B&Bs in Zhejiang Province, China: Developments and Issues

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Abstract. Based on second-hand data, this paper summarizes five factors for the rapid development of B&Bs in Zhejiang Province: qualified and diversified products and services, strong government support, sufficient financial resources, successful marketing, and strong urban demand for the B&B experience. After outlining the positive benefits of B&B development in the province, the paper highlights three key issues caused by government-directed development: potential ecological risks, social problems such as exclusion and the increasing gap between the rich and the poor, and the disappearance of local knowledge and vernacular aesthetics. We suggest that in the future, the government should differentiate between types of B&B owners (investors), and we propose four concepts to broaden theories on the management and marketing of B&Bs: rural nostalgia and B&B development and marketing, assemblage and the hybrid space reconfigured by B&Bs, B&B and rural (tourism) gentrification, and the resilience of the communities within which B&Bs are located.

Introduction

B&B (or homestay inns) as an alternative lodging option to traditional hotels [1] have been popular in both developing countries [2-4] and developed countries [5,6]. Two factors can explain the popularity of B&Bs: they provide a new way to promote the development of the tourism industry of a destination[7], and they improve the economic situations of local people [3,4]; meanwhile, B&Bs can create a homely atmosphere [8], build a harmonious guest-host relationship [8], offer tourists an in-depth understanding of the locality, and increase the value of a destination [1], thus creating a memorable experience for guests.

From the perspective of destination marketing and management, studies on homestay focus on four areas: the external factors that can impact the successful operation of B&B [2,3,7,9,10], the internal factor related to human resources and leadership[2,3,11], the way to attract guests (marketing) and to provide a memorable experience to guests (service) [12], and the management of impacts of B&B on the destination [3,4,9,13]. Homestay inns or B&Bs, according to the official standard [14], are a new tourism product promoted in recent years by the provincial and local governments in Zhejiang Province. The main reasons for this promotion are to stimulate economic development and to revitalize the countryside. In this short essay, we want to provide a brief review of the development of B&Bs in the province and discuss the main issues related to such development. We hope that this examination will contribute to the future development of B&Bs in Zhejiang and other regions in mainland China and provide a case for international comparison. Meanwhile, we will discuss the concepts that can be used to explore the mechanisms driving B&B development and the impact of this development, thus broadening the knowledge of destination marketing and management.
Homestay Developments in Zhejiang

Definition and the Development Scale

According to the official definition, B&Bs or ‘homestay inns’ are ‘accommodation establishments, which use different types of houses in urban or rural areas, combined with local landscapes, ecological and environmental resources, and agricultural rural activities, to provide accommodation and catering services for tourists to enjoy leisure and the experience of local tradition and culture’ [14]. The government requires that the number of rooms per homestay inn should be no more than 15, the building layers of a house used for a B&B should be no more than 4, and the total area of an inn should be no more than 800 square meters [14]. In 2017, 16,233 B&Bs were distributed across 11 prefectural level cities in the province [8]. Of these B&Bs, 14,447 were operated by the owners, and the other 1,786 were operated by renters. The vast majority of these inns are located in rural areas. Figure 1 demonstrates that Hangzhou and Huzhou are the two cities with the most inns and Shaoxing has the least.

Factors for Rapid Development

There are five factors explain the rapid development of B&Bs in Zhejiang. First, the province provides qualified and diversified B&B products: it has abundant natural and cultural resources, especially in its rural areas. Additionally, the urban and rural environment has been improved recently due to the efforts of both the government and citizens. Finally, owners and investors in Zhejiang have learned operation skills by experiencing B&Bs in other destinations, such as Japan and Taiwan, and, depending on their local and personal resources, they created different types of B&Bs.

Second, the government at different levels has played the most important role in promoting B&Bs. The provincial government and/or its departments have issued four regulations or standards for homestay development—for example, the Bureau of Tourism published Basic Requirements and
Evaluation for Homestay Inns, which is the first local standard for homestays in China [14]. At the local level, 120 B&B-related policies or documents were developed from 2013 to 2017 by the governments of prefectural-level cities and counties (county-level cities). These official documents have two functions: providing a pleasant environment for investment in B&Bs and monitoring the quality and impacts of B&Bs. In addition to rhetoric, the government also offers substantial support, including loans, training and marketing, which is very important for operating a B&B, particularly in rural areas (for example, see Huzhou case [2]).

The third factor is reliable financial resources. Zhejiang is one of the most developed regions in China; thus, in addition to public capital, there are various private financial resources, including personal investment offered by local or non-local people, industrial capital provided by hotel groups or real estate companies, capital investment offered by professional financial institutions, partner investment and crowd funding. According to the official statistics, approximately 192.6 billion yuan had been invested in B&Bs by 2017 [8].

The fourth factor is the combination of different marketing channels. As the main target of B&Bs is the new urban middle class, social media such as WeChat and Weibo and some tourism-related applications such as Ctrip and TripAdvisor have been effectively adopted by many B&B owners. As a result, some owners have emerged as cyberstars and, in turn, have widely promoted the popularity of B&Bs.

Finally, from the perspective of demand, Zhejiang and the Yangtze River Delta, in which the province is located, is the most urbanized region in China. Thus, the urban residents, mainly ranging from 20 to 40 years old [8], have a growing demand for enjoying the simplicity, peace and local culture in B&Bs, especially those in rural areas.

**Positive Impacts of the Development**

B&B development in Zhejiang has achieved significant benefits. First, B&Bs have become a new impetus toward rural development. In 2017, the total income created by the B&B business was approximately 53.5 billion yuan. Moreover, approximately 98,000 jobs were created directly by the B&B industry in the same year. Second, B&B development has contributed to the preservation of the physical environment of the countryside because B&B tourism has changed local residents’ attitudes toward the environment. In some cases, as Wang et al. demonstrate, villagers have much greater environmental awareness than their urban counterparts [15]. Finally, local cultures and traditions have been conserved or revitalized. Many B&B owners use old or even abandoned local buildings and have collected indigenous objects to decorate the interior of their homestays. In addition, some owners, especially local residents, have focused on improving or revitalizing local intangible heritage, such as traditional cuisine, events and practices [2].

**Issues of Development**

Recent homestay developments in Zhejiang have two significant features. The first one is the large scale of the industry. In addition to the presence of strong government support, which is the most important factor for industry development in modern China, the presence of adequate infrastructure, sufficient financial resources, widespread Internet networks and higher digital literacy in rural Zhejiang have contributed to the rapid and extensive development of the B&B industry. The second feature is the diversity of owners (investors), including those giving commercial or venture capital for a return on investment, personal or partner investors from urban areas for lifestyle or economic returns, and local residents wishing to improve their living standards. These two features have created some issues.

First, the rapid and large-scale development of B&Bs in rural Zhejiang has created potential ecological risks because some B&Bs have no effective evaluation for location selection, infrastructure or environmental capacity [8]. This situation is exacerbated by seasonality—a typical feature impacting tourism, especially rural tourism [2].
Second, all types of capital is welcomed for investment in B&B development. The result is that there have been significant segmentations in the B&B market. When competing with competitors from urban areas, local owners are in a disadvantaged position because they have less financial, cultural and social capital for B&B management and marketing. As a result, there is a large gap between luxurious inns managed by outsiders, such as ‘yangjiale’ (inns operated by foreigners) in the Moganshan Mountains, and rural homestays run by local residents, as well as between those managed by older rural residents and those managed by ex-residents returning from urban areas. There are significant differences between these investors (middle and upper classes) and local residents (working class), which are reflected in the investment levels, the styles of the homestays, the types of guests and the incomes obtained from selling products and services. In addition, rural elites, rather than ordinary residents, sometimes obtain the main benefits from operating B&Bs [2]. Thus, the diversity of capital leads to diversified classes in the community, transforming social relationships and enlarging income gaps, which are the main reasons for social exclusion and conflict.

Finally, and most importantly, rapid and large-scale development and indiscriminate investor policies have led to significant commodification and gentrification of B&Bs in rural areas, which can result in a loss of local knowledge and traditions in the long run. The introduction of B&Bs in rural areas has created a hybrid rural space. However, this new space may have different patterns and dynamics. The ideal situation would be that some excellent urban elements, whether tangible or intangible in form, would be integrated into the rural community and the community would preserve its local value, indigenous practices and beautiful environment. A second potential situation is that there would be a defining line separating the B&Bs operated by urban outsiders and the community constructed by local residents, and there would be little communication between these two spaces. The third and worst situation would be the over-commodification of rural space. In this process, the urban lifestyle and aesthetic would supplant the rural lifestyle and aesthetic, global knowledge would replace local knowledge, and the owner would advocate for cosmopolitan ideas rather than localism when operating his or her B&B because the outsider owner is not rooted but mobile.

Summary

The key element of B&Bs (homestays) should be “homely”. However, the commodification of ‘home’ by developing B&Bs could diminish the authenticity of such homes [4]. We found that one of the most significant features of B&B development in Zhejiang is the trend of corporatization driven by capital. This trend has led to the significant gentrification of B&Bs, especially those operated by outside renters. Therefore, we suggest that it is appropriate for the government to differentiate the development actors, including indigenous residents, ex-residents, individual urban renters and corporations; use different definitions to categorize different types of small-scale accommodations; and adopt different regulations and policies for different accommodations.

In addition, another feature of B&B development in the province is the key role that the government plays in the promotion process. As this paper demonstrates, the current government-directed mode has both positive and negative impacts. Thus, comparing this mode and the individual-directed or the market-directed modes of other countries, such as the UK, the USA, Japan, Malaysia and India, will provide practical insights for different countries.

Examining B&B development in Zhejiang can also provide us with an opportunity to extend theoretical development into tourism studies, especially destination marketing and management. We found that discussions on the main factors that promote tourists to stay at B&Bs currently focus on economic and social dimensions. Nostalgia, a general psychological condition in postmodernity, would be a useful concept for exploring the in-depth motivation that impacts the operation of a B&B or the decision to stay in one. The second theoretical consideration is the impact of B&B development on rural space. One concept that can be used to discuss the reshaping of rural space is assemblage: how an owner or investor collects different elements from different places to assemble a hybrid space within a rural community. Another concept that we believe would be useful for examining the tempo-spatial process.
of the interaction between a B&B and a rural community is rural (tourism) gentrification: how the aesthetic and the lifestyle philosophy adopted by the new middle class have changed the rural productive space into a consumptive and recreational space. Finally, it is also important to manage the impact of B&B development on destinations, especially those in the countryside. A useful concept related to this issue is resilience. What is the relationship between B&Bs (especially those operated by outsider investors) and the community? Is the B&B a heterogeneous enclave, is it a competitor for resources, or is it an organic composition of the community? How do these different roles affect the creation or damaging of community resilience?

References


