for the overall analysis of the topic 'borrowing'.

6. Esther, owner of apartments and a furniture shop
Esther is the manager of rental-apartments and a furniture shop, with mixed clients. The focus in this interview was on the apartment business. She has been managing the business for a year now. She started managing this business because she was able to earn money. This business started expanding a few years ago when Esters uncle managed the business. Now they have a few apartment complexes. She has a negative attitude towards the bank and she explains that she does not trust the bank and for this reason thinks it is better to borrow from family. She weighed up the problems and the advantages of the two factors.

7. Darmaj, owner of the Monica Hotel and a homestay
Darmaj is the owner of Monica Hotel and a Homestay. The hotel started in 1996 and at that time, he already owned the homestay. His story is very useful because it started a long time ago. At that time, there were not that many hostels, so the competition was less than it is nowadays. This made the process more easy for him. It was also not very hard for him to borrow money from the bank. His story is very specific in this research because there is not a lot of connection to the other respondents' stories in this research.

8. Harry and Tony, owners of a homestay and restaurant
Harry and *Tony* own a homestay and a restaurant and it is unclear who their main clients are. They are still useful in this research because the homestay started 10 years ago. They explained that there were not that many homestays at that time. They mentioned that there is a decrease in the numbers of visitors. They think that this can be explained by the terroristic incidents.

9. Boy, owner of SAE SAE hostel
Boy is the owner of a hostel, specialised in backpackers. He is very positive about tourists and is used to working with them. He and his partner started the hostel 2 years ago. It had always been their dream o start their own business. They had no plan when they started the hostel. This is very interesting because he was just adapting to wishes of the target group. In this way he creates his own market. He has a very specific story about the country and about corruption. He explained that it is easy to start something because the government is not going to check your permits.

10. James, manager of Vinezia Garden Homestay and founder of an online travel agency
James is the manager of the Venezia Garden homestay and founder of an online travel agency, both specialised in backpackers. The homestay started in 2010. He told a useful story about the growing competition on the market in Yogyakarta. He mentioned that you need to be distinctive to get a market. He also mentioned that the business was expanding. They started by providing a few rooms and grew from there. James is also the founder of a travel agency. He uses the information he gets from tourists that are complaining about other travel agencies to improve his business. He thinks the government needs to support travel agencies more.

5. Results

Results of the literature study, the observations and the interviews are described in this chapter. The paragraphs are based upon the research questions as mentioned in chapter 1.4. The paragraphs start with the observation results, followed by the interview results and every paragraph ends with a conclusion of these results.

5.1 Backpacker tourism

It was possible to do observations to support the answer on the first research question. The observations reflect the actual situation. These observations make clear that the backpackers visit places that fit the low or middle price range. In the apartment of *Esther*, the prices are high. The visitors observed here are families and backpackers.

Backpackers visit both places where only local food is served and places where Western food is offered. Backpackers are observed when they were buying Western snacks in the little shop of *Eddy*.

5.1.1 Yourself as a local

All interviewees perceive themselves as locals. Even if they had not lived in Yogyakarta all their lives, they have a particular sense of this city. *Ywan* is a good example of this: *'This city really feels like home to me, even if I have not lived here my whole life'* (*Ywan*).

A lot of the interviewees talk about being local in a social way. They know what is going on in their neighbourhood and they know a lot about the interaction between people. *Boy* admits that '*You have to be a local if you start something here.'*

Interviewees work with tourists. Tourists are part of their lives in a social and economical way. The views of interviewees can be influenced by this. '*Well, they influence me' (Suska)', 'They are part of the business' (Ikhsan).* This points out that the respondents are influenced as a local by tourists.

The interviewees describe the local people in general as very nice, positive and that they stick together. *'They really take care of the community' (James)*. With this quote, the social aspect of the neighbourhood is repeated.

5.1.2. Tourists in general

The general view on tourists differs per kind of tourism, but in general tourists are considered to be nice people. If interviewees are interested in other cultures and countries, they are more likely to be positive about tourists. Some interviewees like tourists, because they want to learn from them about their culture.

If interviewees have a negative experience with tourists, their view on tourists in general is influenced negatively. An example of this is the story of *Harry* and *Tony*. *'You know the story right, what happened to this city, because of the tourists?*' (*Harry*). They explained that a tourist killed a local eight months ago, the reason was unclear. This shocked them. They are more negative about tourists than the other interviewees in general.

5.1.3. Backpacker tourism in contrast with mass tourism

The interviewees mentioned that there is a difference between backpacker tourism and more conventional mass tourism. A significant difference is the bigger budget of family tourists, compared to backpackers. One of the reasons the entrepreneurs have a negative attitude towards backpackers in comparison to family tourism, is that backpackers come to compare prices. This is not appreciated by owners of tourist offices. *'They just compare the prices and go further, I do not like that' (Ikhsan).*

The accommodation in which tourists stay is also a big difference between family tourism and backpackers. Families want appropriate facilities and backpackers want their stay of lodging to be as cheap as possible. People who own an apartment or tourist office went into more detail about the differences in budget between backpackers and mass tourism. For example, *James* notices more differences between family tourism and backpackers.
'Good backpackers want to learn how the local people live (...). They do not care if they had to suffer, for example, follow the rules of the locals. If they think it is nice, then they follow. Some tourists just carry the money. They want to pay as locals, because of the budget, but they do not want to care for how or what reason we do things. They do not ask themselves: why the transportation? Why eat with the hand? Families mostly want to pay the facilities to secure the families. They do not want to suffer, they bring their kids. They do not want to get a problem during travelling.' (*James*).

Another difference between backpacker tourism and mass tourism is the learning function. The learning function is specifically mentioned by the owners of the hostels, *Ywan*, *Boy*, and *James*. They mention that backpackers want to learn about their culture and they really like this. '*It is a big deal if you leave your home to see something different'* (*Boy*). *Ywan* focuses on the backpackers that merge with locals and learn to understand the locals.

Backpackers are described as less nice tourists than family tourists. Families are happy as long as their children are happy. People who own an accommodation point out that backpackers have fewer requirements than families. Because of this, they prefer backpackers for their business.

5.1.4. Reflections

All the interviewees perceive themselves as locals, in a spatial or a social way. When respondents were asked to describe locals, they particularly mentioned the social aspects of living in a neighbourhood in Yogyakarta.

The general view of local people on tourists is that they are nice, but this opinion depends on whether they are backpackers or families. Some respondents have more good or more bad experiences with tourists than other respondents. A few respondents admitted that their views on tourists are influenced by the fact that they work with tourists.

It can be concluded that a difference is perceived between backpacker tourism and conventional mass tourism. The difference between backpacker tourism in contrast to mass tourism is the budget, the accommodation choice, the learning function and that backpackers are less nice than families, but they have fewer requirements.

5.2 The reasons for the starting a business

There are different reasons for the entrepreneurs to start a touristic enterprise in Yogyakarta. A few of them were curious about this kind of business and just wanted to try it. They talked about dreaming and owning something for themselves.

'I wanted to work in my own dreams, for yourself, not for anybody else' (Boy).

Some entrepreneurs were used to working with tourists, which was the reason that they started a business in this branch. Another reason that was mentioned for starting a business was 'for the money'. This reason was given more than once. According to *Ywan*, *'It is good living of tourism'.* Another reason for starting a business were that the entrepreneurs were interested in people from abroad, that they liked meeting different people and that they liked to travel.

Some answers indicated a business gap at the moment of the start of the business. This business gap was another explicit reason to start a business. Some entrepreneurs signaled a growing demand for services and new accommodations. The entrepreneurs responded to these demands. *Wisna* tells that in 2008 *'there was not something as this office in this area. We were already selling programs in hotels. My boss just went to this area'.* In this period, *Eddy* started his business. *Ywan* also expanded his tourist office at that time. This points out that there was a demand for tourist offices.

A few years later, there was a demand for accommodations. *Ywan* started a hostel because a lot of people asked for this type of accommodation. *James* explained that starting a hostel was *'an accident'*, but the homestay started to expand in 2010. *Boy* told about a specific kind of accommodation, namely hostels. Hostels were not common when he started his hostel in 2015. *Harry* and *Tony* also started with their accommodation, about 10 years ago. *'There were not that many homestays'* (*Harry*), so this start was to fill in the business gap.

5.2.1. Reflections

There are different reasons for the entrepreneurs to start a touristic enterprise in Yogyakarta. A few of them were curious about this kind of business and just wanted to try it. Some entrepreneurs were used to working with tourists, so they decided to start a business in this branch. Another reason is that one is able to earn a lot of money in this branch. The interest in people from abroad is another reason, some entrepreneurs like to meet different people and like to travel.

Some answers indicate a business gap at the moment of the start of the business. This business gap is another explicit reason to start a business. Some gaps filled in a growing demand for services and accommodations. The entrepreneurs responded to these demands.

5.3 The influence of resources

When the question was asked what the influence of resources was, the interviewees start to talk about money. Interviewees often talked about having 'just enough' money to start a business. *'You start with what you have' Eddy* mentioned. Some interviewees did not have enough money of their own to start, but when they created a partnership they were able to get enough to start.

The people who had enough money to start the discussed enterprise were also able to expand their businesses. For example *Darmaj* who, before starting the hotel, already owned a homestay with which he earned money. The various stages of running a business whether it is the start of the business or the expansion-phase are influenced by having money.

Knowledge is another resource that influences the process of starting and running a business. This factor positively contributes to the process of starting a business. *'I already had knowledge of tourists'* and this helped *Ikhsan*. He did not need to hire or search for people who were used to tourists and could train his staff.

Tourism is a specific branch in comparison to other branches. *Ywan* explained that the resources to start a business in the tourism branch are quite different from conventional branches. *'You need someone who can speak English and who can handle tourists'* (*Ywan*). The employees need to know how to behave towards tourists. The local people are often very shy towards tourists. *Wisna* explained that an owner needs people who are familiar with the tourism branch.

5.3.1. Reflections

Money and knowledge are resources that influence the process of starting a business for backpackers positively.

The resources in the tourism branch are different than the resources in other branches.

5.4 The support of networks

This paragraph elaborates on the support of networks. It starts with the views on getting a loan. This specifically illustrates the support of formal networks. Next, the overall perception about the formal networks is described.

5.4.1. Getting a loan

A few of the interviewees had to get a loan from the bank, a formal network. In general, people are negative about borrowing money from the bank, since it is very complicated. *'There is a lot of stupid paperwork'*, said *Suska*. He explained that you need a guarantee and that it is very hard to get this, because you need to provide a business plan. *Ywan* adds that it would be a good idea if the government could help by giving an economic stimulus to start entrepreneurs.

Here again, the presence of a social community is observed. Interviewees advised to borrow from family instead of getting a loan from the bank. *'Family first'* is what *Esther* says. You can give back the money after you get the profit. *Boy* also borrowed money from his parents, he did not want to take the responsibility of taking on a loan. The people who borrowed from their family also perceived the strong social community.

The only interviewee that was positive about the bank was *Darmaj*. He mentioned that it was very easy to get a loan. He already owned a business, this could be the reason that it was easy for him to get a guarantee.

5.4.2. Formal networks as an element of challenge

The general answer from interviewees is that there is no support from formal networks and you cannot ask them for help. The local entrepreneurs do not benefit from the government. It is also not 'common' to ask for information. *'You get no help, I am a single fighter'* said *Suska*. This quote points out that entrepreneurs have to set up a business by themselves. *Ywan* says *'In the beginning, it is all difficult. You have to do it by yourself'*. This strengthens *Suskas* statement. There are some things that you can ask the government, for example the municipality, but they have requirements. A requirement could be that you have to pay a fee (for a service).

'You have to do it on your own if you want to start something new' (James)

Boy is very negative and specific about formal networks. He called the government 'fucked up', because of the corruption. He told that corruption is normal in Yogyakarta. You have to keep everything quiet, otherwise, you have to pay taxes. Everything has its price tag. People do not realise it is wrong, this situation is the norm, according to *James*.

Regulations of the formal networks
A lot of interviewees talked about the practical issues, like regulations. For a lot of practical things, you need the government. A lot of interviewees complain about the regulatory process. *'It is not clear how to make your business official'* (*Ywan*). He wants this process to be less complicated, even though the government does not enforce their rules.
    Boy is happy with the lack of regulations when starting a business because of the regulations, or the lack of it. He calls the country 'fucked up' and he does not ask for permissions. In Europe, it is more difficult to start a business because of the amount of paperwork and regulations. *Boy* took advantage of the chaotic situation.

Social community support
Interviewees do not ask formal networks for help, but instead turn to their social network. Once again, this indicates the strong community feeling. Where, for example, you ask your friends who already set up a business to help you. *'We are updating each other'* told *James*. In this way, they will all be better and better. Formal networks are not involved with him, because they do not know him or his business.

5.4.3. Reflections

In general, people are negative about getting a loan from the bank. It is a very complicated process.
    There is no support by formal networks and they cannot be asked for help. If networks are asked to help, often a fee needs to be payed. Entrepreneurs feel that they have to do things all by themselves.
But people still need the government for practical issues, which is perceived as very complicated and unclear to the respondents.

Instead of formal networks, people ask their informal networks for support . Interviewees advised to borrow from family instead of borrowing from the bank. The presence of a social community is observed. Also people ask their social or informal network for other forms of information.

5.5 The process of starting a business focussed on backpackers

The process of starting a business focussed on backpackers is perceived in different ways by the entrepreneurs, but there are also some similarities. This paragraph starts with describing the actual situation in the enterprises. The factors that describe the process are discussed first. After that, the factors that influence the process are discussed.

In the street Jalan Prawirotaman, there were not a lot of people besides some, mainly young, people who walked in the street. There were not a lot of people in the restaurants during the interviews, which took place during lunchtime.. Also not all the accommodations were fully booked. This could point out that it waslow season. Seasons are a factor that influences touristic enterprises.

In the tourist offices, it was observed that people only come to ask information, not to actually book tours. This could suggest that people come in just to compare prices.

5.5.1. Descriptions of the process

The struggle
In general, the process is perceived as hard. *'The process was hard, there were already some travel agencies. I had to think about offering something alternative.'* (*Ihksan*). The struggle is a result of competition between companies in this branch. You have to get a place in the market. To get this place, you have to offer something alternative to other touristic facilities. *James* adds that the competition nowadays is bigger than before, because of sites like www.booking.com and social media channels like Instagram. This makes it easier for businesses to copy concepts and facilities.

Nobody in this branch tells you what to do when you are starting a business, which makes the process very hard. '*Nobody could teach me what to do*' (*James*). *Ywan* also mentions this struggle, he adds that this struggle is '*something that makes you always stronger'* (*Ywan*).

Ikshsan said *'I thought it was relaxing to work with tourists'*, but he was negative about the process. It was clear that he did not know what to expect. This was very disappointing for him.

The step-by-step process, responding to the market demands
Market demands play a big role in the process of starting a business for backpackers. In general, if there is a demand and the demands are filled in, they will contribute in a positive way to the expansion or growth of the enterprise. This process of expansion will be referred to by the term 'step-by-step process'. *Ywan* said '*We began with two scooters and so on. Friends and people from our network recommended the scooter rental and it grew. People were coming and coming. We expanded for the first time and opened a bookshop. At that time, there was a demand for it, books were prestigious. Students and friends began to ask about trips around Yogyakarta. So we opened a travel agency. The market demands were quite big. Some tourists started asking about a hostel. So we opened 'Good Karma' (Ywan*). The story of *Ywan* is a good example of an expansion as a reaction to market demands. He is still expanding further and in November he is opening another hostel. *Wisna* mentioned that there were not a lot of travel agencies when she started the tourist office, she was responding to the demands. The entrepreneur has to keep responding to the demands. The backpackers branch has a more demand-driven system in comparison to regular tourists. The demands are constantly changing and the business needs to be updated to meet the ever changing demands. For example, *Eddy* explained there is almost no demand for postcards anymore, so he

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stopped selling them. *'You have to work from two sides, the first is what is the time to upgrade your services and the second is you have to know about the culture*.' (*Eddy*). Learning about the market takes place once the entrepreneur has stepped into it. This leads to continuous product and service adaptation to the backpackers. The changing demands of the backpackers ask for flexibility of the entrepreneur. When an entrepreneur is able to make changes following the demands of backpackers successfully, it is reasonable to expect that he is able to make his business expand.

5.5.2. Influencing factors

The community as an element of success
Whe asked about the process of starting a business interviewees started to talk about the strong community and the influence that this community has. *James* mentioned that you have to learn from friends. You ask friends who have already set up a business. In this way, his informal networks positively influenced his story. Respondents use their community to find staff as well.

Respondents also think it is helpful that customers share good experiences with other customers. *'People tell other people how the atmosphere is here'*, talked *Suska*. This attracted a lot of tourists to his restaurant. *Eddy* mentioned *'People around here are like family'*. He meant that people share experiences to help him with the business. There is a 'snowball effect' because the stories go further and further. Contacts give access to customers.

The demands of backpackers are connected to the social community. If there is a demand, the entrepreneur needs to know about this. A strong social community positively contributes to this. The respondents who respond to the market demands are also the respondents who talk about the importance of a strong community. The community lets the entrepreneur know what the market demands are and he reacts to this. *'People to people, talking is very important'* (*Eddy*). This has a positive influence on the start of and running a business.

Seasons as an element of challenge
The influence of different seasons on a business is a difficult element in the tourist branch. Seasons often influence the process of starting a business negatively. *Wisna* talked about the high and low seasons. Entrepreneurs just need to adapt to these seasons. This makes the touristic branch a specific branch. The ongoing process of adapting to the environment is perceived here.

5.5.3. Reflections

The process is described in different ways by the entrepreneurs, but there are also some similarities. In general, the process is a struggle. This struggle is a result of the competition between companies. Another reason why the process is described as a struggle among the entrepreneurs, is that nobody advices them what to do.

Overall, the process is experienced as an ongoing step-by-step process in which the entrepreneur responds to market demands. Businesses are adapted and expanded because of the dynamics and the market structures of the backpackers branch.

The community is a factor that positively contributes to the process because the community tells the entrepreneur about the demands of the backpackers. The community is also a positive factor because people tell positive stories about the business to other people.

Another factor that influences the process of the business are the seasons. Seasons are a negative factor in the process of a business, businesses need to adapt to the seasons. It is an ongoing process of adapting to the environment.

6. Analysis

In this chapter, the descriptions from the results are put into a network. The network is the core of this chapter. The network is accompanied by the conceptual model, which can be found in chapter 2. In this way, the observations are linked to the literature and concluded to give an answer to the research questions.

The theory-development is 'grounded' by data from the respondents who experienced the process of starting a touristic enterprise (Strauss, Corbin, 1998). The theory is presented in a grounded theoretical narrative (Figure 6). Every relation in the conceptual model was observed in this research with the use of the research methods. The reflections of these observations are described in chapter 6.

The answers to the questions of the interview guide were put together. Codes were added to these answers. For example, the question 'Did you want to get a loan from the bank for starting the business and why was this possible for you, or why not?'. A lot of answers indicated that it was hard to get a loan. These answers were given the code 'Negative perception about getting a loan from the bank'. The first phase consisted of coding. When a lot of answers were added to this code, a pattern was observed and the code was put in the web. This was the second phase, finding the patterns. Another answer to a the question was that people borrowed money from family instead of borrowing from the bank. These answers received the code 'Borrowing money from families'. This code indicates the presence of a social community. This code, 'borrowing money from families', could be connected with 'social community' and both codes were placed in the family 'Informal networks'. Connecting the codes was the third phase in making this web. This relation is described in the web. By doing this for all concepts, the results consist of discourses of the perception of the local small-scale entrepreneurs. Every entrepreneur talked about the process of the start of the and running a business.

Besides the observations that were made in the interviews, the relations were connected to the theoretical framework and the conceptual model. The web was compared to the theories that are described in chapter 2. This comparison (per relationship in the web) is described in the next paragraph.

Reasons   *Main process*

Curiosity: internal
locus of control

Used to work with
tourists   Money

Interest in people   Perception of the   Resources —— Know how to
behave   the start of and
from abroad   running a touristic enterprise:
                              Struggle & step-by-step
                                 ongoing process   Working experience

Business gap
                                          Borrowing money

                              Formal networks   Informal networks

          Practical things,   Actual support   Tell you   Tell about
          like permissions   what to do   demands

                                                                    Help to find the
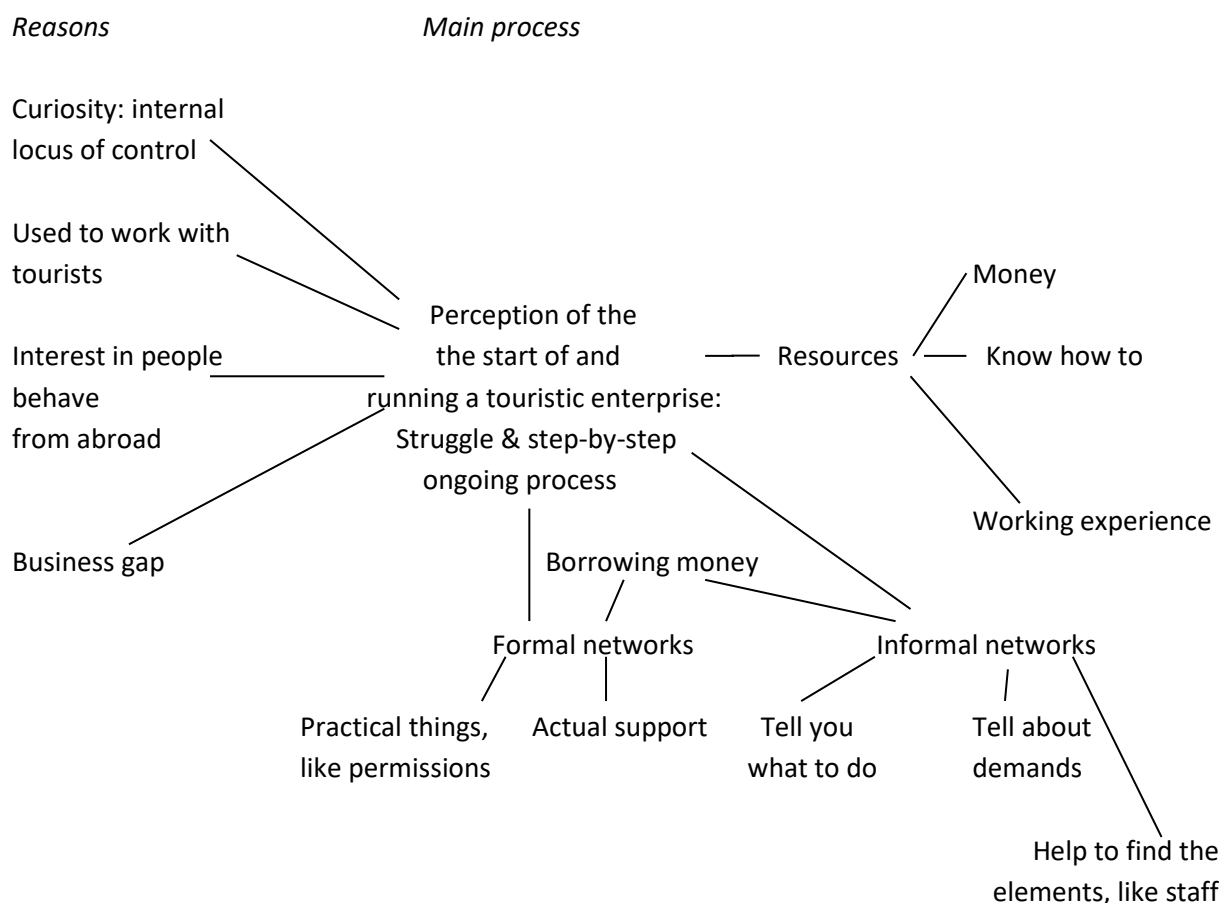   elements, like staff

Figure 6. Theoretical scheme of the grounded theory narrative of the start and running a a small-scale enterprise for backpackers by local entrepreneurs (own source)

To focus on backpackers, it was important to know how and why the respondents perceive a difference between backpacker tourism and conventional mass tourism. A large difference is the difference in budget the two groups have. This results in a negative attitude towards backpackers in comparison to family tourism. Another big difference is the choice for an accommodation, backpackers want to pay less and have fewer requirements than families. This makes it clear that backpackers make other choices and they have higher demand for local goods than mass tourism has. These results are in line with the research of Hampton (1998). Local entrepreneurs see this as a business opportunity and start enterprises to fill in that opportunity (Hampton, 1998). This relation is visible in the conceptual model. Another observed difference is the learning function, gaining new experiences plays a role for backpackers. This theory is stated by Richards (2001). The difference between backpacker tourism and conventional mass tourism is not illustrated in the network of figure 6 and in the conceptual model, because the focus is only on backpacker tourism in this research.

The conceptual model illustrates that the reasons to start a business are necessary to know, because it is a relevant element to explain the entrepreneurial process (Alvarez et al., 2010). The reasons influence the process. In the narrative network, the different reasons for the entrepreneurs to start a touristic enterprise for backpackers in Yogyakarta are presented. A few of the entrepreneurs were curious about starting a business and just wanted to try it. They talked about dreaming and owning

something for themselves. Some entrepreneurs were used to working with tourists, so they started something in this branch. Another reason to start a business is money, this was mentioned more than once. The interest in people from abroad was another reason, becuase entrepreneurs like to meet different people and like to travel. Some answers indicate a business gap as a reason for starting a business for backpackers. There was a growing demand for services/accommodations and the entrepreneur responded to this demand. The entrepreneur reacted to the opportunities offered by the growing numbers of backpackers visiting Indonesia. Demands are constantly changing (Hampton and Hamzah, 2010). Backpackers have a more demand-driven system in comparison with regular tourists. This demand-driven system is observed here. The reason for this system is that backpackers have more time and need less organisations. Another reason is that backpacker trails are changing and the demands follow these changes. Backpackers develop its own dynamics and market structures (Oppermann, 1992). Because of the demands, there are constantly upcoming business gaps. Entrepreneurs respond to these demands.

All the reasons to start such enterprises, are personally evolved in social situations (Greve, Salaff, 2003), as described in the theoretical framework. This means that the entrepreneur is influenced by experiences to make him start a business. This means that being an entrepreneur is not a character trait, but about 'what a person does', as Gartner (1988) states.

Resources positively contribute to the process of starting and running a business (Gibb and Ritchie). This relation is illustrated in the conceptual model as well as in the narrative network. The respondents explained that you need 'just enough' money to start a business in this branch. You also need staff who can speak English and handle tourists and have knowledge about starting a business. Work experience is a resource that positively influences the process of the start of a business. The conceptual model and the narrative network are in line with each other when it comes to the positive influence of the resources.

Getting a loan is an example of the support of formal networks. People are negative about the loaning process. It is perceived as complicated and consists of a lot of paperwork. This influences the perception of the support of formal networks. Interviewees advise to borrow from family instead of borrowing from the bank. The presence of the social community is also observed. Local entrepreneurs do not benefit from the government. The government is used for practical things, like permits, but the ways in which to get permits are very unclear to the entrepreneurs.

The overall process of starting and running a business is perceived in different ways. In general, people think it is a struggle. This struggle is the result of competition between companies. Entrepreneurs need to find their place on the market and they need to offer something alternative to get that place. It is also a step-by-step process. People have to alter their business to the demands of the backpackers. It is both a process of different stages that Gibb and Ritchie (1982) identify and a process of trial-and-error (Watkins, 1976), where you adapt to the demands of the backpackers. It can be concluded that backpacker demands change over time and are contemporary and that it is also a form of niche tourism. Backpackers develop their own dynamics and market structures (Oppermann, 1992). As stated in the literature by Gibb and Ritchie (1982), the major real learning about the market takes place once the entrepreneur had stepped into it. This is in line with the observations and also the reason the process is a continuous process. It is about continuous

modification of products and services. Schoppe et al (1995) mentioned two reasons for this ongoing process where the 'optimal enterprise' is never achieved and which are in line with the backpacker subsector. First, the dynamic changes in product and factor markets result in changing patterns of scale and scope. The demands of backpackers are changing through the years and are contemporary. For example, it is perceived that a few years ago, there was a large demand for hostels. The entrepreneurs responded to this opportunity. The second reason is the rapid development of management techniques and organisations and new information, communication, etcetera (Day, 1999). This is in line with the perception of *James*. He added that the competition nowadays is bigger than before, because of new communication channels such as www.booking.com and Instagram. This makes it easier for businesses to copy concepts and facilities.

Another reason for this struggle is that there is no one to advise the entrepreneurs what to do. The entrepreneurs are not supported by the formal networks, the support is seen as expensive and time-consuming. Getting a loan is also perceived as complicated. The lack of support of the formal networks is compensated by the informal networks. During the process of starting a business, the social community plays a big role. The community positively contributes to a positive perception about the process. First of all, they give advice on what to do if you are starting a business. These relations are channels for gaining access to information, as Granovetter (1974) stated in his research. The informal networks also inform the entrepreneurs about the demands that the backpackers have. Hence, there is a relation between the people who perceive a strong community and those who respond to the market demands. The entrepreneur needs to keep responding to the demands, as mentioned in the last paragraph.

Another reasons why the community positively contributes to the process of starting a business is that people tell positive stories about the businesses to other people. The 'snowball effect' is observed here (Bögenhold, 1989). Contacts give access to customers and suppliers. This determines success.

There are also some respondents that advice to borrow from family instead of getting a loan from the bank. The presence of the social community shows the 'Motivation and determination' illustrated in the conceptual model (Gibb and Ritchie, 1982), because the social support is observed here.

Another factor that influence the step-by-step process are the seasons. The seasons negatively influence the growth process of the business. The entrepreneur needs to adapt to the seasons continuously. This factor is not tested in the conceptual model, but a few respondents mentioned this factor. For this reason, it is added in the narrative network.

7. Conclusion

In the conclusion, an answer to the main question and sub question will be given. The main question is as follows: *How is the perception of local small-scale entrepreneurs in Yogyakarta of the process of the start of and running a touristic enterprise for backpackers and why do the local small-scale entrepreneurs perceive the process in this way?*
A conclusion will be provided on the base of the interviews, the observations and the literature. To give a well-supported answer to the main question, the answers of the sub questions are concluded.

All the interviewees perceive themselves as local, in a spatial or social way. The interviewees work with tourists and are influenced as a local by tourists. The local people are described as nice, positive and they stick together. 'Sticking together' points out that there is a social way of being a local. The locals perceive the tourists in general as nice. If locals are more interested in other cultures and countries, then they are more likely to have a positive perception about tourists. The first relevant conclusion is that local small-scale entrepreneurs do perceive a difference between backpacker tourism in contrast to mass tourism. A large difference is the difference in budget. This results in a negative attitude against backpackers compared with family tourism. Another big difference is the choice for an accommodation, backpackers have fewer requirements than families. It can be concluded that backpackers make other choices and the demands/services are more local than mass tourism. These findings are in line with the research of Hampton (1998). Another observed difference is the learning function, gaining new experiences plays a role for backpackers. This theory is stated by Richards (2001).

The reasons for the decision to start a business are necessary to know because it influences the process (Alvarez et al., 2010). The entrepreneurs mention different reasons for starting an enterprise in Yogyakarta. A few of them were curious about this business and just wanted to try it. Some entrepreneurs were used to working with tourists, so they decided to start their own business in this branch. Two other reasons that were given, was money and the interest in people from abroad. Some answers indicate a business gap as a reason for starting the business. There is a growing demand for services and accommodations, but also the demands are constantly changing. The entrepreneurs respond in their own way to these changing demands.

Resources contribute positively to the process of the start of and running a business (Gibb and Ritchie, 1982)). This is also observed in this research. The entrepreneur needed 'just enough' money to start a business. The entrepreneur also needs staff who can speak English and have knowledge about starting a business.

The perception of getting a loan is an example of the support of the formal networks. People are negative about the loaning process. People think it is complicated. Interviewees advise to borrow from family instead of from the bank, with this the presence of the social community is observed. The general view is that the formal networks will not help you. It is also not common to ask formal networks for advice. So it can be concluded that the local entrepreneurs do not benefit from the government. People only need the government for practical things, but their processes are very unclear. Here again, the social community is mentioned, people ask their informal network for help.

The last research question is about the perception of the process of starting a business as difficult and if it is, why it is perceived as hard. The process is a struggle. This struggle is the result of the competition between companies. The entrepreneur needs to get a place on the market and to get this, offer something alternative. He also has to keep responding and adapting to the demands of the backpackers. The process is perceived as a step-by-step process. The majority of learning about

the market takes place once the entrepreneur is in it. It is about continuous modification of products and services. A reason for this, is that backpackers' demands are changing. Backpackers develop their own dynamics and market structures (Oppermann, 1992). The demands are changing and contemporary. Backpackers constantly seek new places and open new areas, in this way, travel routes are changing. The demands follow these changes. Another reason is the rapid development of new communication, like social media channels. This makes the competition even bigger. Another reason for this struggle is that no one gives advice on what you should do. During the process of starting a business, the social community plays a big role. The community positively contributes to a positive perception of the process. A strong community is very important if they tell positive stories about your business to other people. The 'snowball effect' is observed here. Entrepreneurs can also learn from the community and informal contacts are helpful in assembling the elements of the business. The social community also tells the entrepreneur about the demands. In this way, the entrepreneur knows about this and can respond to the demands. Hence, there is a relation between the people who perceive a strong community and those who respond to the market demands. Another factor that influences the tourist branch are the seasons, this is a negative factor in the process of the business in this branch. The entrepreneur needs to adapt to this factor, which again points out that running a business is an ongoing process.

I can conclude that the general perception is that the process is a struggle and that expansion of a business is a step-by-step process. This is because of the competition between companies and the fact that no one advises you. The entrepreneurs are not supported by the formal networks, the support is seen as expensive and time-consuming. This is shown by the perception about loaning, which is complicated and hard, and there is no general information about loan procedures. Resources positively influence the perception of the process of starting a touristic enterprise. The three resources mentioned are money, knowledge on how to behave and work experience. The step-by-step process is perceived in the fact that the entrepreneur needs to keep responding to the demands of the backpackers. They have to react to the constantly changing demands of the backpackers. Crucial in the process of starting a touristic enterprise in Yogyakarta is the presence of the social community. The social community is a critical factor in a positive perception about this process. The informal networks can tell you what to do, tell you about the demands and can help to find the elements of the business, like staff.

8. Reflection

The research strategy fits well with finding answers to the research questions. The use of a case study was a good way to find the empirical data to answer the questions. The observed data in correspondence with the literature found in the critical literature analysis. The case of the local small-scale entrepreneurs is a very specific case. The main clients of the business needed to be backpackers. It was hard to find enough entrepreneurs with an enterprise with backpackers as their clients and who wanted to participate in an interview. It was not possible to find ten businesses specialised in backpackers, so of a few businesses the main clients are families. This difference was useful for the focus on backpackers. But this has to be taken into account with drawing conclusions.

There was little literature useful for me, because the case is very specific and a lot of literature was written in Indonesian. This made it hard to find useful and specific theories for this research. The use of qualitative interviews was a good choice for this case. The interviews were a good way to gain in-depth information. By observing the enterprises, literature could be confirmed. In this case, ten interviews are enough to give an elaborate overview of the process. Looking at the time available in Yogyakarta, ten entrepreneurs was also the highest attainable number who could be interviewed.

The open interview guide was helpful to get a good overview of the experiences of the entrepreneurs and in-depth information. It was also helpful to have an open interview guide for some respondents, because some respondents had low-level educational qualifications and barely spoke English. It is not possible to guarantee that the information they talked about was exactly the same thing as they meant to say. It was hard for them to express themselves. They were also a little bit shy when they were talking about tourists because they perceived me as a tourist.

The open interview guide also had some disadvantages. Respondents came up with subtopics, for example the seasons in the tourism branch. Only a few respondents mentioned this topic, but maybe more people think in the same way when it comes to the tourism branch. The effect of the open interview guide is that it is not possible to generalize all the topics to the entire case.

It was also not possible to make transcripts of the interviews. The reason was that the spaces where the interviews took place were very noisy and that it was hard for the respondents to express themselves in English. Instead of transcripts, interview reports were made. The reports were also very useful and it was a good solution to do the analysis with the use of the reports.

There was one topic which was not focused on in the research proposal, namely the social community/informal networks. The social community is very relevant in this research and in almost every interview the respondent started about this topic. It was interesting to experience that I did not consider this and it was on top of the minds of the interviewees. When the interviews had taken place, I found literature about the 'network approach to entrepreneurship'. This is a widely used perspective on entrepreneurship (Brüderl, Preisendörfer, 1998). This perspective assumes that network resources, network activities and network support are used to establish new firms (network founding hypothesis). This is a very interesting perspective and applicable to my case, but it is not possible to apply this anymore.

The goal of this research was *to gain insight into the perception of the process of the start of and running a touristic enterprise specialised in backpackers by local small-scale entrepreneurs.* In my opinion, the goal was achieved by answering the main question and the sub questions. It was not possible to generalize the information to less specific cases. I think the research shows the perception of the local entrepreneurs very well.

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Appendix 1. Interview guide

This appendix consists of the interview guide. The interview guide is semi-structured and in this way open for other topics.

Name:
Age:
Kind of enterprise:

General
1. Where do you currently live?
2. Are you raised in this area? If no, where are you raised and for how long have you been living here?
3. Do you perceive yourself as local, why (not)?
4. How do you describe a local and why do you describe the local in this way?
5. How do you perceive tourists in general?
6. Do you perceive a difference between backpacker tourism and more conventional mass tourism (like families and expats)?

The start of the enterprise
4. What kind of business do you have?
5. Which group of tourists are mainly your clients?
6. Have you started this business?
7. Why did you start this enterprise? Answer on question 6 'No' > Why did you start managing this enterprise?
8. How did you perceive the process of starting the business? Answer on question 6 'No' > How did you perceive the process of becoming the manager of this business?
9. Did you have enough resources to start the business/to own the business?

The support of the formal networks
10. Was is possible to loan/borrow money for starting a business and how do you perceive this?
11. If no, did you want to loan/borrow money for starting the business and why was is not possible for you to loan/borrow money?
12. Did you perceive any support of the formal networks for starting a business and how did you perceive this?
This support can be technical assistance, providing information or other forms of support.

Appendix 2. Interview reports

The interviews are described in this appendix. The reports are in the form of a story, in this way it is possible to analyse the interviews. This is also the best way to give answer to the research questions, because the interviews are semi-structured. The interview guide is in appendix 1.

Name interviewee	Kind of business
Suska Joehen	Former owner of the House of Saté
Ikhsan	Owner of a Tourist Office
Ywan	Owner of a Tourist Office and Hostel Good Karma
Eddy Supharto	Owner of a Tourist Office and a little shop
Wisna	Employee since the start of a Tourist Office
Ester	Owner of apartments and a furniture company
Darmaj	Owner of Monica Hotel and a Homestay
Harry and Tony	Owner of a Homestay and a Restaurant
Boy	Owner of Hostel SAE SAE
James	Owner of Homestay Vinezia Garden and starter of an online travel agency

Table 3. The interviewees and the kind of businesses

1. *Suska* Joehen, Former owner of the House of Saté

Suska is the former owner of the House of Saté. Nowadays he has nothing to do with this restaurant anymore. This restaurant is located on Jalan Prawirotaman, a street where mainly backpackers and foreigners go. You can also learn how to cook here. The restaurants are too expensive for the local people and there are a lot of tourist offices in this street.
Suska is 48 years old and was born in Yogyakarta, a 15 minute drive from the restaurant. He studied in East-Java, Surabaya. After studying he came back to Yogyakarta. He was the owner of the Saté House for 10 years (2004-2014). Currently he works for a travel agency. This travel agency has its own website and he is promoting this business.
He perceived himself as a local, because he is a Javanese. He admitted that he works with tourists which has an influence on him as a local. However, he still perceived himself as a local.
He described tourists as 'okay'. In generally he thinks they are nice, sometimes not, this depends on the kind of tourism. He named them 'acceptable', because when tourists are drunk they are annoying and rude. He started talking about the different kinds of tourism. He mentioned a big difference between backpacker tourism and more conventional mass tourism. Backpackers are more carefully at the time and the way and how they spend money than family tourism. He called family tourism more polite. They are convenient as long as their family is happy.
The people who come to the House of Saté are mostly from the Netherlands. He thinks the reason for this is the history between Holland and Indonesia. The history is emotional because a part of the background of Dutch people is located in Indonesia.

The start process of the enterprise
As mentioned he started the business however nowadays he has nothing to do with the business anymore. Before the 'House of Saté' the restaurant was named 'Renzo coffee'. He owned the

restaurant for ten years: from 2004 until 2014. The clients in Renzo Coffee were the same as in House of Saté these days, most of them were Dutch and backpackers. He sold 'Heineken', which attracted a lot of Dutch tourists. He talked about the nice atmosphere of the restaurant, people shared with each other how the atmosphere was which attracted a lot of new people.

He started this enterprise because he was curious about this kind of business. He received a lot of questions which he had to answer. For example, was he capable to start a restaurant? He found the answers by owning the enterprise. The answer was a gambling. He started the business together with a friend. There was a lot of doubt about starting the business. He used to work as Barman in 'Labala coffee', not far away from the House of Saté. He was able to start his own business. His business partner was a sponsor. They had not that many resources, but enough to start an enterprise like this.

The partner was a friend of Suska and the business was all on *Suska's* name. Trust was very important in this partnership. After a few years, the partnership went wrong. The whole enterprise was on *Suska's* name, so it was easy to fire the business partner (administrative).

The support of the formal networks
There were enough resources in the form of money to start the enterprise, because of the partnership. He did not have to borrow money to start this enterprise. He talked about getting a loan. Getting a loan is possible, but very complicated and too difficult. Entrepreneurs need a guarantee of how they will earn money and it is hard to get this. There is a lot of 'stupid paperwork'.

'There is a lot of stupid paperwork'

For starting a business he did not ask the formal networks to help him, but he used his social network. He described himself as a 'single fighter'. He found people with a network in the tourist branch. He found six people to help with starting the enterprise, as staff.
He told that the authorities could possibly help, if you ask them. This will not be for free, but he thinks it will be reasonable price. He did not need this help, because he asked his social network. He asked people who already started their own business. He mentioned again that his social network is very important.

2. *Ikhsan*, owner Tourist Office

Ikhsan is the owner of a tourist office. This tourist office is located on Jalan Prawirotaman, this is a street where mainly backpackers and other foreigners go. The location is very logic, because a lot of tourists come here. The tourist office is specialised in rental and packet tours. Next to that, the tourist office sells tickets, like flight tickets and bus tickets. He described his business as distinctive, since he was offering a tour to his own village (Siluk Selopamioro Imogiri). He thought that tourists should not just visit regular attractions, but also have to see how local people live.
Ikhsan lives in Bandul, a regency of Yogyakarta. He is also raised in this regency and stayed here his whole life. He lives in a village and is trying to make the village a touristic attraction. He perceived himself as a local. When he was talking about 'local', he talked about Javanese people, not especially about Yogyakarta. When he described the 'locals' from Java he was very positive, the people are nice and polite.

He perceived tourists as 'part of the business'. He considers them like friends or partners. I noticed that he was too shy to say something negative. He called them nice, but it depends on the kind of tourism. He does not like it when people just come to his office to compare prices. He admitted that this is common in his business. He also perceived a big difference between backpacker tourism and more conventional mass tourism. Backpackers have a low, small-budget while the families often have more budget. Therefore the accommodations where the two groups stay are also very different.

The start of the enterprise
The main clients of this business are from the Netherlands. The people who come to the tourist office have different ages both old and young. So therefore not only backpackers, but also families visit his tourist office.
Ikhsan started his business in 2010. He thought it was interesting to start a business like this. He thought about the money. He also thought it was a good, relaxed job. He was interested in people from different countries and different cultures.
The process of starting and running the business was a struggle. There already were some travel agencies. He had to offer something distinctive. He thought of an alternative (the tours to his own village) and started the business.
When talking about resources, he mentioned his work experience. He was already working at a travel agency before, which gave him a lot of knowledge. He did not have enough money to start the business, therefore he borrowed money from the bank.

The support of the formal networks
It was possible for him to borrow money, however it took a lot of (paper)work. He described tourism as a rich business. He thought that it was possible to borrow money for him, because of the form of business. The tourism branch is a rich branch, according to Ikhsan.
He complained about the high and low seasons, in the low season it is hard working.
For information, he did not go to the formal networks. He hired staff, this staff were mainly friends. So, people he knew from his social network.
He did not get any information from the authorities. He also thought it would not work if you go to the formal networks for information, since they would not help you.
He talked about friends and family who supported him. People who work at the tourist office nowadays are always friends and family.

3. *Ywan*, owner Tourist office and Hostel Good Karma

Ywan is the owner of a tourist office in the street Jalan Prawirotaman. The location of this tourist office is very logic because a lot of tourists go here. Next to that he owns the hostel 'Good Karma'. This hostel is located in Jalan Timuran, a central location in the city centre of Yogyakarta.
Ywan is 27 years old and was born in West-Java. He lived in West-Java for almost 10 years before he came to Yogyakarta. He has not been living in Yogyakarta his whole life, but he perceived himself as a local. He mentioned the high amount of newcomers in Yogyakarta. It is a melting pot.
He really felt like home here. He described the local people as really nice, open-minded and respectful.
When I asked him to describe how he perceives tourists he was sceptic. In general, he still considered them as foreigners. Holiday, study or work are the main reasons why tourists are here In

the beginning most tourists have a culture shock in the beginning. Later on they will adapt and understand the difference in culture, start to appreciate it and later and merge with the locals. However, there are also tourists that do not merge. They are complaining a lot and about everything. For example, about local transport. He was positive of about 80% of the tourists. He also mentioned a difference between backpacker tourism and more conventional mass tourism. He mentioned a difference since he started working in the tourist office in Yogyakarta. Ywan could really classify them.

The start of the enterprise
He started the businesses with a friend, Lupa. They started this business because they were interested in people from abroad. They like to have a lot of friends and also because they travel a lot. They make friends and family.
Ywan and his partner started a scooter rental, established in 2007. Most clients were students and friends. First they started renting one scooter and so on. Friends and other people from their network recommended the scooter rental business to other people resulting in a significant growth: people were coming and coming. They expanded for the first time and also opened a bookshop. Books were prestigious at that time.
Students and friends began to ask about trips around Yogyakarta. They had an idea, so why not open a tourist travel agency? Then he and his partner opened the tourists travel agency as it is nowadays. The tourist travel agency is located in the tourist area. They were just stepping in another phase. The market demands were quite big. Since three years they have these three businesses together. Ywan and his partner started organizing trips to the Karimunjava Islands, as an alternative attraction in comparison to other travel agencies.
Some tourists started asking about a hostel. The business was going well, so why not open a hostel too? As a result they also own a hostel nowadays, named 'Good Karma'. This hostel is one year old. The hostel is famous in Yogyakarta and receives good reviews. The hostel is rapidly growing, so therefore they will open another new hostel, 'Happy Buddha' in November. They need money to start this new hostel, so they still have investigations. They are counting if it is possible etcetera. The main clients are backpackers, as well in the tourist office as in the hostel.
It started as just a job, it is good living from the tourism. But the process was hard. Starting and running a business is not that easy. They have to wait with everything until it is the right time to start. They can expand everything. The seasons are also very hard. The process is a step-by-step process of expansion.
The resources to start a business in tourism are quite different compared to conventional businesses. They needed someone who can speak English and who can handle tourists as well.

The support of the formal networks
Ywan mentioned no support of the formal networks is present. This is their own business. There was no stimulus of money, the money was their struggle. He thought that the government could help by giving an economic stimulus. When an entrepreneur wants to get a loan, he has to show a business plan. Ywan has no business plan. The bank has to know where the money is going. *'You can only borrow money if the government trusts you.' (Ywan)* In the beginning, this was too difficult for Ywan and his partner. They did not have anything.

Ywan wanted to know from formal networks how to make their business offices. The regulations are very complicated and permissions are hard to get which was very confusing. Ywan mentioned that they did not have not got a letter of admission from the government. The permission has to be easier, this would make it easier to start a business. He adds, that of course the government can give a stimulus. In this way it is easier to start a business. This would also help the government because they have places to work for the locals. Locals work here and can practice their English. Nowadays, entrepreneurs only need the government for practical things. He mentioned that you have to do it by yourself when you start something new. Some people will underestimate you, nonetheless you have to do it. 'It is something that makes you stronger' (*Ywan*).

'In the beginning it is all difficult. You have to do it by yourself.' (Ywan)

4. *Eddy Supharto*, owner of a tourist office ('Nuwed') and little shop

Eddy is the owner of a tourist office in the street Jalan Prawirotaman. This street is very famous for foreigners. He is an old man and not very good in English. He is the owner of a tourist office and a little shop next to the tourist office where he sells drinks, snacks, and umbrella's etcetera. He started this tourist office with two cars and books. He is 68 years old and he was born in Solo, this is about 60 kilometres from Yogyakarta. He lived in Solo until 1977 and then he came to Yogyakarta. Nowadays he lives close to the tourist office in Yogyakarta. He perceived himself as a local because he is living in Java for his whole life. He also knows a lot of people around here.
He describes tourists as 'manufacture'. He started in 1990 with working for a travel agency in Jakarta. In 2006 he came to Yogyakarta to start a tourist office here. He really likes tourists and thinks they are very nice. He mentioned a difference between backpackers tourism and conventional mass tourism: backpackers are more of international origin than families. Backpackers compare a lot of prices and that happens in this tourist office. He also mentioned culture differences with tourists, there are a lot of differences between places. Backpackers and families both come to his shop and office.

'You start with what you have.' (Eddy)

The start of the enterprise
This business started after the earthquake in 2006. Nowadays they sell train tickets and provide car rentals. They also sell general stuff like drinks and snacks. He started with what he had during these days. He started with two cars and the business grew. In the beginning, it was also a book shop, nowadays books are less popular.
The clients of the store are all kind of tourists, families and backpackers. He started this business, because he had to replace himself to Yogyakarta and he had to expand the business here. It was hard to take the family with him. At that time, there was a competition between Jakarta and Yogyakarta. The conditions were hard, but the communication was very good. Yogyakarta had a very good atmosphere. Therefore they started the small office. At that time, it was very quiet in this area. He decided just to start with the car rental business. He mentioned that personal contact with people is very important. The people are like family. He feels it when clients are satisfied. He as an owner must not lie, the office has to be transparent. He and his staff have to be polite and have to know what the tourists want. He also sold postcards. Nowadays there is (almost) no demand for postcards, so you

cannot sell them there. You have to work from two sides; what is the time to upgrade your services and you have to know the culture. Talking is very important.

He did not have a lot of resources but started with what he had.

The support of the formal networks

Eddy mentioned that people to people is better than government to government. He thinks that humanism plays an important role.

Borrowing money from the bank is very selectable. Entrepreneurs can borrow money, but they have to proof that they can pay it back afterwards. Entrepreneurs have to show a balance with what kind of activity they are doing. He thought that entrepreneurs have to avoid debt. According to *Eddy* it is okay to try, but you need to use your own money first. However he temporary borrows money when he needs it nowadays. This depends on the progress.

He admitted that you only need the government for practical things, like permits.

5. *Wisna*, employee from the beginning of a Tourist Office

Wisna is 25 years old and employee at a Tourist Office. This tourist office is located in Jalan Prawirotaman. The location is very logic, because a lot of foreigners come by in this street. At a normal working day, she mainly helps people with transportation tickets. *Wisna* lives in Yogyakarta, around 10 minutes from the office. She still lives with her mother and is not married yet.

She has a positive attitude towards tourists. Every year a lot of tourist from other countries come to Yogyakarta. Last year there were also many tourists. The high season is from May till September. She mentioned that tourists are nice because they can give information about their countries and *Wisna* is interested in that. She also started talking about not nice tourists, they are different.

She perceived a difference between backpacker tourism and more conventional mass tourism. Backpackers check the prices more often and are looking for cheaper prices. Normal tourists can book more expensive things such as trips and/or accommodations. For example: conventional tourists stay in hotels while most backpackers stay in hostels. She mentioned that families are more friendly than backpackers, because of the children.

The start of the enterprise

The enterprise is a tourist information office. At a normal day, *Wisna* helps people with finding the right form of transportation. She told it is also possible to book flights with her. The main clients of the office are mainly backpackers.

She is not the owner of this business, but she has been working here since the opening of the office in 2008. The reason for starting this business was that lack of tourist offices in this area. Before they started, they sold touristic programs in hotels. There was no strategy for doing this. The owner went to this area. The street is close to Malioboro, this was already a tourist area. In 2008, this area only had some 'kampungs'.

She thinks that money is very crucial for starting a business. '*You have to have money and a lot of it.*' *(Wisna).* You also need cooperation with other agencies. In the beginning, it was hard, because they did not have a place on the market. After years they found their place on the market. The tourist office also started a website to promote their office.

About the resources, the owner needed people who were familiar with the tourism business. It was not possible to open this tourist office with only his own knowledge.

The office also needs to cooperate with flight companies. They had to contract with them, because they wanted to cooperate. Cooperation was for example about their system and what projects they were going to sell.

The support of the formal networks
It was possible to borrow money from the bank. They needed money to rent this building. Nowadays it is easier to borrow money from a bank than it was at the beginning. It is very important to prepare yourself. The bank is going to ask a lot of questions and they are going to check your business. *Wisna* mentioned that waiting for the money was also hard.
For this business, it was possible to borrow money because it was kind of an expansion that started with selling touristic programs in a hotel.
Wisna mentioned that the government does not help you. They needed to register their business. The government did not provide information about how to register your business.
She thought it is possible to ask authorities for information if you want. Nevertheless in most cases people ask friends who already set up a business. Due to this help from authorities is not necessary.

6. *Esther*, owner of apartments and a furniture company

Esther Cecilia is 25 years old and manager of the apartment we were staying. She is responsible for the hospitality in this business. The apartment is located in Regency Sleman which is a 35 minut drive from the city centre. The apartment is in an area filled with rice fields. Next to that, *Esther* is the manager of a furniture company. This company is located in the Northern part of the city centre.
Esther currently lives in Yogyakarta. She was born in Jakarta and currently lives in Yogyakarta since 1.5 years. She perceived herself as a local, because of the interaction between her and the people in her neighbourhood. She acts as a local. She admitted there is a difference between Jakarta and Yogyakarta. Jakarta is more economically dependent on Indonesia and Yogyakarta more traditional. She had a positive attitude towards tourists. This is also one of the reasons why she likes Yogyakarta since a lot of tourists visit the city.
Esther mentioned a difference between backpackers and families. Families are more complicated since they complain more than backpackers. More families than backpackers come to the villa's, Esther selects the people who visit her villa's, because she is afraid that there will be parties.

The start of the enterprise
She is the manager of 'Villa Padi'. This means she manages the villa's, arranges the system, calls people, calls sites like booking.com. She is also in charge of everything that happens in the villa's, for example buying things for the villa like toilet paper. She also manages the furniture shop, this is in the street Jalan Magan. They own a factory, workshops, they customize furniture and export furniture. She is in charge of the marketing. She admitted that since the export is slowing down, more local people visit the shop. The furniture shop has 15 employees.
She did not start this business, her uncle did. She started managing this apartment because her uncle asked her to.
The start of the management of the businesses was hard for her. She had to learn a lot, especially in furniture. Villa Padi started in 2015, the other villa started in 2012. The furniture shop started about 15 years ago. The neighbourhood was negative about starting this villa, they were afraid that there will be parties.

The support of the formal networks
The owner had enough resources because he could use the money of the furniture store for the apartments. They never made use of a loan from the bank, however she thought that this would be possible in their case. You need a guarantee, the bank is checking everything. She had a negative perception of the bank. She thinks it is better to borrow money from families than from the bank. *'Family first, you can give the money back after you get the profit.' (Wisna)*

7. *Darmaj*, owner of Monica Hotel and Homestay

Monica Hotel is located on Sosrowijayan. Sosrowijayan is a side street of the Malioboro, the a famous touristic attraction in Yogyakarta. Malioboro is the heart of the city. Monica Hotel is located in an alley of the Malioboro.
Darmaj is 49 years old and the English language is very difficult for him. Consequently, the conversation between me and him was hard. It was hard to ask him the questions of the interviewguide. An in-depth interview was impossible, because of the language barrier.
Darmaj lives in the Bandul region, about 17 kilometres from the hotel. He started this enterprise in 1996. In this hotel nowadays, he does everything (like cleaning, administration etc.). The hotel is not very big, so he is capable to do everything on his own.
Darmaj was very positive about tourists. When the hotel just started, the main clients were families. Nowadays the main clients are backpackers. The main clients changed. *Darmaj* thinks that the reason for this change is that the hotel is not quiet enough for families anymore. This made the difference between backpackers and family tourism clear for him. Backpackers do not mind if the place where the hotel is located is noisy and families do. Hence, backpackers fit better to the hotel, because of the noisy area. The prices of the hotel are also low. *Darmaj* thinks that the low prices attract backpackers to his enterprise.

The start of the enterprise
The reason for the start of the business for *Darmaj* was money. The hotel opened in 1996. In 1996, there were not many hotels in this area. The lack of competition made the process of starting and running the business easier, according to *Darmaj*. Building in this area was also very cheap these days, which positively contributed to the process of starting a business.

The help of the formal networks
Darmaj mentioned that is was easy to borrow money from the bank. Before the start of Monica Hotel in 1996, he was already owning 'Dewi Homestay'. Monica Hotel is the second business that he started. It was easy for him to get a guarantee, because he could prove that it was possible to pay the money back. He had positive experiences with the process of getting a loan from the bank.

8. *Harry* and *Tony*, owners of a Homestay and a Restaurant

Harry is 35 years old and *Tony* is 39 years old. They are business partners and own a Homestay and the Restaurant that is attached to the Homestay. They both live in Yogyakarta, about 2 kilometres from the Homestay/Restaurant. The English language is hard for *Harry* and *Tony*. This language barrier made it hard to do an in-depth interview.

The Homestay/Restaurant is located on Sosrowijayan, a side street of the Malioboro. The Malioboro is a famous street and it is also a touristic highlight in Yogyakarta.

Harry and *Tony* described local people of Yogyakarta as traditional and religious. They described the people as *'a melting pot, even with so many different cultures, people can be described as local'. (Harry).*

When I asked them to the describe the general tourists in Yogyakarta, they had a negative attitude. They started a story about a tourist who killed a local, about one year ago. This story shocked them and consequently they had a negative attitude against tourists. They mentioned that it depends on the service how the tourists behave. They were doubting about tourists in general, they knew some positive stories, but they also knew negative stories.

The start of the enterprise

The Homestay and Restaurant opened about 10 years ago. Since then, a lot of tourists have been coming to this place. 10 Years ago, they were not so many homestays for tourists. You could speak of a business gap. This lack of competition made it easier to start a homestay for Harry and Tony. Currently, they notice a decrease in the numbers of visitors. They think the reason for this decrease is the recent terroristic incidents.

The support of the formal networks

'If you ask the government for help, a lot of things have to happen before'. (Tony). They talked about the fact that the government asks a lot of money if you want information about something. For example, if you want information about how to get permits to make your business official. *Tony* and *Harry* were negative about the government. They mentioned that the government is doing better than before. The reason for this change is the new president.

Hence, *Harry* and *Tony* perceive no support of the formal networks. Entrepreneurs have to be very strong if they want to start a business, according to *Harry* and *Tony.*

9. *Boy*, owner of SAE SAE hostel

Boy (Andrew) is 36 years old and the owner of SAE SAE hostel. He owns this hostel with his (business) partner. This hostel is located on Jalan Ngadinegaran, in the south of the city centre of Yogyakarta. This street is close to Jalan Prawirotaman. Jalan Prawirotaman is a street that is visited by a lot of backpackers.

Boy currently lives in Yogyakarta. He has been living here for 12 years. He was born and raised in Sumatra. For his study he moved to Yogyakarta.

He described locals as humble, so *'down to earth' (Boy).* He perceived himself as a local, in a social way. He focused on the social way of being a local, because he was not born in Yogyakarta. *'You have to be local if you want to start something here' (Boy).* He meant that you have to know people in this neighbourhood, because you need help of your social network.

He described tourists as great people. He thinks it is a big deal if you leave your home to see something different than your own life. *'Tourists have the courage to see something' (Boy).* He described tourism as a human thing. He admitted that there are some tourists that have a bad attitude.

He mentioned a difference between backpacker tourism and more conventional mass tourism. The difference is that when family tourism stay in hostels, they are complaining. They want a more

luxurious stay. Another difference is that they do not visit the bar that is attached to the homestay. A third difference is that they have more opportunities for what to do, private (with their own family) or together (with other travellers).

The start of the enterprise
Before *Boy* started the hostel, he worked in ViaVia. ViaVia is a travellers café in Jalan Prawirotaman. He worked as an art manager. He got used to the tourists because of this job.
The hostel concept was not common in Yogyakarta when *Boy* started his hostel. He can claim his hostel as one of the first hostels in Yogyakarta. He started this enterprise with a partner from Belgium. It started as a joke. These days, they both had a job. They started with sharing their house and renting a few rooms. Visitors asked if more people could stay. Consequently, they expanded their business. They started this hostel about 2.5 years ago. The hostel consisted of seven rooms. They expanded further and further and it was always fully booked. The expansion was also the reason that they started with hiring people. They needed staff for cleaning etcetera, not for the brains. *Boy* is in charge of everything. His goal is to have a sustainable concept. He wants a concept that is beneficial for everybody. For example, he thinks that it is very important to hire staff with no education. The staff can learn the English language here. He also quitted his job, because he wants to focus on the hostel. About 2 years ago, the pressure was really high. He needed to hire another manager. His business partner also needed to quit her job. Nowadays, 18 visitors fit in this hostel and they have 11 employees.
He does not have specifications for the people who stay in his hostel. Most visitors are high-rank people from Germany and the Netherlands, mainly European people.
There is no business plan for this hostel and he really likes the idea that there is no further business plan. He uses the money he earns to go to Europe and see the life of his visitors. With more information about his visitors, he can improve the hostel.
 Boy is the administrative owner of this hostel, but his partner has the brains. She is from Belgium, because of her origin she knows the European standard, which is very different from the Indonesian standard.
When I asked him about the reasons to start a business like this, he talked about dreaming. He and his partner already had a good job, but they wanted to own a business and did not want to work with other people. *'We wanted to work in our own dreams'. (Boy)*
He thinks he is very lucky with the process of starting and running this business. '*The country is fucked up, you do not need permits.' (Boy).* He mentioned a difference between starting a business in Europe and in Indonesia. He said that in Europe, it is hard to start something. The reason for this is all the paperwork and the permits. If you have a little bit of Money in Indonesia, you can start something. He took the advantage of the chaotic situation.
They both invested their own money and borrowed money from their parents to start the hostel. Within 8 months, they were able to pay the loan back.
Yogyakarta was already full of tourists, when the business started. *Boy* has a lot of knowledge about tourists and his visitors, because he likes to travel. Consequently, he knows what people need.

The support of the formal networks
Boy described the government and the country *'fucked up'* (*Boy*). The reason for this description is the corruption in Indonesia. He stated that corruption is common in Indonesia. People have to keep everything in quiet, otherwise, they have to pay taxes. He mentioned that this corruption plays a role

in every level of life. For everything is a price. People do not realize that this corruption is wrong, this is the norm.

Boy added that Indonesia as '*a country of capitals'* (*Boy)*. He meant that people from everywhere come to Indonesia for the resources, because Indonesia does not struggle with seasons. He thinks that this is the reason why a lot of people visit Indonesia.

He borrowed money from his parents to start this hostel. He is convinced that getting a loan from the bank takes a lot of time and responsibility. He did not want to take the responsibility of a loan from the bank. His parents invested, although they knew the start of the hostel was a risk.

Boy and his business partner did not have any knowledge about starting a business like this. He described the start as an experience. They just followed their own dreams. Their goal is to create their own experience. *'Don't follow the market, but create it' (Boy*).

10. *James*, Vinezia Garden Homestay manager and starter of an online travel agency

James is 30 years old and he is the manager of the Venezia Garden Homestay. This Homestay is located on Jalan Surami, a street in the south of Yogyakarta. Currently, *James* is starting an online travel agency too. This travel agency is specialised in transport. He considers problems in the transport sector for tourists and he wants to solve these problems. *James* lives nearby the Homestay and was born in Yogyakarta. He also studies in Yogyakarta, Accounting and Management.

He described local people as relaxed, patient and stick together. He mentioned that local people like to take care of the community. *'People do not leave their friends behind.' (James). James* is trying to be as local as possible.

When I asked him how about his perception of tourists, he had to think for a long time. He thinks that tourists are like kids. He compared them to kids, because tourists mostly do not know anything. They try something new and learn things. He thinks there are differences between tourists, so he cannot describe 'the' tourists. He thinks it depends on the motivation of the tourists, some of them want to learn how local people live, how to be tolerant/about religion, how local people treat them etcetera and other tourists do not want to learn about this.

James mentioned that the difference between backpacker tourism and more conventional mass tourism is how they spend their money. He also mentioned a difference between backpackers, between *'good backpackers'* and *'bad backpackers' (James).* Good backpackers want to learn how the local people live and in a lot of ways. They do not care if they have to suffer. An example of 'suffering' for example is following the rules of locals. If the backpackers think the rules are nice, then they follow the rules. Other backpackers only just carry the money. They want to pay as locals, because of their low budget, but they do not want to care for how or what reason local people do things. *James* described that bad backpackers do not want to ask themselves; *'Why the transportation? Why eat with the hand?' (James*) Families mostly want to pay the facilities to secure their family. Families do not want to suffer, because they bring their kids with them. They do not want to get a problem during travelling, according to *James.*

The start of the enterprise

The Homestay in 2010. *James* is the manager of the hospitality in this business. The homestay provides rooms. The hostel is more than providing rooms, the atmosphere is also very important to *James.* People who stay in this homestay feel the real culture here. The owner of the Homestay is *James*' sister, but he manages the homestay. The reason that he is the manager is that his sister is

often away. He is managing the bookings and deciding the prices. He is making sure that all the guests get the services and all the facilities. He also makes sure that the facilities are working well. Another this that he does is keeping the good atmosphere. The Homestay has five employees with who *James* work together.

The start of this homestay was *'an accident' (James).* First, they rented rooms of their own house to balance the costs. Visitors asked if they had more rooms. Consequently, the business expanded and this was going very well. They did not plan in the future, but expanded just step-by-step. They learned a lot from friends in the tourism business. In the beginning, it was quite hard to start the homestay. He described it as *'a fight' (James).* They had to find new concepts for the vibes, good service etcetera. Nobody teached them to own a business, hence they had to learn to own a business from friends and the internet. *'It is never easy to start something.' (James).* In the beginning, there was not a lot of competition between homestays in Yogyakarta. In Yogyakarta, there were less than 100 apartments for tourists. Nowadays, there are more than 300 apartments for tourists. *James* thinks it easier to get guests these days. The reason for this is the sites like Instagram and Booking.com. He also fears for this. Competitors could start with the same concept and the same facilities. He is sure that nobody can copy the atmosphere.

The main clients in this homestay are young people. The homestay is also visited by families for long weekends. He thinks that the bar attracts a lot of backpackers and that families are pushed off because of this bar.

The earlier room rentals made it possible for his sister to start this business. She had enough resources. The business was just expanding with the guests.

James also is the founder of an online travel agency. This agency is not online yet, however it is in progress. He is still collecting information about all the destinations that tourists can visit around Yogyakarta. He admitted that he did not have a lot of time for this business. The reason for this start is that he wanted to improve the travel agencies in Java. He mentioned that the travel agencies in Yogyakarta are not well developed in comparison to Bali. The government is not creating a system or providing any facilities. Travel agencies need to work on this, according to *James.* He wants to show what is nice to visit, in this way, tourists can stay longer. *'This is hope.' (James)*

The support of the formal networks
It was possible for the sister of James to get a loan from the bank. This was a bit hard for her, but there were just a few problems. '*We were just walking on it, solving the problems.' (James)*
His sister did not get information of the government about how to start a business. Instead of information from the government, they got information from friends and other people of their social network. The whole social network is sharing information with each other, in this way they will all be better and better.

James is focusing on making his online travel agency distinctive. The reason for this focus is that there is a lot of competition nowadays, as a result of the presence of a lot of travel agencies. Only a few are of good quality, according to *James*. He does not want to gamble that much. He has to know the qualities of travel agencies. Guests of the Homestay complain to him about travel agencies, he can use these negative stories. He also wants to develop the transportation system. He is convinced that he can earn a lot of money with developing the transport system. Nowadays, there is not so much competition in this part. You can speak of a business gap.

According to *James,* people have to look further than just Bali. He described this as a slow process. Tourists are dependent of travel agencies, they make touristic programs. Tourists follow this programs. Formal networks can work on this, but it has to be travel agencies who give the information to the tourists.

The transportation systems have to deal with a lot of problems. *James* described the whole situation. The capacity is reached. It is also very hard to travel for tourist in Indonesia. You have to use the local transport systems. However, bus drivers are not able to speak English. Tourists also have no information about the busses. When people have problems with transport systems, consequently they do not use the these systems. The government is the only factor that can improve this situation. Travel agencies only can provide information.

Appendix 3. Interview reports analysis codes

Do you perceive yourself as a local, and why? And how do you perceive and describe a local and why in this way?
Codes: Interaction/community, patient/nice/positive, influenced by tourists as an entrepreneur, 'Javanese local', been living here for their whole life

What is your perception of tourists in general?
Codes: interest in other countries/cultures, positive experience, negative experience, positive perception, negative perception, tourists that like to learn something

What is your perception of the difference between backpackers and conventional mass tourism?
Codes: Budget difference, comparing prices, accommodation difference, complaining, families that are more friendly, want to learn, want to suffer

What kind of business do you have?.
Codes: Restaurant, Hostel, Homestay, Hotel, Shop, Apartment, Tourist Office, Backpackers, Families, Location.

Why did you start the enterprise?
Codes: Money (the earnings), curiosity, the tourism branch, business gap

What is your perception of the process of starting a business?
Codes: Struggle, competition, learning aspect, the internet, positive perception social community, negative perception social competition, step-by-step process, demands, money, cooperation, regulations/permissions, seasons, knowledge/work experience

Did you have enough resources to start the business and how did you perceive this?
Codes: 'just enough', partnership, another business/expanding, work experience, tourism branch

Was it possible to loan/borrow money for starting a money and how did you perceive this? If no, did you want to loan/borrow money for starting a business?
Codes: Needed to loan/borrow money, did not need to loan/borrow money, negative perception about getting a loan from the bank, positive perception about loaning money, borrowing money from families

How did you perceive support of the formal networks when starting a touristic enterprise?
Codes: 'You cannot ask the formal networks', practical things, tips for the government, social community, requirements for support, technical assistance,

Appendix 4. Observation table and observation reports

Observations took place in each enterprise. The observations took place during the interviews/before the interviews/after the interviews. The observation tables are reported in this appendix.

	Indicator	Description/Findings
Clients	Age	
	Kind of tourism	
What is offered	Local food	
	Western food	
	Accommodations	
	Information for tourists	
	Other	
Price range, observed by me as a backpacker	Low	
	Middle	
	High	
Fully booked / lot of people (March)	Full of people	
	Not much people, not less people	
	No people	

Table 4. The observation table

	Indicator	Description/Findings
Clients	Age	The age of the clients is about 20/25 year. The people in this restaurant are young.
	Kind of tourism	The people observed in this restaurant are backpackers. Their mother language is different, but they speak English to each other.
What is offered	Local food	The House of Saté offers a lot of different Satés and other typical Indonesian dishes.
	Western food	There is no Western food offered in this restaurant.
	Accommodations	There are no accommodations offered in this restaurant.
	Information for tourists	There is no information offered in this restaurant.
	Other	The restaurant also offers cooking classes.
Price range, observed by me as a backpacker	Low	x
	Middle	The prices are not very cheap in this restaurant, but also not very expensive. The restaurants prices are middle range.
	High	x
Fully booked / lot of people (March)	Full of people	
	Not much people, not less people	There are not very much people in

		this restaurant during this interview. The interview was during lunchtime. There were around 8 people, all backpackers.
	No people	

Table 5. The observation table of enterprise number 1. Suska, old owner of the House of Saté

	Indicator	Description/Findings
Clients	Age	The clients are old and young people. It is a mix. During the interview, some people that check the packets are couples of young people and a family.
	Kind of tourism	The kind of tourism is a mix, backpackers and families.
What is offered	Local food	x
	Western food	x
	Accommodations	x
	Information for tourists	The tourist office offers information for tourists. The office is specialised in rental and packet tours. They also sell transportation tickets. He also offers tours to local villages. This all is promoted with big posters.
	Other	x
Price range, observed by me as a backpacker	Low	
	Middle	The price range of this tourist office is middle. Tours are not cheap and not expensive.
	High	
Fully booked / lot of people (March)	Full of people	
	Not much people, not less people	Some people walk by the tourist office, but they do not go in. They just check the packets and do not make appointments or something like that.
	No people	

Table 6. The observation table of enterprise number 2. Ikhsan, owner Tourist Office

	Indicator	Description/Findings
Clients	Age	The age of the people in the tourist office is around 20/25, so young people. The people who work here are young and the tourists are also very young.
	Kind of tourism	The people who come here are mainly backpackers, so backpacker

		tourism. The people are from different countries, mainly from Europe.
What is offered	Local food	X
	Western food	X
	Accommodations	*Ywan* also owns a hostel, so if you ask here for an accommodation they will send you to the hostel Good Karma.
	Information for tourists	Information for tourists is offered. They offer packets for different touristic facilities. You can see these packets on the big posters on the wall.
	Other	The office also offers books.
Price range, observed by me as a backpacker	Low	The prices are low, the packets are mainly for backpackers. The price of the hostel is also relatively low.
	Middle	X
	High	X
Fully booked / lot of people (March)	Full of people	*Ywan* tells that the hostel is always fully booked, I cannot observe if this is true.
	Not much people, not less people	Some people visit the tourist office during the interview. There are not always people and there is no line.
	No people	

Table 7. The observation table of enterprise number 3. Ywan, owner Tourist Office and Hostel Good Karma. The interview took place in the tourist office.

	Indicator	Description/Findings
Clients	Age	Only one young couple comes to the shop during the interview.
	Kind of tourism	The people that come to the shop during the interview are backpackers.
What is offered	Local food	X
	Western food	In the little shop he offers some snacks, this are Western snacks.
	Accommodations	X
	Information for tourists	He sells transportation tickets and car rentals.
	Other	In the little shop you can buy things as umbrella's, drinks and some snacks.
Price range, observed by me as a backpacker	Low	X
	Middle	The price range is middle class. The prices are not cheap and not expensive.

	High	X
Fully booked / lot of people (March)	Full of people	X
	Not much people, not less people	During the interview, some people visit the little shop. No people come to visit the tourist office.
	No people	X

Table 8. The observation table of enterprise number 4. Eddy, owner of a tourist office and little shop

	Indicator	Description/Findings
Clients	Age	The people that come to the office during the interview are young people.
	Kind of tourism	The people that are observed are backpackers.
What is offered	Local food	X
	Western food	X
	Accommodations	X
	Information for tourists	The office offers information. They sell transportation tickets and tours.
	Other	X
Price range, observed by me as a backpacker	Low	X
	Middle	The prices are middle range, not cheap and not expensive.
	High	X
Fully booked / lot of people (March)	Full of people	X
	Not much people, not less people	During the interview some people come to visit the tourist office. They just ask for information and book no tours.
	No people	X

Table 9. The observation table of enterprise number 5. Wisna, employee from the beginning of a Tourist Office

	Indicator	Description/Findings
Clients	Age	The people observed in the apartments are mainly young people, also some families. I stayed here in March.
	Kind of tourism	There are different kinds of tourism, backpackers, but also families.
What is offered	Local food	There is local food offered in this place.
	Western food	There is Western food offered in this place.

	Indicator	Description/Findings
	Accommodations	There are accommodations offered. They offer a few apartments.
	Information for tourists	X
	Other	X
Price range, observed by me as a backpacker	Low	
	Middle	
	High	For backpackers the price range is high. It is more expensive than a cheap hostel or some accommodation like that.
Fully booked / lot of people (March)	Full of people	X
	Not much people, not less people	During the month March the apartments are not fully booked, but there are people some people besides us. Only for a few weekends people come to this place.
	No people	X

Table 10. The observation table of enterprise number 6. Esther, owner of apartments and a furniture company

	Indicator	Description/Findings
Clients	Age	During the interview I saw one young couple in this hotel.
	Kind of tourism	It was not clear what kind of tourism this couple was.
What is offered	Local food	X
	Western food	X
	Accommodations	He offers rooms in this hotel.
	Information for tourists	X
	Other	X
Price range, observed by me as a backpacker	Low	X
	Middle	X
	High	The price is relatively high for backpackers.
Fully booked / lot of people (March)	Full of people	X
	Not much people, not less people	During the interview I saw one young couple, not more people than this couple.
	No people	X

Table 11. The observation table of enterprise number 7. Darmaj, owner of Monica Hotel and Homestay

	Indicator	Description/Findings
Clients	Age	The interview took place in the

		restaurant. I only saw one young man.
What is offered	Kind of tourism	The young guy I saw was a backpacker.
	Local food	In the restaurant they offer local food.
	Western food	In the restaurant they also offer Western food.
	Accommodations	In the Homestay there are rooms offered. Rooms can be shared, but there are also private rooms.
	Information for tourists	X
	Other	X
Price range, observed by me as a backpacker	Low	X
	Middle	The prices of the restaurant and the homestay are middle range.
	High	X
Fully booked / lot of people (March)	Full of people	X
	Not much people, not less people	I saw one guy during the interview. This could indicate that there are more people.
	No people	X

Table 12. The observation table of enterprise number 8. Harry and Tony, owners of a Homestay and a restaurant

	Indicator	Description/Findings
Clients	Age	The interview took place in the hostel. The people in the hostel were young people, around 20/25 years old.
	Kind of tourism	The people in the hostel are backpackers.
What is offered	Local food	X
	Western food	X
	Accommodations	He offers shared rooms and private rooms.
	Information for tourists	X
	Other	He has a bar in the hostel where people are drinking and talking to each other.
Price range, observed by me as a backpacker	Low	X
	Middle	The price of the hostel is middle range.
	High	X
Fully booked / lot of people (March)	Full of people	The hostel is fully booked. There are a lot of people in the hostel and at the bar.
	Not much people, not less people	X

	No people	X

Table 13. The observation table of enterprise number 9. Boy, owner of SAE SAE Hostel

	Indicator	Description/Findings
Clients	Age	The people in the homestay are young people, around 20-25 years old.
	Kind of tourism	The people observed are backpackers, so backpacker tourism.
What is offered	Local food	X
	Western food	X
	Accommodations	He offers private rooms.
	Information for tourists	X
	Other	The homestay also has a bar.
Price range, observed by me as a backpacker	Low	X
	Middle	The price range is middle.
	High	X
Fully booked / lot of people (March)	Full of people	The homestay is full of people. There are a lot of people at the bar.
	Not much people, not less people	X
	No people	X

Table 14. The observation table of enterprise number 10. James, VInezia Garden Homestay manager and starter of an online travel agency