

A Study on the Experience of Rural Tourism Entrepreneurs' Competitiveness during the COVID-19 Outbreak: A Phenomenological Study

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ABSTRACT

Tourism is one of the major industries affected badly by the COVID-19 outbreak which influenced its entrepreneurs. Therefore, this study aims to uncover the experience of rural tourism entrepreneurs on sustaining their competitiveness during the outbreak. This research was conducted with a qualitative method by using a phenomenological approach. The data was collected by conducting in-depth semi-structured interviews with owners and managers in rural hotels located in Batticaloa, Sri Lanka. The analysis of data used the generic strategy including the coding, sorting and synthesizing. As per the findings, rural entrepreneurs are encountering numerous challenges during the pandemic and they tend to be existed for a longer period of time. The challenges were themed as current struggles due to pandemic and prospective hazards of tourism. The current struggles are consisted of three categories namely hardships in internal operations, external barriers for advancement and inadequacy of motivation. The theme of prospective hazards of tourism was generated from the categories of threat for wellbeing of hotels and possibility of unfavorable occurrences. Despite these challenges, the optimistic rural entrepreneurs are putting their efforts to achieve competitive advantage and trying to deal with difficulties to sustain the continuity of their hotels. Hence, this study uncovered the gravity of issues encountered by rural entrepreneurs which are absent in aggregate numbers of macro level studies and these issues are also relevant to their total entrepreneurial network.

However, their passionate nature in crafting creative strategies to deal with these issues is noteworthy.

Keywords: Competitiveness, COVID-19, Rural tourism, Entrepreneurial marketing, Qualitative research

1. Introduction

Entrepreneurs play an important role in sustaining rural tourism and formulation of sustainable strategies being the initiators of the tourism industry and the engine of the local development. But there are challenges to push the entrepreneurial marketing in to backward mobilization that makes frail in economic development. According to Siemens (2007) businesses in rural regions face challenges associated with their location which are not faced by operations in urban areas. These challenges can include lack of paved roads, limited access to banking, electricity, and poor infrastructure development. Moreover, tourism is one of the high growth sectors that seriously affected by skill deficiencies (UNWTO, 2019). Since rural tourism is one of the most competitive industries, it seems necessary to find possibilities for competitive advantage. In the meantime, entrepreneurs who engaged in rural tourism follow innovative practices for to enhance the competitive advantage of their businesses (2016). Meanwhile, the entrepreneurs struggle with challenges in order to sustain their growth and survive within the intense competition in the market. Currently they are being trapped in the COVID-19 outbreak which has influenced their businesses from multiple aspects. Accordingly, this study will help to explore the challenges of rural tourism entrepreneurs and the strategies that they use to overcome those challenges during the COVID-19 outbreak.

1.1 Research Problem

Entrepreneurship in rural tourism has attracted only limited research. Rural tourism has been instrumental for the local socio-economic development however it has encountered enormous challenges inhibiting its success. Surugiu (2009) also addressing the issue of entrepreneurship in rural tourism, identifying its potential to stimulate the rural areas. Therefore, entrepreneurs

in rural tourism require to focus on innovative marketing strategies to achieve greater competitiveness (Komppula, 2014). According to Gregoric & Pajic (2016) in order to support entrepreneurship in tourism, there should be a united awareness of the needs, opportunities, knowledge and coordination involved in directing small and medium entrepreneurs in their specific field of development. There should be more initiatives and common partnership between small and medium entrepreneurs and the government on all levels and all types of business influencing tourism and being part of the tourism product. This is necessary to achieve to utilize the tourist market potential and thus gain a more competitive position on the international market. The entrepreneurial marketing has enhanced the competitiveness of rural tourism entrepreneurs by competing successfully in the market place with competitors based on differentiation and lowering cost. So that rural tourism is the one in which the greatest degree of involvement is needed by the entrepreneurial sector in formulating sustainable strategies (Lordkipanidze, 2002). However, it has not been adequately addressed with regard to how this has happened during COVID-19 since this is newer issue experience by the whole world. Even if countries can control the COVID-19 threat, it is not sure how fast the airlines, cruise lines, hotels and restaurants destinations and other tourism related services establishments can prepare themselves to run their operations due to the post COVID-19 challenges. Particularly, when it comes to rural tourism this becomes very much challenging since rural tourism is already undergoing many more challenges. Even, the academia has still not focused on studying the issues in rural tourism during the COVID-19 and the currently available studies have addressed the tourism industry in general (World Bank Group, 2020; UNCTAD, 2020). Therefore, this study aims at exploring the challenges encountered by the entrepreneurs in rural tourism and the strategies undertaken to enhance their competitiveness during the COVID-19 outbreak.

2. Literature Review

2.1. Rural tourism and its significance

Rural tourism becomes very popular especially in the economically developed countries. In fact, it is a very positive and ecological form of tourism (Simkova, 2006). The aim of promoting tourism is to increase the net benefits to rural people, and increase their participation in tourism (Okech *et al.*,

2012). Successful tourism development, depends on commercial, economic, and logistical issues, accessibility and infrastructure of the destination, availability of skills, and interest of investors. In most of these aspects in rural areas may be at a disadvantage compared to urbanized and more developed areas. These challenges may be compounded by political and institutional obstacles, particularly in developing countries. Rural development is increasingly associated with entrepreneurship according to Lordkipanidze (2002), which is considered as a central force of economic growth and development. Tourism's role in rural development is basically an economic one and can help to sustain and improve the quality of life in rural areas. Tourism involves mostly small enterprises, so the role of tourism entrepreneurs can be important for the development of rural tourism. Besides, rural tourism is less costly and easier to establish than other rural economic development strategies such as manufacturing according to Norhafiza (2017). Rural tourism can be developed locally with the participation from local government and small businesses, and its development is not necessarily dependent on outside firms or companies (Wilson *et al.*, 2001). According to Dimitrovski *et al.* (2012), the rural areas have three unique opportunities to attract tourists by the means of establishing a connection between rural areas and their cultural, historic, ethnic and geographical roots. Entrepreneurs are the key drivers to find the opportunities and play an important role in sustaining rural tourism and formulation of sustainable strategies being the initiators of the tourism business and the engine of the local development. Therefore, it is necessary to stimulate the development of entrepreneurial activities for the recovery of rural tourism potential and regional traditions, maintaining local employment growth and increase living standards (Sharif & Lonik, 2017).

2.2. Challenges for rural tourism

As many as 75% of the world's poor live in the rural areas and more than one-third of rural areas are in arid and semiarid regions (Chaudhry & Gupta, 2010). Rural tourism is identified as a tool for rural revitalization. An important question is whether more can be done to develop tourism within such rural areas, as a way of dispersing the benefits of tourism and increasing its poverty impact (Holland *et al.*, 2003). The nature of rural tourism products,

often involving small-scale operations and culturally-based or farm-based products can be conducive to wide participation. Tourism can also bring a range of other benefits to rural areas, such as infrastructural development and spin-off enterprise opportunities. However, developing rural tourism has its challenges. According to Haldar (2018) the challenges that the rural tourism face are as follows legislation problem: Urban entrepreneurs will be encouraged to participate in rural tourism. There could be law and order problem. Any outsider can come and pollute the environment by seeing attractive benefits. The woman could be sexually abused, exploitation of children, underpayment and exploitation of labor, lack of trained manpower, insufficient financial support, lack of local involvement, underdeveloped people, lack of proper physical communication, lack of basic education, language problems, low business planning skills, lack of trained tourist guide and poor communication skills. According to Siemens (2007) he also stated the challenges that is similar to Haldar (2018). The challenges as per Siemens (2007) can include lack of paved roads, and limited access to banking, electricity, and other standard business infrastructure. Rural tourism greatly depends on the knowledge, capabilities and skills of existent and potential entrepreneurs engaged in or wishing to engage in rural tourism. Mostly minor advancements have been made in developing this type of tourism activity, the reason for this being the great number of limitations that entrepreneurs are confronted with, such as a lack of capital, inadequate credit financing, disadvantageous interest rates, and perhaps most importantly, a lack of expertise in management and marketing (Jelena, 2007). Any successful tourism development, whether rural or not, depends on commercial, economic, and logistical issues, such as the quality of the product, accessibility and infrastructure of the destination, availability of skills, and interest of investors.

In most of these aspects, rural areas may well be at a disadvantage compared to urbanized and more developed areas. These challenges may be compounded by political and institutional obstacles, particularly in developing countries, the administrative complexity of dealing with low-populated areas, the lack of policy coordination between rural development and tourism development, and low priority provided to rural areas by central governments (Okech *et al.*, 2012).

2.3. Influence of COVID-19 outbreak on tourism

Tourism is a reason for most of the human mobility in the modern world and it is a critical determinant of the global economy. In 2019, the tourism sector accounted for 29 per cent of the world's services exports and about 300 million jobs globally. It is an important source of income and employment for developed and developing countries (UNCTAD, 2020). In 2020, the breakdown of international economic activity in the fields of recreation, transportation, and services had put at risk hundreds of millions of people (Sergey & Grigoryev, 2020). Since the dynamics of tourist flows are greatly influenced by the demand side factors (Song *et al.*, 2012), this sector suffered immediately due to mass closures and layoffs in this sector all over the world. The highly recognized importance in terms of survival and sustainability in the face of huge challenges conditioned a large body of literature on the impacts of COVID-19 on tourism and hospitality (Assaf & Scuderi, 2020; Baum & Hai, 2020; Lee & Chen, 2020). COVID-19 is affecting nearly 47.7 million travel and tourism jobs across South Asia, many held by women and vulnerable communities working in the informal sector. Losses of over US\$50 billion in gross domestic product in the region are expected in the travel and tourism sector alone as a result of the crisis. Governments are already responding with emergency programs to help small and medium enterprises stay afloat and save jobs (World Bank Group, 2020).

A crisis can be short term in nature but it may have long term negative impact on the places where the crisis occurred since the tourists from travelling to those destinations. In area of crisis and tourism plethora of evidence is available with respect to the arrivals of tourists and impact of crisis on tourism demand (Jin *et al.*, 2019) and therefore, most of these research focus on a macro perspective. So that, there is a paucity of research which looked into the individual perspectives. The entrepreneurs' experience in the face of a crisis are an under-explored phenomenon, which can be identified as an important knowledge gap.

3. Methodology

The objective of this research is to gain an understanding on challenges encountered by the entrepreneurs and the strategies to be undertaken in rural

tourism to enhance their competitiveness in the face of COVID-19 outbreak. Particularly, researchers found that there is a lack of research in this area and the study seems more exploratory in nature. This is in line with the conditions of adopting qualitative method contended by Creswell (2007). More specifically, researchers have chosen phenomenology as the research approach since it can be used for capturing the experience of rural entrepreneurs with respect to the pandemic.

In this study the data were collected using in-depth semi-structured interviews. The interviewees were selected using purposive sampling method. The sample size of the study is 08 and this sample size was determined by considering the recommendations provided by Creswell (1998) where he contended that the number of participants should be between 05 and 25. Furthermore, Morse (1994) also suggested at least 06 respondents are needed for a phenomenological study. The details of the respondents participated in study are depicted in table 1.

Table 1. Profile of respondents

Respondents	Designation at hotel	Gender	Age	Nature of Hotel	Location	Length of operation (Years)	Background of the Business
A1	Entrepreneur	Male	39	Medium Scale	Batticaloa	15	Concern on ethics, Interest in tourism, expertise in sector
A2	Entrepreneur	Male	45	Medium Scale	Batticaloa	18	Higher interest in tourism, concern on ethics, expertise in sector
A3	Entrepreneur	Female	43	Medium Scale	Batticaloa	20	Money oriented, higher interest in tourism

A4	Entrepreneur	Male	51	Medium Scale	Batticaloa	8	Tourism is the favorite sector, concern on ethics
A5	Entrepreneur	Male	38	Large Scale	Batticaloa	40	Circle generation business, Expertise in sector, Focus on ethics
A6	Entrepreneur	Male	47	Medium Scale	Batticaloa	15	Prior experience, higher interest in tourism, expertise in sector
A7	Entrepreneur	Female	29	Large Scale	Batticaloa	15	Higher interest in tourism, concern on ethics, expertise tourism sector
A8	Entrepreneur	Male	42	Large Scale	Batticaloa	8	Higher level of interest in tourism, expertise in sector, concern on ethics

All the interviews which were conducted with the respondents were tape recorded and subsequently transcribed prior to starting the coding process. In the analysis stage, codes were created by capturing the significant data. Thereafter, the categories were constructed based on the codes and the process was ended by formulating the themes to answer the research problem and this coding process which is inductive in nature is illustrated in table 2.

Table 2. Illustration of the coding process

Text	Codes	Categories
<p>“This sector is highly engaged with people. So, <i>if one staff is infected</i> then the reputation of the hotel will be destroyed. So, staff are afraid in participating the hotel operations.”</p>	<p>Direct human interaction hazards</p>	<p>Hardships in internal operations</p>
<p>“This industry engages a lot of human source by providing experience. So, <i>the employees feel lack of contribution in their usual works. They have found the challenge of uncertainty in this industry. So that, they will seek any other employment in elsewhere for their survival.</i>”</p>	<p>Employee scarcity in future</p>	<p>Possibility of unfavorable occurrences</p>
<p>“We are <i>not allowing everyone to the bar and also to the hotel premises for safety purpose.</i> Even though it reduces the profit, it <i>increases our hotel standard.</i>”</p>	<p>Impose high safety protocols</p>	<p>Cordiality towards customers for winning the competition</p>

4. Findings

The findings of this study are presented based on the challenges for tourism entrepreneurs and the strategies for enhancing the competitiveness during COVID-19 outbreak.

4.1 Challenges for rural tourism entrepreneurs during COVID-19 outbreak

The results of the analysis fabricated through coding and sorting of the findings contributed to generate the following themes with respect to the challenges for rural entrepreneurs in face of COVID-19.

Current struggles due to pandemic	Prospective hazards of tourism
Hardships in internal operations External barriers of advancement Inadequacy of motivation for tourism	Possibility of unfavorable occurrences Threat for wellbeing of hotels

Figure 1. Themes related to the challenges for rural entrepreneurs during COVID-19 outbreak

Theme 1: Current struggles due to pandemic

The pandemic has destroyed the Sri Lankan economy with the complete closure of almost all the economic activities. Among all the sectors, tourism is the major one which affected badly by this pandemic. While tourism industry in Sri Lanka is recovering from the Easter attack in 2019, COVID-19 outbreak emerged in 2020 and shut down the industry completely. Therefore, the tourism industry in rural areas faced more challenges. These includes hardships in internal operations, external barriers of advancement and inadequacy of motivation for tourism.

It is a known truth that the internal operations will have a negative impact due to the pandemic. The industry is practiced for a particular operation that remains unchanged for a longer period. Due to the new challenge of pandemic some new tasks and activities have been followed by the industry for securing the hotels from the bad consequences of pandemic. Since the sector is highly engaged with people, it is really difficult to interact with each and every one due to the communicable virus. So, the major activities of the hotels have been halted. For instance, hotels depend on the guest arrival to achieve their ROI (Return on investment) but, at the time of pandemic people are frightened to visit places. Likewise, the hotels have to bear some fixed costs during this

period even they did not reach their profits. It is an unfair situation for the entrepreneurs who were operating hotels. Moreover, in hotel functioning during the pandemic they have to sterilize the premises to ensure the safety of the people who are take part in hotels. This increased the costs which are unfamiliar to them. Therefore, the entrepreneurs are facing stage experience of the challenges which are generating hardships in internal operations. Accordingly, the entrepreneur at Hotel Riviera mentioned that:

We needed to clean the rooms and the hotel premises and sterilize the entire hotel often. This increased the cost. *The chemical and the cleaning stuff are expensive these days. So we faced some troubles of purchasing a lot of things. This reduce the ROI since the hotel is not earning expected profit during the COVID-19 pandemic.*

Not only the struggles are occurring internally, but also there are external barriers too. The tourism industry is waiting for some advancement through proactive marketing strategies by involving creative plans for future. Due to the pandemic the entrepreneurs are unable to execute the plans and those plans are in standstill. This consequence occurred because of the uncontrollable threat of virus which came from the external surrounding. Without having tourists and guests the success of tourism industry would have never achieved. So, during the pandemic, travel bans and lockdowns made the industry trapped. The external barriers will create unlimited frustration in the industry. In order to reduce the pressure of challenges during the COVID-19 outbreak, the interested parties of tourism industry should give a hand to pull up the industry from the groove. Even though tourism sector is the most affected industry due to the pandemic there is hardly any support that they enjoy from anyone. It is also revealed by the entrepreneur of Hotel East Lagoon as:

There are *no any foreigners' visit*. Therefore, it makes the business more frustrated. Because we are mostly depending on tourists other than local guests. My wish is to engage female in all sectors of this hotel. Because female have more creativity and idea of presence of service. But *there is a stereotype in women engagement in tourism sector especially in Batticaloa district.*

Entrepreneurs also revealed that there are some costs that the hotels cannot skip to settle. Whether the hotel is functioning in a profitable manner or not they should bear the tax impositions and other bills for expenses such as electricity, water and so on. Even the guests are not accommodating in rooms the hotel premises should be cleaned and sterilized in a regular basis to avoid the threat of premises disfigure. So, to initiate these tasks human resource should actively engaged in the hotel to maintain its quality and standards. So, they needed to be paid but there are two challenges in the application of the activities to personnel during pandemic. One is people are afraid to work due to the communicable virus. Accordingly, the entrepreneur of a hotel East Lagoon elaborated that:

“Even though we don't have proper business we *need to pay all the expenses like salaries, electricity bills, bank loan, taxes and other bills*. I feel it is unfair for this sector during this pandemic. Because hotels are the major industry that is highly affected during this pandemic and there is no any idea of overcoming since the pandemic is still existing.”

The engagement of people with the tourism sector is a notable phenomenon. Therefore, due to the communicable virus people wish to keep the distance from one to another. The people who engaged in this sector are not willing to involve actively because of the threat of pandemic. Therefore, without interacting people, the fully functioning of tourism industry is not possible. This shows there is a direct human interaction hazards due to the pandemic. Accordingly, the entrepreneur of Hotel Bridge View revealed that:

“The strength of our hotel is the garden view, so we have to maintain the garden, there should be a good management also need, *but the general manager who is 60 aged is afraid to come*. So, it's hard to maintain the garden and the gardener.”

Moreover, the entrepreneurs were in the view that the hotels have more plans for their evolution to win the competition. Due to the pandemic the entrepreneurs couldn't be able to execute their intentions on new ideas. The proposal of prospective plans is not implemented because of travel bans and lockdowns. The workers to implement the ideas are not willing to engage in their tasks due to direct human interactions and also the imposition of curfew. Further, it is clearly identified that the sector is seeking an enlargement in

operations with efficiency to capture the market. As a rural area they tried to put some effort for the development of the industry. The pandemic was a huge barrier for the creative advancement of the tourism industry in rural areas. This was explained by the entrepreneur of Hotel Green Garden as follows.

“We have started many development activities in the hotel premises. Those are stopped in the middle of the process. We have planned to design sculptures on the wall. The designs and budget also planned, but it isn't implemented due to the COVID outbreak.”

Completing a task in government authority is highly difficult. As the entrepreneurs mentioned they encounter lack of government aid during the pandemic. It is the ultimate support for tourism industry in rural areas. Government has a huge responsibility to encourage the sector not only for the profitability of hotels but also to develop the district by generating various employment opportunities. From the all entrepreneurs' statement it has properly emphasized that the motivation of the government for hotels are highly expected. The entrepreneurs try to get government support to overcome from the pandemic to some extent. This was stated by the entrepreneur of hotel New Sunrise as:

“There were some infrastructural developments made in recent past. That is the only support by the government for tourism in Batticaloa. But that is not enough to the development of tourism. For example, the road in front of our hotel is highly damaged. So, they can put a proper road for us. We are a famous hotel in Batticaloa. So that, government can support us by investing in some more infrastructure development and it will benefit us when tourists are visiting after the pandemic”.

Theme 2: Prospective hazards of tourism

According to the theme 2, the struggles of entrepreneurs in rural tourism due to the pandemic will continue in the prospective years. Sri Lanka's tourism industry has always had problems with productivity and delivering value for money. Motivated staff can deliver value for money to boost demand which is critical for revival. As sector struggles to survive salary cuts will be counterproductive. Therefore, the salary reductions and declining functions in hotels will create counter production in tourism industry in the future.

COVID-19 may not be the last pandemic so businesses must learn experience from this. Crowding people to optimize space is no longer viable and it is risky. If one person gets infected and the entire hotel will be locked down. So, it is a high challenge for hotels to operate in the upcoming years as well. The categories of possibilities of unfavorable occurrences and threat of wellbeing of the hotel have been converted as 'prospective hazards of tourism'.

Under the category of "possibilities of unfavorable occurrences" the entrepreneurs reveal that they expect that pandemic will exist in the prospective years as well. They feel the discounts and offers in terms of price deductions will turn down the standard of the hotel. It is a known truth that expensive hotels are recognized as star class hotels. So that, the bargaining power of customers will always try to pull down the reputation of the hotels. As per the entrepreneur's expectations in future, most of the star class hotels in rural areas will have to face charge reduction for continuation. This situation will generate a negative impact on hotels which are charging a less price. Furthermore, the discounts and offers will decline the profitability of the hotels. Therefore, the entrepreneurs will have to face struggles while achieving the ROI not only in present but also in future as well. This is stated by the Marketing Manager of hotel East Lagoon as follows.

"We are currently facing this issue and we are expecting that this challenge will continue for a longer period. We maintained our business without any discounts and price deductions to maintain the standard, but we may have to reduce the prices in the future. Therefore, our reputation will tarnish due to the price deductions."

Tourism is one of the high growth sectors which are seriously affected by skill gaps. Due to the instability in hotel jobs the young human force in rural area seeks job opportunities in other industries. Accordingly, there will be an employee scarcity in the future. During the pandemic the work force of tourism is highly experienced the uncertainty of their jobs. Therefore, like the past in future also the people will not be willing to involve in tourism sector. This employee scarcity in upcoming years will create a counter productivity in tourism since the tourism industry is ultimately depending on competent human resources. The employee scarcity will reduce the efficiency of the

advancement and wellbeing of the hotels. This is clearly stated by the entrepreneur of the Hotel Riviera as:

“This industry occupies many employees. However, recently *they found the uncertainty of this industry. So that, they will seek any other industry for their employment.* Moreover, the employee’s benefit is mostly depending on service charge. Due to this pandemic, they will not be having such benefits. It will also make employees fed up.”

4.2 Strategies to enhance the competitiveness during COVID-19 outbreak

The results of the analysis constructed by coding and sorting of the findings contributed to generate the following themes with relate to the strategies to enhance the competitiveness during the pandemic.

Effort to achieve competitive advantage	Difficulty in sustaining the continuity
Maintenance of reputation during pandemic. Interior and exterior designing for allure. Vitality of service in retaining customers. Grade of personnel in generating the uniqueness. Cordiality towards customers for winning the competition.	Difficulty in sustaining the continuity

Figure 2. Themes related to enhance the competitiveness during COVID-19 outbreak

Theme 1: Effort to achieve competitive advantage

Within the period of the COVID-19 outbreak, it is really difficult for tourism entrepreneurs to sustain their competitiveness in the market place. They have encountered several attempts to retain their reputation in order to achieve competitive advantage. This includes maintenance of reputation during pandemic, interior and exterior designing for allure, vitality of service in

retaining customers, grade of personnel in generating the uniqueness and cordiality towards customers for winning the competition. By putting all the efforts, the entrepreneurs try to preserve their competitiveness during the pandemic. Due to the virus spread hazards, most of the hotel entrepreneurs have experienced the struggles of conducting business. At that time, it is difficult to sustain their competitiveness. Moreover, basically in rural areas, achieving competitiveness in tourism industry is challenging. So, the pandemic has increased the strain of entrepreneurs in retaining the competitiveness. When the crisis situation of COVID-19 happens, the hotels had to change their operating strategies in order to gain competitive advantage. These new strategies generate high level of uncertainty and mostly have negative impacts since the strategies are implemented for short run and without spending more time on analyzing the effectiveness of the new strategies.

The entrepreneurs have prioritized safety protocols in hotels during the pandemic in order to ensure the safety of the staff and customers. They realized that during the pandemic maintaining the hotel without getting infected is more sufficient than reach a higher profit. In the prospective years the tourist will get attracted to those hotels which are sustained through the years by not having infected staff or guests. Therefore, they feel hard to maintain the reputation during the COVID-19 pandemic period. According to that the entrepreneur of hotel New Sunrise elaborated that:

“Safety has become a most important thing these days. So, we needed to clean the rooms and the hotel premises and sterilize the entire hotel often to ensure the safety of customers. We need the cleaning staff and some minor workers to ensure the safety of the hotel. The cleaning tasks took some more extra time than usual”.

The different style of arrangement in the hotels are highly needed to attract a large number of customers. Tourists always seek a unique array in the hotel to experience a new environment. They try to explore unknown traditions and culture in their visit of rural areas. So that, the hotel should provide them a mesmerizing experience of the nature since the rural areas functioning the tourism industry in terms of natural resources. Therefore, all the hotels in Batticaloa district utilize the nature in order to capture the tourists. Accordingly, the entrepreneur of hotel Green Garden, Batticaloa stated that:

“We have *started a work on decoration of a part of the hotel like cattle shed*. We have purchased bulbs and the things that are related to cattle shed. We have planned to draw pictures regarding to cattle shed”.

Vitality of service is the most sufficient factor in the tourism industry. Excellent customer service makes the customer happy to choose the hotel. Therefore, the entrepreneurs gain competitive advantage through the quality of customer service. Moreover, good customer service strengthens customer relationships which are an invaluable asset to a hotel. It is also encompassing a raft of efforts hotels makes to achieve pleasant customer experience. This is clearly stated by the entrepreneur of hotel Sunny Fish as follows.

“Once a tourist arrived and experienced in our hotel, *we provide a maximum customer service to them to choose our hotel for the next time of visit as well*. Also, the bar which is situated within the hotel is luxurious and we provide a good service there. We have the restaurant with *Chinese style and Indian style food item with new innovations*”.

Most of the entrepreneurs think positively to spend the time of pandemic to train the staff. During this period hotels are under lockdown. So, the staff were involved in some minor tasks within the hotel and they were trained by the entrepreneur to connect with the guest by improving their attitudes towards the customers. This builds up the grade of the human resource involve in the hotel to enhance the uniqueness of the hotel in the industry. Accordingly, the entrepreneur of hotel Riviera explained that:

“We are *utilizing the pandemic to train our staffs*. There are less operations these days. So, it is easy to train them within the free time”.

The entrepreneurs handle many efforts in promoting their competitiveness. They try to showcase their uniqueness via social media and digital media platforms to make the customers aware on their hotel brand. Tourists have lost the bond with the hotels due to curfews and travel bans. So, the hotels off tracked their positioning on customer's mind. Therefore, the entrepreneurs strive to keep up their competitiveness by conducting continues promotions to make the customers get in touch online. These promotion strategies are maintained in order to win the competition by customer attraction. Accordingly, the entrepreneur of hotel Bridge View Batticaloa Stated:

“We are doing promotions to increase our competitiveness. We are using booking.com and we are advertising in local television channels. In booking.com the customers can easily find out the environment of our hotel and the quality of the rooms”.

Theme 2: Difficulty in sustaining the continuity

By being proactive the entrepreneurs should get a clarity about when the money may come in to the industry and by whom. Until that period they should bear the malfunction of the hotels. In order to do so, the entrepreneurs try to generate new strategies and implications for sustaining the hotels by settling the expenses and other charges. If not, they will have to lose their reputation and competitiveness in the future. To do so, they have to earn money by providing some additional services in the hotel. The pandemic has impacted the tourism industry like never before. Therefore, most of the entrepreneurs are puzzled as it is an unprecedented situation for them. They don't even know what they can do when their customers are sitting at home and spend time indoors from preventing this pandemic. So, it is easy to anyone to lose hope in these tough times. However, the entrepreneurs of tourism industry have sustained in the market even they face lot of challenges. Meanwhile, they spent some more money from their own wealth to protect their hotels from losing its market. Their courage on the retaining of the hotels keeps them secured in the market place.

The entrepreneurs of hotels sustained during the pandemic by providing bar and restaurant services to achieve at least near breakeven. Some hotels that have an elegant environment and natural resources such as lagoon and river provided for occasional shoots for earning purpose. Further as per the entrepreneur of the hotel East Lagoon, Batticaloa stated that, hotels with banquet halls sustaining to an extent during pandemic by offering the halls for occasions as follows.

“We are earning some revenue by providing our hotel environment for photo shoot. Like that we provide our swimming pools for some high-class customers and photo shoot as well. Other than this we have a banquet hall and a ballroom within the hotel. The revenue from these occasional halls

helps to meet the expenses. We have a *conference hall also that supports to sustain* during the pandemic”.

Other than this, the entrepreneurs have to bear some costs at their own risk. They settled the expenses that are related to the hotel operations from their own pocket. Meanwhile, it is clear that the tourism entrepreneurs who engaged in some other businesses can face struggles at times of tourism in risk. They can escape from the counter productivity of the hotels by getting support from their other business. Accordingly, the entrepreneur of hotel Bridge View, Batticaloa stated that:

“Until the pandemic outbreak we earned a very satisfied profit. From that we can be able to sustain. For some excess need we can *use the money which is earned by another business in abroad*”.

Table 3 presents the themes with respect to strategies to enhance the competitiveness of rural entrepreneurs at the time of COVID-19. Further, the themes are elaborated by using the relevant categories for each theme together with the supporting evidence.

Table 3. Strategies to enhance the competitiveness during COVID-19 outbreak

Theme	Meaning of the theme	Evidence for the theme
Effort to achieve competitive advantage	Entrepreneurs strives to gain competitive advantage during pandemic by implementing innovative strategies and plans. Accordingly, they focused on maintaining the reputation, interior and exterior designing, enhancing the uniqueness and quality of service to retain customers. Even at the time of pandemic, these	Entrepreneur of Hotel Sunny Fish: “We <i>allow bargaining of changing the rate</i> of the suits. We are allowing the opportunity to change the fixed rates of our hotel suits.” Entrepreneur of Hotel Green Garden: “The <i>foods prepared in the hotel kitchen is customized</i> . Tourists are requesting us to prepare food as per their recipe.

	<p>innovative strategies still provide a competitive advantage for the entrepreneurs to some extent.</p>	<p>If we tell them to provide fish for the meals then they will tell how to prepare a dish with that fish.”</p> <p>Entrepreneur of Hotel New Sunrise: “As per the nature of our district we are also <i>maintaining the rural set ups</i> within the hotel premises. We <i>have set bull carts and some hand craft ornaments</i> that represent the ancient stories of Batticaloa.”</p>
<p>Difficulty in sustaining the continuity</p>	<p>Hotels that integrated sustainability and transparency strategically in business operations during pandemic put an even stronger focus on retaining the business in the long run with a satisfied profitability and success. However, sustaining the competitiveness for a longer period of time seems more challenging mainly in looking at the inherited problems of rural entrepreneurs. Therefore, this implies the necessity of addressing these rural entrepreneurs' issues with immediate effect.</p>	<p>“We are not earning even the 50% of the profit which we earned in the past. We are <i>running by the overdraft and the other business profit.</i>” (Entrepreneur of Hotel Sea Moon Garden)</p> <p>“Now we are <i>sustaining with the restaurant and Bar</i> inside the hotel but for some extent” (Entrepreneur of Hotel East Lagoon)</p> <p>“We have solar system to supply electricity to the whole hotel premises. So, we don't have electricity bills.” (Entrepreneur of Riviera Resort)</p>

5. Discussion of the Findings

As pointed out earlier, there has been a limited amount of literature in rural tourism at the time of COVID-19, with which to compare the findings of this study. However, it is evident that the findings with regard to the challenges encountered by local tourism entrepreneurs during the pandemic, shows some similarities with the limited number of previous studies. Accordingly, the hardships in internal operations found in this study was similar to the findings of Ntounis *et al.* (2021) where they described it as businesses within the tourism and hospitality industries perceived themselves to be less resilient to COVID-19 than other sectors. The external barriers of advancement explained in the finding in this study is also pointed out by Hall *et al.* (2020), that the disease's global reach and the application of classic disease controls in the form of quarantine, reduced mobility and isolation have had a dramatic effect on international and domestic tourism. Moreover, it is explained that there are social impacts due to associated furloughing and job losses, as the tourism and hospitality industry are very labor intensive that potentially leading to further job losses (Gretzel *et al.*, 2020) which is also addressed in this study. Other than this the threat of wellbeing found in this study is similar to the literature which stated that the progression of the pandemic impacts on sustaining low levels of activity and higher operating cost on the business survival (Mulder, 2020). However, this research has taken a step further and finds that these challenges will be continued further even for the long-term which has rigorous influence on the survival of local tourism entrepreneurs. Moreover, the continuation of the pandemic will jeopardize the physical resources of the entrepreneurs due to the lack of maintenance and isolation. Therefore, this novel finding should be considered and addressed immediately by the relevant policy makers to avoid further economic and social issues.

The main focus of every entrepreneur who engaged in tourism industry is to overcome from the challenges due to COVID-19 pandemic and to achieve competitiveness through creative strategies. This is addressed in this study and has some similarities with previous literature. Accordingly, one of the main strategies used by entrepreneurs to be competitive is the maintenance of reputation during the pandemic which is also addressed in Suranga (2020) as a fundamental strategy to increase the attractiveness of the tourism in the country.

Even in the pandemic situation it is necessary to achieve competitiveness in tourism industry since the hotels should capture the large number of tourists once the pandemic is over. Therefore, whatever the smaller efforts that they can bring them a higher competitiveness in the future. The notion of competitiveness during COVID-19 pandemic is not adequately addressed in the previous literature. So that the findings on maintaining of reputation during pandemic, designing interior and exterior allure, vitality of service in retaining customers, grading of personnel in generating the uniqueness, and cordiality towards customers for winning the competition are newer research results. It was clear that these strategies can contribute at this difficult time for enhancing the competitiveness of rural entrepreneurs in dealing with local tourism. Moreover, the novel finding of 'Difficulty in sustaining the continuity' of hotels shows the rigor of this social issue which requires immediate solutions. However, the efforts these rural hotel entrepreneurs undertaken during this difficult time shows their tendency for being optimistic and resilient.

5.1 Conclusion and Recommendations

The aim of this research is to explore the challenges encountered by the entrepreneurs in rural tourism and the strategies undertaken to enhance their competitiveness during the COVID-19 outbreak. Accordingly, this study contribute to the existing literature in three ways. First, this has explained the types of challenges of rural entrepreneurs which is not addressed in the extant macro level literature focused on country or geographical region (e.g. South Asia) as a whole. Therefore, the study will facilitate to understand the gravity of issues experience by rural entrepreneurs which cannot be reflected through aggregate numbers in macro level studies which are already available. Hence, further studies can also be conducted based on these novel qualitative findings by selecting a large sample of rural entrepreneurs in the country who affected severely from COVID-19.

Second, the challenges experienced by the rural tourism entrepreneurs are not just limited to them and those challenges have rigorous negative impact on entrepreneurs' network including employees, suppliers and community as per the findings. The accelerated entrepreneurial networks in tourism has impacted on this to a greater extent where the presence of closer stakeholder relationships

are evidenced to enhance the competitiveness. Therefore, when the key player is influenced by the outbreak its impact is trickled down to the constituents in the network with a rapid speed. This also requires further research as to how to protect the stakeholders in the entrepreneurial network which are developed with the aim of enhancing competitiveness. Therefore, conducting future research based on different tourism clusters incorporating their multiple stakeholders is more worthwhile.

Third, this study has contributed to the current literature by uncovering the creative strategies followed by rural entrepreneurs as a response to the outbreak. Therefore, the agility of these rural entrepreneurs can be understood and appraised in going through the findings of this research. Based on these further studies can be conducted to evaluate the suitability and feasibility of creative entrepreneurial strategies. This will be useful to develop the future plans for the success and sustainability of rural entrepreneurs even after the COVID outbreak.

As per the findings of this study, two practical implications can also be explained. First, it is clear that the competitiveness of entrepreneurs' is hindered both in terms of short and long term. Therefore, the practitioners such as government, apex bodies in tourism and destination management companies need to address both of these time frames in devising recovery plans and policies. One of the short-term solution is to take advantage of domestic tourism under strict health regulations while continuing with the international mobility restrictions. More importantly, the government organizations need to immediately pay their attention on the financial issues encountered by the entrepreneurs. Further, the openings for international travelers can be done by initiating the travel bubbles with the travelers who are vaccinated. The focus of relevant constituents should also be on building trust among the travelers and adapting to the 'new normal' with respect to these rural tourism entrepreneurs. These efforts would be significant in inviting travelers in the future.

Second, it is also clear that rural tourism entrepreneurs are passionate in pursuing with innovative strategies. Therefore, this positive entrepreneurial mindset should be reinforced and sustained with the support of relevant constituents in tourism industry. This requires the government tourism

authorities to work these rural entrepreneurs very closely to uncover their pain points. Then, they need to rigorously research for finding out the new market opportunities in the global tourism industry to answer these pain points. For instance, the use of forward-looking technologies like virtual and augmented reality can build exciting business models for rural entrepreneurs in the post-pandemic time. Therefore, this remote or virtual tourism can bring new opportunities for these optimistic rural entrepreneurs where they can re-connect with loyal customers by providing seamless interactive experience. Moreover, these entrepreneurs can also link with the domestic destinations, artisans, and tourist guides in creating virtual offerings to create a collective impact on their stakeholders.

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