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The Transformation of Embedded Means into Resources During Community-Based Venture Creation

Masoud Karami, Azilah Binti Kasim, and Arto Ojala

Abstract

In this chapter, we delve into the mechanism that mobilizes embedded means in the process of new venture co-creation in a small community. We build on effectuation theory to explain the ways in which these means—readily available and unique to each individual and to the community as a whole—provide a foundation for the integration of resources. We examine these ideas using rich qualitative data from homestay entrepreneurs in a rural Malaysian community. Our findings reveal how trust transforms embedded means, such as a sense of community and an authentic culture, into resources, in the venture-creation process. We contribute to community-level entrepreneurship research by applying effectuation theory to illustrate the social construction of new ventures at the community level. Effectuation theory enables us to delineate the contextuality of entrepreneurial cognition and actions at this level. We also contribute to effectuation theory by applying it at the community level and extending the key concept of trust as a mechanism that transforms intangible means into new resources in this theory. In addition, we discuss the implications for practitioners and policymakers.

Keywords: Community entrepreneurship, effectuation, embedded means, trust, venture creation

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1 Introduction

Communities offer an interesting context for entrepreneurship studies, both conceptually—because they operationalize a situation of conventional resource scarcity—and in practice—because entrepreneurship is the primary driver of economic sustainability and growth in these communities (de Guzman et al., 2020; Si et al., 2015). Research in this area emphasizes the importance of the social and cultural context in entrepreneurial actions (Wierenga, 2020; Zahra et al., 2014). The strong social capital in small communities (de Guzman et al., 2020; Westlund and Bolton, 2003) can lay the foundation for the employment of unique embedded means in developing entrepreneurial opportunities (Jack and Anderson, 2002; Pret and Carter, 2017). The mobilization of embedded means in small communities facilitates also entrepreneurial practices and collaboration (Bhagavatula et al., 2010; Chai et al., 2019).

We apply effectuation as a means-driven theory (Sarasvathy, 2001) to explain how entrepreneurs in rural communities transform their existing means embedded in the community into resources in the process of community-level venture creation. Effectuation theory helps in understanding entrepreneurial cognition and actions (Read et al., 2016; Nelson and Lima, 2020; Sarasvathy, 2001). The core premise of effectuation theory is that entrepreneurs rely on their identity, knowledge, and relationships as the initial means to start the process of new venture creation (Sarasvathy, 2001, 2008). However, effectuation theory has not delineated *how the initial—not necessarily valuable—means are transformed into new, valuable resources* (Read et al., 2009; Read et al., 2016). This remains a central open question in the development of effectuation theory. Read et al. (2016) emphasized the importance of this question and called for further research on "describing what it takes to transform means into resources, and explaining to what extent resources are a constraint on or an enabler of opportunities" (2016: 532). Effectuation theory also uses trust and trust building to explain how effectual partnership

works. However, trust is neither predicted nor assumed in this theory; rather, it is formed strategically in the process of effectuation (Saravathy and Dew, 2008).

Our primary aim is to investigate *how entrepreneurs in a small community transform embedded means into resources in the process of new business venture development*. We apply a qualitative, explorative case study method (Eisenhardt, 1989) to investigate homestay entrepreneurship in a rural Malaysian community. We demonstrate that organic trust is a key mechanism in activating other means within the community. By doing so, this chapter contributes to community-level entrepreneurship by illustrating the effectual co-creation of new ventures. It also contributes to effectuation theory by addressing the open question of means transformation in the effectuation process highlighted by Read et al. (2016). We illustrate how trust activates embedded means in the effectual process of co-creation. More specifically, we argue that although effectuation does not assume trust ex ante in the context of community, there is an organic trust that can be activated by effectuation logic, which in turn enables to develop more commitments within the community for further resource mobilization (Dew and Sarasvathy, 2008).

2 An overview of the relevant literature

2.1 Community-level entrepreneurship

Context is recognized as a key factor in explaining entrepreneurial cognition and actions (McKeever et al., 2015). Community is an important context that provides a specific domain wherein particular behaviors occur (Audretsch, 2012; Sarasvathy and Dew, 2008). Embeddedness of means and entrepreneurs in communities provoke particular cognition and actions for new opportunity co-creation and resource integration (Karami and Read, 2021;

McKeever et al., 2015). Understanding the dynamic process through which such embedded means are mobilized and directed toward a new opportunity is an important step in the contextualization of entrepreneurship (Anderson and Gaddefors, 2016). As such, community-level entrepreneurship helps explain entrepreneurship as a socially situated phenomenon that goes beyond the mere economic domain (Watson, 2013). More specifically, embedded means and stakeholders in a community play a critical role in resource integration and in the novel recombination of existing resources as an important entrepreneurial action (Alvarez and Busenitz, 2001; Karami and Read, 2021; McKeever et al., 2015). The embeddedness of the stakeholders and their means in the community provide a social condition wherein trust in the community enables a novel combination of resources (Julien, 2007; McKeever et al., 2015).

2.2 Effectuation logic

Effectuation is a means-driven and control-oriented process (Sarasvathy, 2001). Effectuation theory explains how entrepreneurs start with their existing intangible means and gain access to other complementary means by applying the logic of control. Effectuation theory argues that when the future is uncertain, entrepreneurs do not rely on predictions and planning; rather, they rely on what they have under their control to build a new future (Read et al., 2009, 2016). The logic of control leads the effectuation process toward actions that increase the controllability of the situation (Read et al., 2016). Effectual partnership is the main mechanism that expands control (Kerr and Coviello, 2020).

Effectuation theory assumes that new opportunities are created by entrepreneurs who are open to sharing their ideas and means with other stakeholders and learn from their own and others' experiences during the process of venturing (Read et al., 2016). As such, effectuation is the process of transforming, and creating new effects (Read and Sarasvathy, 2012).

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Effectuation theory offers a pragmatic view by emphasizing the importance of readily available personal and social means as the starting point of the venture-creation process. As such, the means do not have to be valuable and rare at the beginning of the process (Read et al., 2009). What matters is the logic of control that takes the initial set of personal and social means and transforms them through partnership (Kerr and Coviello, 2020) into valuable resources (Read et al., 2009).

Effectuation theory distinguishes between means and resources and considers an entrepreneur's personality, values, attitude, existing knowledge and experience, and social ties as initial means (Sarasvathy, 2001). This emphasis on existing means instead of conventional resources and the mechanisms through which they transform into new valuable resources extend the boundaries of entrepreneurship. This is an important point in rethinking resources, which enables us to understand ventures that are developed without having access to enough financial and other conventional resources. It shifts the focus from the heterogeneity of existing resources as the source of heterogeneity in firms' performance (Barney, 2001) to the mechanism of transformation (Read et al., 2009).

Trust plays a key role in this transformation (Sarasvathy and Dew, 2008). After gaining a clear understanding of the initial *doables* (*what can I do with my existing means*), entrepreneurs immediately start to interact with other like-minded stakeholders by building trust, which enables them to expand their personal network of relationships (Miles and Morrison, 2020; Prabhu and Jain, 2015), aiming to gain access to complementary resources and expand their control over the situation. By adding new partners, the initial idea may also change and evolve. When trust in a new opportunity is built, self-selected stakeholders commit to the relationship and integrate their resources (Kerr and Coviello, 2019; Read et al., 2016) so that their commitments prioritize alternative effects (Karami and Read, 2021).

The integration of complementary resources enables stakeholders to form a picture of the future that they are wishing to create. Sharing their experience, knowledge, and skill sets enables stakeholders to first unpack and make sense of the uncertainty (Karami and Read, 2021; Read et al., 2009) and then imagine new solutions and opportunities for building a new future (Kerr and Coviello, 2020; Sarasvathy, 2001).

2.3 Effectual process of mobilizing embedded means for venture co-creation in a community

Following Fisher (2012), we argue that there are several reasons why effectuation theory is useful in explaining the transformation of embedded means within a community into resources. First, effectuation theory explains how entrepreneurs may turn their existing means into valuable resources and gain access to complementary resources. It does so by emphasizing the critical importance of rethinking means and applying a control-oriented approach to building trust and developing commitment among self-selected stakeholders (Sarasvathy, 2001). The effectuation process proceeds commitment by commitment (Sarasvathy and Dew, 2008), enabling the community stakeholders to build trust in the new opportunity and commit their means, including their prior knowledge, life, and work experience, which provides the basis for developing opportunities (Fisher, 2012; Jain and Koch, 2020). Effectuation logic enables community members, as the self-selected stakeholders of the new opportunity, to rethink the means that are embedded in the community and recognize the value of their unused means (Sarasvathy and Dew, 2008). With a capacity to aggregate and share means, communities provide a fertile context for effectual opportunity co-creation (Fisher, 2012). Julien argued the case:

> The milieu is both a place and the collective mechanism that explains and
>
> facilitates various social ties, allowing a collective entrepreneurial spirit to

blossom and providing the basic [means], including information and tools

needed to transform it into knowledge. (2007: 116)

Second, the effectual logic of control implies that entrepreneurs proceed under uncertainty by concentrating on controllable aspects of the environment (Sarasvathy, 2001). The logic of control generates actions that unfold an unpredictable future by building trust and developing commitment within the network of stakeholders (Sarasvathy and Dew, 2008). Trust among the community members triggers learning about the value of their embedded means, which in turn encourages them to commit those means to the new venture. According to Fisher, "entrepreneurs who seek to solve problems by taking action will be more likely to arrive at a workable solution compared with entrepreneurs who seek to solve problems conceptually" (2012: 1042).

Third, effectual partnership plays a critical role in putting all the above elements together and making progress. Partnership has a very fluid implication in effectuation theory. While entrepreneurs begin with their personal network of relationships as one of their existing means, they expand these network relationships by activating social ties, gradually turning them into a business network by developing commitments (Sarasvathy, 2001). Therefore, effectual partnership plays a catalyst role (Kerr and Coviello, 2019) in community-based entrepreneurship (Morrison and Ramsey, 2019). As such, community engagement as a form of social networking is "a catalyst for venture emergence and growth" (Fisher 2012: 1039), and effectuation theory provides a clear lens for explaining this transformation of existing ties within a local community into a strategic resource. Effectual partnership results in pre-commitments with key partners to provide complementary resources and share risks and rewards (Nowinski and Rialp, 2016; Sarasvathy, 2001). These partnership activities result in "negotiated commitments to particular partners, contingencies, and possibilities" (Read et al., 2016: 12). When the local community reaches this point, it plays the role of an enabler, which

increases the level of opportunity confidence among the members of the new venture (cf. Davidsson, 2015).

3 Methodology

To better understand the transformation of embedded means into resources during the venture-creation process in a rural community, we employed a qualitative research method (Yin, 2009). We chose qualitative analysis due to its ability to provide empirically rich and detailed data on a complex and understudied phenomenon, as well as a basis for conceptual development (Yin, 2009). This method helped us better understand and investigate real-life phenomena in which relationships between different events are not evident (i.e., how entrepreneurs deal with emerging opportunities and the types of situations in which they effectuate opportunities) (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). A qualitative approach also enables the flexibility and openness needed to study unexplored phenomena. This is important, as there are no established concepts, hypotheses, or fixed procedures that could be used to develop these conceptual relationships (see Swanborn, 2010). Furthermore, because we have a meager understanding of the process of opportunity creation in rural communities and because several unpredictable events could impact opportunity creation, rich qualitative data allow us to observe these emerging events in a detailed manner (Yin, 2009). A qualitative research method is also suitable because our study deals with a challenging phenomenon, as we needed to collect sensitive, difficult-to-obtain data (Taylor et al., 2015).

3.1 Context of the case study

We selected a homestay business from a rural Malaysian community as the context of our single-case study in order to provide a community-level analysis of how a group of entrepreneurs (as community members) transformed embedded means into resources in the process of new venture creation. This approach provided us valuable insights into a severely resource-constrained setting within which sustainable entrepreneurial opportunity creation has become critically important for local economic development (LED). Therefore, it provided an unexplored context for studying the embeddedness of seemingly useless means and the process through which these means were transformed into valuable resources. Thus, the specific context of this study went beyond business profits and embraced higher objectives, such as "responsibilities toward the community and/or aspirations to tackle large societal problems" (Sarasvathy et al., 2014: 85).

The homestay business is defined as a hospitality business in which guests pay to stay in private homes and interact with the host family (Lynch et al., 2009) to experience the local lifestyle and culture (Acs et al., 2017). Homestays fall under the category of community-based tourism (CBT). It is a form of "local" tourism, favoring local service providers and suppliers, and is focused on interpreting and communicating the local culture and environment (Audretsch et al., 2017). Community-based homestays provide an opportunity for tourism product co-creation, which takes place through close interactions between local service providers and tourists (Vargo and Lusch, 2004). Thus, the co-creation process can be a successful way to develop a new product under uncertain conditions (Read et al., 2009).

Entrepreneurial actions in the context of CBT offer numerous opportunities for LED and the social sustainability of local communities (Si et al., 2015; Wierenga, 2020). New ventures can play a significant role in the economic development of rural areas through the mobilization of means (Bhagavatula et al., 2010; Karami and Read, 2021). In developing countries, such as Malaysia, where approximately 24% of the population lives in rural areas (Statistica, 2019),

tourism plays an important role in elevating the local economy. This role has been negatively affected by the Covid-19 pandemic. Consequently, the Malaysian GDP shrank by 5.6% in 2020 (Anand, 2021). Despite the fact that there are only 222 registered homestays (MOTAC, 2021) compared to 3445 registered hotels in 2020 (CEIC Data, Dec 2020), homestay and CBT ventures will play a crucial role in Malaysian tourism when the pandemic is over.

3.2 Data collection

We collected appropriate and detailed data relating to the rationality of different actions and choices. This required close and confidential discussions with a group of entrepreneurs involved in the establishment of homestay businesses. The second author, who is fluent in the Malay language and culture, had an existing relationship with the communication officer of the community of interest. The officer then introduced the research project to the key entrepreneurs within the community. This relationship increased the entrepreneurs' willingness to participate in the study, represented the homestay business evolution process, and provided access to confidential information.

Having obtained access, we interviewed eight entrepreneurs who had jointly established the Pelegong Homestay business community, all of whom had in-depth knowledge of the community's business development from its establishment to the current state. To interview the key entrepreneurs, we applied the semi-structured interview approach, as it availed opportunities to ask detailed questions within the short time frame allowed for the fieldwork. Although we interviewed individuals, we regarded them as members of a larger community and assessed their roles within the community-based venture. That is, our level of analysis was at the community level.

The interviews focused on four themes: 1) the collectivist culture and sense of community; 2) limited means; 3) new resources; and 4) value creation and new markets. More specifically, we used eight initial questions to address the central research question. Our strategy was to "ease in" each interviewee during the interviews by explaining the background and purpose of the research in an official letter requesting participation, followed by phone calls to arrange interview appointments. The first and second authors conducted the interviews and took notes. The third author was not involved in the interviews, which helped provide an outsider's perspective regarding the collected data and avoid biased theorizing (Gioia et al., 2013).

As the interviews focused largely on the entrepreneurs' past experiences, we followed the advice of Huber and Power (1985) in terms of lowering the risk of biased information and improving the accuracy of the collected data. First, based on recommendations by the community officer, we selected informants who were considered the most knowledgeable entrepreneurs. Second, through our close relationship with the community officer, we were able to encourage the informants to participate and provide accurate information. This was further motivated by promising to ensure their anonymity and telling them how the findings could be used to improve the homestay business. Third, we were able to ask eight of the interviewees to clarify instances of contradictory information from others. Finally, we collected secondary data from documents, newspaper reports, websites, and social media. This data helped us form a chronological overview of the time periods between the different events and provided written documentation of different milestones of the Pelegong Homestay business. The secondary data complemented the interview data and enabled us to form a longitudinal understanding of the phenomenon through information about the venture's past (since its inception) activities, involvements, and achievements in the Malaysia tourism industry. The secondary data were also used during the interviews and data analysis to clarify any possible

inconsistencies and validate the interview data. The actions discussed above were all taken to reduce the risk of retrospective bias.

3.3 Data analysis

We transcribed and analyzed the tape-recorded interviews immediately following the fieldwork, resulting in about 100 pages of text from 10 hours of interview and observation data. We also corroborated the qualitative responses with the secondary data (Miles et al., 2013). As discussed above, the secondary data played an important role in enabling us to organize the data longitudinally and helped form the temporal aspect of the venture's creation.

To maintain the trustworthiness of the qualitative inquiry, we adopted strategies such as confirming the results with the participants (Morse et al., 2002) and member checks (Ratcliff, 1988). Confirming the results with the participants, also known as interviewee validation, was accomplished by engaging in follow-up communication with the respondents. In addition, we selected a range of quotations from the responses to illustrate key features. Member checks were accomplished by running through the data with the communication officer of the homestay (who did not participate in the fieldwork) to confirm the information.

We used thematic content analysis to analyze the reduced and chronologically arranged data (Corbin and Strauss, 2014; Taylor et al., 2015). The first step of the thematic content analysis was coding or creating the initial categories and relationships (Corbin and Strauss, 2014). This step involved three levels of coding—open coding, axial coding, and selective coding. Open coding involves sifting through and comparing or contrasting the transcribed data to identify concepts and their properties and dimensions (LeCompte and Schensul, 1999). It is "the part of the analysis that pertains specifically to the naming and categorizing of phenomenon through close examination of the data" (Strauss and Corbin, 1990: 62). For

example, if one informant said, "We always work together" and another declared, "We have strong leadership," these were compared to ascertain whether they could both be coded as factors initiating the opportunity-creation process. The comparison process continued until all of the coded concepts were refined and cross-referenced with all the data. All the concepts were then grouped and categorized to illustrate the issues being explored in the study. Once categorized, the properties and dimensions of each concept were specified and subcategorized to help better understand the phenomenon (Strauss and Corbin, 1998). Afterward, axial coding was conducted to connect the categories more closely to determine their importance. Strauss and Corbin described axial coding as "a set of procedures whereby data are put back together in new ways after open coding by making connections between a category and its subcategories" (1990: 97). This was followed by pattern analysis to ascertain whether possible themes and patterns could be drawn from the data. In this process, some counting was included to help determine the density and frequency of the categories and sub-categories. For example, we counted how many of the interviewees mentioned the "lack of marketing expertise" as the main challenge faced by the homestay and compared this to a number of other reasons they mentioned in order to determine the real challenge the homestay experienced. This approach helped generate interesting findings and broader conclusions.

We used selective coding to help determine the core category and systematically connect it to the other categories to validate the relationships (Strauss and Corbin, 1990). The two core categories in this study were 1) the factors initiating the opportunity creation process and 2) the challenges involved and how the homestay handled them. We also used a framework approach (Ritchie and Spencer, 1995) to determine meanings, salience, and connections in the interview transcripts. Once completed, the thematic analysis revealed a number of findings, which are discussed below. Finally, we integrated and positioned our empirical findings in effectuation theory and the previous literature on entrepreneurship and developed three

propositions. Here, we followed the recommendations of Eisenhardt (1989), who highlighted the importance of 1) starting the study with no preliminary propositions in order to avoid biased assumptions and 2) iterating empirical findings with a theory to provide testable propositions for further studies.

4 Findings

In this section, we address our research question: *how do entrepreneurs in a small community transform embedded means into resources in the process of new business venture development?* To answer this question, we examined our data in terms of limited means and a general aspiration for a better future (as a starting point), a sense of community, and trust as the mechanism of opportunity co-creation for new venture development within the community. Appendix 1 contains details about these key themes and the mechanism of new venture creation. We begin with background information about the community in order to provide a better picture of the context within which the new venture was co-created.

4.1 Background Information about the Pelegong Homestay Business

Pelegong Homestay is the pioneer of rural community-based ventures in Malaysia. Pelegong is in Negeri Sembilan, a serene rural area that offers a simple lifestyle in a traditional Malay village still rich in Minangkabau traditions. The name Pelegong literally means *paluan gong*, or the sound of a gong. A gong is usually pounded during the opening ceremony of a special event or day. The homestay is a quiet green village near a small waterfall, accessed only by a single-lane road lined by local flowers and traditional wooden or semi-wooden houses. The atmosphere is serene, a perfect escape from busy city life. Being part of the state of Negeri

Sembilan, the people of Pelegong practice the unique Minangkabau culture they inherited from their ancestors from West Sumatra, Indonesia. Minangkabau is considered a unique culture in Malaysia not only because of the costumes and events associated with it but also because it is the only local culture that prioritizes women's rights in inheritance.

The homestay offers many rural life activities, such as freshwater fish farming, baking traditional breads and cookies, and making handicrafts. For youth/student groups, the homestay offers more adventurous activities, such as jungle trekking, camping, and exploring. Visitors can also opt for quiet games of *congkak*, *batu seremban*, and *gasing*. For those who want to experience village life, programs that include tapping rubber trees, fishing, and bathing in the nearby creek are offered.

The homestay is located near the main road of Seremban-Labu, with access to Kuala Lumpur International Airport (30 km), the state capital of Seremban (15 km), Kuala Lumpur (55 km), and a commuter station (2 km) (Majlis Perbandaran Nilai Official Portal, 2016). At the time of the interviews, they had 20 houses and 34 rooms available to visitors, meaning that the homestay could only cater to a limited number of tourists at any given time (see Figure 1).

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Insert Figure 1 about here.

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During the field visit, we observed that the key players of the homestay are few in number. The care and physical maintenance of the homestay is headed by a local leader, with the support of seven committee members trusted with various duties and responsibilities whenever there are visitors. The leader is a hands-on person who does not create a power distance between himself and his committee members or the rest of the villagers. According to one of the interview respondents, "He is really great [as a leader]. He doesn't mind even mowing the grass around the village, though he can order someone else to do so." However,

he is old-aged and his spoken English is limited, albeit his understanding of English is remarkable. The communication between the leader and his committee and the public is entrusted to the gatekeeper, who is the public relations officer of the homestay. The gatekeeper arranges with the committee any outside requests to visit the homestay.

4.2 Intangible means and the sense of community as sources of opportunity co-creation

Figure 2 provides an overview of the most important milestones in the history of Pelegong Homestay. The business was inspired and founded by a local politician named Haji Shah, who represented the town of Labu in the state's assembly in 1996. As the town representative, he had a duty to help develop the local economy and create jobs for locals. Haji Shah was an entrepreneur with the general aspiration to create new jobs and help with the overall economic development of the local community. His previous experience played an important role in forming the initial entrepreneurial idea. However, he had no clear idea of the type of venture that the community would be able and willing to develop. Being an avid traveler, he came up with the village homestay idea based on observations he made during his travels. His tourism experience revealed the new demand for sustainable, authentic, and eco-friendly experiences by tourists across the world. His previous experience allowed him to see the opportunity and envision the link with the unique set of collective means in the community and its potential to provide such authentic experiences to potential tourists.

In his view, the community itself was a remarkable set of embedded means that could be used to create and exploit a new opportunity in the homestay business. However, he was not sure what the final venture would look like nor, more importantly, how to mobilize the embedded means scattered across the community and encourage key community members—as the potential stakeholders of the new venture—to join him and commit their limited means

to it. He needed to convince all the important stakeholders in the community about the potential benefits of the new opportunity for the entire community.

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Insert Figure 2 about here.

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Haji Shah shared the initial idea with the local politician, discussing his understanding of the situation and the potential opportunity to start a new venture. He convinced the politician to communicate his idea to the *Penghulu* (the village leader) of Pelegong, who then discussed it with the village committee, hoping to encourage them to join in with the perspective of economic development for the entire community. Considering the hierarchical structure of the community, whereby leaders are respected by the community, the initial idea and advice provided by the community leader helped convince the key community members—as the potential stakeholders of the venture—to participate in shaping the initial idea and turning it into a business venture. According to one interviewee, "Since the idea came from a respected figure, its progression towards community acceptance was without restraint." The committee agreed with the idea and rallied all villagers to discuss how they could utilize their existing means to turn their village into a homestay tourism destination. They shared their perception of the utility and feasibility of the suggested opportunity, brainstormed the different ways forward, and decided on the programs and who would be in charge (Appendix 1, interviewees A, B, C, and E). Interviewee C showed this point clearly: "[The local politician] gave us this idea because he said he has seen it work in other places [that he had travelled to]. That's why we helped him implement it."

Through their shared understanding of the opportunity and the mobilized collective will, the community members provided the necessary means to undertake the new business, which promised a better future for the whole community. The sense of community and the social

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mechanism of enabling and activating local ties played an important role in providing the necessary means. This sense of community was critical in enabling every member to realize that they had some means to share with the community, which then motivated them to aspire to the better future pictured by the local leader. At the early stages of Pelegong Homestay, the means were organic, consisting simply of the existing residents' regular homes and an empty lot in the village. Culture, teamwork, and the positive approach of the community all acted as important non-financial community means and facilitated the mobilization of means across the community (Appendix 1, interviewees A, C, D, E, F, and G). All these scattered and unutilized embedded means and their potential application for a new business have become meaningful and important assets for the community. The following is a quote from interviewee B, which shows how the business started with the existing scattered and unutilized means of the locals:

We only have our wooden houses, our farms, our ducks, and chickens, so that's what we started with. We have no means [assets to use as collateral] to deal with or get a loan from any banks or lenders. So, we must use only what we have.

Collective sense making of the opportunity played an important role in redirecting and utilizing trust in the community as a mechanism to activate the embedded means in a new direction. The community members relied on a mutual understanding of the situation, means, potential opportunity, and a commitment to progress instead of market analysis or other planned business strategies, capabilities that they certainly lacked at the time. Togetherness and unity played a remarkable role in the opportunity development process. The leader and managing committee of Pelegong Homestay awakened the entire community to the uniqueness of their existing means and encouraged a community spirit and willingness to cooperate, making it easier to progress to the next stage of development. The ambition to progress was facilitated by collective understanding and the desire to succeed using existing means. This accumulation of means and a shared perception of opportunity prompted members from all age

groups to participate wholeheartedly to ensure the development and delivery of a good tourist experience. The entire process illustrated the role of collective culture and trust among the self-selected stakeholders who voluntarily entered the process and partnered with other stakeholders (Appendix 1, interviewees A, E, F, and G). Interviewee A stated, "We are just village people. We are not educated like city people. But when we are united in something [a project], we can do anything."

The community's positive feelings about the opportunity to present their own local culture to visitors served as a unique means to provide a valuable service to visitors. This excitement itself became part of the tourism product and encouraged almost all community members to participate in the business, allowing visitors the unique experience of staying with locals, eating what they eat, and participating in their daily life activities. This was a unique tourism product for visitors wanting a first-hand, direct, authentic, cultural, and eco-friendly sustainable experience. Indeed, it provided a service space in which visitors could co-create a unique experience with the entire community. The value of this tourism experience was clearly captured by two respondents. Interviewee G noted the following:

Each tourist will be allocated a host family with whom he/she will live throughout the stay—kampong style. We just do what we do every day and [the tourist] can just watch or join us. But most of the times, they prefer to join us and try everything themselves.

According to interviewee F:

They stay where we stay, eat what we eat, and even try to help us do things like tap the rubber trees, etc. They seem to enjoy [the experience of doing local activities] very much! Maybe because it's different from what they have at home.

The quality of the experience provided by a homestay depends on the collaborative effort between the homeowners and the homestay leader and among the homeowners themselves. In the case of Pelegong, for example, while the leader takes care of the overall

landscaping and cleanliness of the homestay, each homeowner is responsible for ensuring that their respective homes are clean, beautifully landscaped, and well-equipped with standard facilities. It is also their individual effort, creativity, and genuine hospitality that can make a difference between a pleasant and an unpleasant guest experience. Any unpleasant guest experience in any of the homes could negatively impact the image of the entire homestay. Resource or input sharing is another fundamental requirement of a homestay offering. In a tourist-welcoming ceremony, for example, it is normal to see village folks come together to prepare the arrival hall, donate food items from their homes or gardens to prepare meals, donate money to purchase other essential items, build outdoor cooking space, cook food, serve food, and clean up together. They would also collectively plan and execute cultural programs or events to entertain the tourists during their stay.

Since a homestay experience is essentially a collective community effort, it is expected that any income or revenue that accrues will be fairly distributed among all key players. As stated by interviewee F:

The leader needs to reimburse the expenses of the individual homeowners who hosted the tourists, pay for the overall expenses incurred by the homestay, reward the individual homeowners involved, and add to the homestay's collective savings account.

4.3 Trust as the mechanism transforming intangible means into a new opportunity

4.3.1 Activation of trust within the community

After accepting the initial idea suggested by the community leader, the core members tried to galvanize community support and access more means by involving most community members. The initial success of the new venture further activated trust in the worthiness of the new idea and facilitated its expansion, believing in its promising consequences for their individual and

community economy and social welfare. The activated and increased trust became a central mechanism in encouraging the entire community to participate wholeheartedly and commit their personal means to the process of new venture development. The experience was entirely based on the concept of community and its way of living and seeing the environment. As such, the availability of the entire community and its different means was required to deliver such a rich and unique experience. Therefore, involving more members in the new venture co-creation process was important in terms of adding to the richness of the tourists' experiences. Interviewee G stated, that "As villagers, we always try to ensure that everyone from the local community is involved in any new project." The core members of the new venture considered the inclusiveness of all community members at all levels, as well as integrity, which was based on an activated trust within the community, to be crucial. For example, they invited single mothers and housewives to participate in the business to make their business model more sustainable, both economically and socially. The emphasis on including single mothers and housewives underscores the importance of togetherness and integrity as unique means in this specific context. Interviewee D affirmed:

> *We also have KEMAS[1] to thank because they trained the housewives and single mothers who wanted to host. They taught them how to keep a nice and clean home [for the tourists], how to bake and present traditional goodies, and basically how to deal [or be hospitable] with tourists to make them happy.*

The activated trust resulted in more engagement of community members, which in turn enabled the participants to learn more about the new venture, how it works, and its outcomes for each partner and improved the entire community's economic and social welfare. As a result,

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[1] KEMAS is the national Community Development Department in Malaysia, whose role is to help the government with rural development.

community members became more interested in the new venture and keen to commit more means to it. As interviewee G remarked:

> *We believe in our leader. He knows a lot and has always had our best interest in mind. Plus, I think this [new venture] will be good for us and [could] bring us more money. Poor village folks like us could always use more money.*

4.3.2 Building trust with external enablers

After obtaining the support of the entire community and setting the process in motion, Haji Shah helped by connecting the village initiative with Tourism Malaysia to raise awareness of and promote the project using his previous political ties as a complementary resource to help grow the venture. The initial success of the new venture and the engagement of the entire community played an important role in convincing Tourism Malaysia to pay attention to the venture and provide resources. Tourism Malaysia helped by bringing a group of 30 Japanese youth to Pelegong Homestay. Seeing the positive outcome of their initial collaboration, the community developed more trust and became more committed to expanding the venture. The community's promising efforts aligned with the government's development policy and attracted the attention of the relevant authorities. Due to the successful development of the new venture, five years later, Malaysia's Ministry of Tourism, Arts, and Culture (2019) provided funds to Pelegong Homestay to upgrade the houses to include flush toilets, build a community hall and a performance stage, and upgrade tourist activities to include *cak lempong*[2] and traditional dancing. Furthermore, MOTAC provided some training and education on hygiene and hospitality. According to Liu (2006), this government initiative helped homestays grow and expand by taking advantage of their existing means. The training and new facilities

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[2] *Cak lempong* is a set of gong-based instruments comprising small kettles used in official ceremonies in Malay communities.

provided by MOTAC served as external enablers and resulted in more opportunities to further develop the venture. Tourism Malaysia also helped with marketing the venture both domestically and internationally, thus increasing the marketability of the venture and the number of overseas visitors (Appendix 1, interviewees A, C, D, E, F, and G). According to interviewee F, "We didn't know much about how to market [our homestay business], but Tourism Malaysia helped us in promotion. They put our [homestay's] name on their website and connected us with interested groups. Many groups have come to our homestay through them." Interviewee G stated, "We managed to have tourists from Japan, etc., because Tourism Malaysia promoted our homestay program abroad. This has been very useful to us because we [do not have the means] to market abroad."

4.4 Challenges ahead

As the business evolved, it faced new challenges that called for strategic decisions to proceed and sustain the growth of the venture (see Figure 2). At this stage, the managers of the venture needed to make more systematic decisions to react properly to changes in their environment. Even though the homestay was a fresh idea at the time of its establishment, Pelegong Homestay has seen a rise in competition. Coupled with the lack of a marketing expert within the community, this has led to challenges in sustaining Pelegong Homestay as a successful tourism destination. As stated by the interviewees, they must apply at least some conventional marketing techniques to analyze the market and provide appropriate solutions to address the new challenges imposed by the competition. Interviewee B said, "Lately, business has been quite slow due to competition. Some new homestays are offering similar products at a lower price. It's hard to cope with this actually." Interviewee C asserted, "We realize the business is increasingly competitive, but we are trying to find solutions for this." The issue of competition

is a real challenge for the homestay. Published data show that in Negeri Sembilan (where the case is located), there are now a total of 16 active homestays involving 35 villages, 449 household members, and 713 rooms (MOTAC, 2019). This represents serious competition for Pelegong Homestay. As interviewee D stated, "The [nearby homestay] is more popular now to tourists because their packages are cheaper and include lessons on making traditional dishes. We don't have that [in our packages]." Pelegong Homestay is also grappling with the sustainability of its business. This includes urban migration among the young, the younger villagers' lack of interest in participating in homestay programs, and aging houses and facilities.

The committee members also recognize the importance of new products, such as the "kampung stay," which offers separate accommodations for tourists (as opposed to staying with host families like in homestays). The kampung stay is preferred due to advantages such as privacy and modern accommodation facilities. Hence, to stay afloat, the committee members' main strategies are *to evaluate, educate, influence, and guide.* In other words, they aim to evaluate nearby villages for their potential to join the business to complement what Pelegong offers. They also plan to educate the households of those villages so that they can accommodate visitors and convince the less enthusiastic members of the identified villages to get involved. Finally, they intend to guide the new village homestay participants toward success by continuously monitoring and assisting them in every aspect of their homestay operations. *However, all these initiatives are still in the early phase* (Appendix 1, interviewees B, C, D, and F). According to interviewee A, they "need to expand by including more people [in the program]. [They] want to promote the benefits of joining the homestay programs to housewives, single mothers, and young couples from nearby villages."

The other challenge related to the technological expectations of tourists was the low awareness or understanding of the role of digital services in improving business among the

managers of the Homestay. The core members of the community still prefer to do business the old way. The respondents seemed content with the digital services they had, citing good Wi-Fi access, the ability to develop an interactive website for their homestay, and the ability to use the WhatsApp application for communication. Comments on the homestay's Facebook page and website suggest that these digital platforms have not been fully utilized in marketing Pelegong Homestay. For example, the website is rather static and does not attract too much internet traffic. Potential tourists are not able to do online bookings because the website is not interactive. In addition, both Facebook pages for the homestay have been idle for quite a while: one last posted in 2013 and the other in 2017. Considering that the Facebook algorithm requires active engagement from users, the lack of current postings suggests a lack of understanding of how digital services can be used effectively to expand the homestay business. The most obvious reason observed was the lack of a digital marketing expert who could take advantage of digital services to market the homestay effectively. According to interviewee A:

> *Our Wi-Fi access is good, so we have no problem using WhatsApp, etc. But none*
>
> *of us [the committee members] are very good with Facebook, so we were*
>
> *helped in developing a Facebook profile [for the homestay]. But I think only one*
>
> *is good [i.e., active].*

Interviewee C said, "Old folks like us don't use [social media] that much. So, it is hard for us to [understand how to] use it to promote the homestay. That's why we let younger people do it [for us]." According to interviewee E, "We only use WhatsApp to communicate. We use it a lot because it's very helpful. But no Twitter, Instagram, or anything like that yet."

5 Discussion of findings

Based on our empirical findings and literature review, we explained new venture development by rural communities as a process of entrepreneurial opportunity creation through the lens of effectuation theory (Sarasvathy, 2001). Our study provides an empirical basis for deriving new theoretical insights into the effectual process of entrepreneurial new venture co-creation in rural communities.

5.1 Limited conventional resources and embedded means

The entire process of new venture development in the rural community unfolded with limited conventional resources and was characterized by a lack of knowledge about the value and importance of their existing means. However, when the community members became aware of the potential of their local assets, they realized the value of their existing means and came to believe that they could do something with them (Miles and Morrison, 2020). The awareness and belief made the locals mindful of their unity, togetherness, and other unique means (Pret and Carter, 2017) related to the nature of the community in which they were embedded (Jack and Anderson, 2002). This is an important point that does not feature clearly in effectuation theory, which was originally an individual-level theory. The idea is that all these means are seemingly useless individually, and their importance depends on the realization of their potential value and accumulation as an integrated whole. The community's reimagination of what it had at its disposal made every member mindful of the value of their collective means. Although effectuation theory discusses the collective imagination of a future and the shared means (Kerr and Coviello, 2020), it does not provide a clear description of the community-level shared imagination and understanding of intangibles means. Our findings add to the richness of effectuation theory by taking it to the community level of analysis.

The basic tenet in effectuation theory is not limited resources; rather, it is about means orientation versus ends orientation, the perception of existing means, and the way entrepreneurs put their existing means into action (Read et al., 2016; Sarasvathy, 2001; Wierenga, 2020). Our findings reveal how a local community can integrate its scattered, seemingly useless means and assign value to those that might appear useless individually. The community is important in this argument, as any of the intangible means deemed useless at the individual level become valuable only when considered at the aggregate level of a community. Taking effectuation to the community level provides fertile ground for elaborating the basic tenet of means-orientation because, in the community, means are embedded (Jain and Koch, 2020) and it is not easy for community members to note the importance of their existing individual and social means unless they are activated and mobilized (Jack and Anderson, 2002; Karami and Read, 2021).

We argue that the rural community's lifestyle, collectivist culture, authentic respect for its leader, and sense of inclusiveness and unity are the unique existing means utilized at the community level (Fisher, 2012) to trigger an effectual process of opportunity co-creation. In other words, while the perception of *who I am, what I know, and whom I know* served as important means, the realization of the potential importance of these existing means for any individual member of the community happened only as a member of an aggregated whole (Appendix 1, interviewees A, C, D, E, F, and G).

5.2 Trust as a mechanism for mobilizing and transforming means into valuable resources

In collectivist communities, trust plays a critical role in communicating about new venture ideas, sharing understandings about new ideas, and mobilizing existing individual and social means toward developing these ideas into new business ventures (Morrison and Ramsey, 2019). A sense of community is a unique means embedded within a community that facilitates

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members' daily life activities. The collectivist culture can explain the type and quality of relationships in a community and the importance of in-group respect and trust (Hofstede and Hofstede, 2005).

Using the effectuation lens and our findings, we argue that the community's trust-based culture plays a key role in the mechanism that transforms embedded means into new resources (Audretsch et al. 2017; Read et al., 2016) (Appendix 1, interviewees A, E, F, and G). This is an important finding that adds to effectuation theory's conceptualization of trust. Effectuation theory talks about "intelligent altruism" as a "rational strategy" in the formation of a new network (Sarasvathy and Dew, 2008: 729). Effectuation does not predict or assume trust among stakeholders (Sarasvathy and Dew, 2008); however, we argue that at the community level, there is an organic trust already embedded in the community and it only needs to be realized and activated. This finding is in line with what effectuation theory says about network as the initial means and partnership as a mechanism (Kerr and Coviello, 2020). The organic trust within the community becomes a way of mobilizing embedded means when activated by an entrepreneur. This is in line with Fukuyama's (1996) argument that high-trust communities facilitate commitment building and the sharing of individual means. When the shared perception is shaped and the intangible means are activated and aggregated through the central mechanism of trust, they become important, unique resources (Read et al., 2016) that are valuable, rare, and non-copiable at this stage because of their high context and path dependency (Alvarez et al., 2001). At the level of community, there is no need to form a new network; the network already exists, and trust is the key mechanism that determines every member to share their means with the community.

5.3 Building trust with external enablers for accessing new resources

As revealed in our analysis, and in line with the literature, after developing the venture and introducing it to the domestic market, the new venture gained access to external resources by presenting itself as a successful venture that contributes to the local economy (Sheng et al., 2011; see Appendix 1, interviewees A, C, D, E, and G). We argue that external circumstances can facilitate entrepreneurial endeavors (Davidsson, 2015). For instance, our findings revealed that the local government and related public institutions can serve as external enablers for a rural community-based venture by facilitating the new venture development process (Davidsson, 2015). The activation of political ties can also be considered a *win-win* situation, as community-level entrepreneurship matters due to the importance of LED to the political and economic development agenda.

We argue that there is a different mechanism at work for building trust with external actors. There was no organic trust at this level; rather, the community and its successful performance worked as a signal of trustworthiness of the community in creating LED. The successful performance resulted in a positive image of the external enablers and made them active members of the community-based new venture. Trust building with external enablers has a different nature than trust activation within the local community. Building trust with external enablers is a result of the successful performance of community-level entrepreneurship, which influences the external actors' subjective evaluation of the situation (Davidsson, 2015) and encourages them to trust the local community's aspirations and capabilities in the further development of their business venture. This is in line with Sarasvathy and Dew's (2008) conceptualization of trust as a *rational strategy.*

External ties can help further develop the new venture (Davidsson, 2015) in different ways. For example, they may provide specialized training on product and market development to make the product more appropriate for international markets. External ties may also provide important domestic market extensions and new international market entry opportunities

(Johanson and Vahlne, 2009; Ojala, 2015). These new opportunities provide more learning opportunities for the community to further improve the venture and make it more enjoyable for potential domestic and overseas customers. As argued by Vahlne and Johanson (2017), trust results in commitment development between the parties, which in turn leads to more learning. This virtuous and dynamic circle leads to more support for the local business (see Appendix 1).

6 Theoretical implications

This study contributes to community-level entrepreneurship research by applying effectuation theory to illustrate the social process of new venture co-creation. Effectuation theory illustrates the contextuality of entrepreneurial cognition and actions and elaborates on the key role of activated trust in mobilizing embedded means in such context. We also contributed to effectuation theory by addressing the important unanswered question of "what it takes to transform means into resources and explaining to what extent resources are a constraint on or an enabler of opportunities" imposed by Read et al. (2016: 532). We addressed this question in the less studied context of rural community entrepreneurship (Acs and Kallas, 2008).

Our work reveals how effectuation theory can be applied to explain the role of organic trust as a mechanism through which initial means are transformed into valuable resources in the process of new venture co-creation in a rural community context. We also found that trust already exists in a community and needs to be activated, whereas effectuation theory considers trust development to be a rational strategy (Sarasvathy and Dew, 2008). This is an important contribution which reveals that "community business entrepreneurship […] is similar to, but distinct from, the traditional entrepreneurial process" (Johnstone and Lionais, 2004). We also extend individual-level ideas from effectuation theory to the community level. This is

important because when we take effectuation theory to the community level, the concept of embedded means becomes critical. In effectuation theory, the means existing at the beginning of the process do not need to be rare, valuable, or uncopiable (Read et al., 2009). Therefore, effectuation theory takes a pragmatist view and seeks mechanisms that transform existing personal and social means into valuable resources in the process of new venture creation.

By extending effectuation theory to community entrepreneurship, we contextualized the theory in a different environment (Acs and Kallas, 2008; Johnstone and Lionais, 2004; Lyons et al. 2012). Moreover, regarding the specific context, we have addressed the central questions in entrepreneurship research regarding *how, by whom, and with what effects* entrepreneurial opportunities are developed (Shane and Venkataraman, 2000; Zahra et al., 2014). Context matters, as it can facilitate or restrict new-venture-creation activities (Mair et al., 2012; Pret and Carter, 2017). Extending theories to different contexts is important because it influences decision-making (Shepherd, 2011) by "linking observations to a set of relevant facts, events or points of view that make possible research and theory that form part of a larger whole" (Rousseau and Fried, 2001: 1). This is an important contribution because contextualization is a critical step in refining effectuation theory (Dew and Sarasvathy, 2008; Read et al., 2016).

7 Practical implications

Our findings have important implications for policymakers in terms of supporting community-based ventures and contributing to the sustainable development of remote and rural regions. Policymakers can play a critical role in taking rural community-based ventures to the next level by providing complementary resources in a timely manner. Our findings indicate that local community-based ventures need to access more resources to scale up after their inception and advance to the growth stage. Rural communities need to get marketing and financial support

from local and federal governments to be able to continue growing. Policymakers should also proactively deal with these kinds of innovative organizational entities by easing the process of regulatory approval for new rural ventures (Acs et al., 2009).

Our findings are also useful for practitioners in the tourism and hospitality sector to better understand the mechanisms through which rural communities can transform their existing personal and socially embedded means into valuable resources and mobilize them to develop new ventures. Our work provides a holistic view of the processes that take place in rural communities, including important factors, players, and relationship dynamics. By applying these findings, practitioners can understand where to start, how to expand and strengthen their ties, and how to transform the embedded means of "communityship" into valuable resources.

We also reveal how the leaders of communities of different types should revise their understanding of resources—that they are not simply financial or other conventional assets (Miles and Morrison, 2020). Embedded means can be transformed into valuable resources through the effectual process of mobilizing means. The sense of rural community and unity, the organic trust in a community, the authentic respect of a community's leader, and other community-based means can become critical resources for rural communities if identified and properly utilized (Mitra and Basit, 2021). The collective trust and commitment to a common aspiration can mobilize other means and make them accessible for utilization in the new-venture-creation process.

8 Limitations and future research directions

The primary aim of this study was to apply and further develop effectuation theory in the context of rural community entrepreneurship and venture creation. The aim was not to

generalize the findings as such but to create preliminary theoretical insights for further empirical testing. Thus, future studies could go a step further and compare rural community-level entrepreneurial opportunity development in different contexts, preferably between developed, emerging, and developing economies. Researchers can consider institutional differences in their comparative studies and investigate how these differences influence the transformation of effectual means. By comparing community-based ventures from different contexts, future research can illuminate the influence of some important factors, such as national culture and the level of economic development. To motivate further study in this area, we have provided some important constructs related to effectuation theory in the context of community entrepreneurship.

Although our primary contribution is theoretical, we acknowledge that our study has some empirical limitations. Even though we took several actions to mitigate the impact of the low number of interviews and small cross-sectional data set (as explained in the data collection section), these can be seen as clear weaknesses of this study. This is especially true within the constraints of time and accessibility during the data collection. However, we tried our best by fact-checking and validating vague or questionable issues from the interviews with secondary data (reference materials) and follow-up calls with the interviewees (member checks). These strategies are in line with Lincoln and Guba's (1990) recommendation that specific strategies be used to attain trustworthiness, including referential material adequacy and member checks. We believe that our preliminary findings within this context will help further studies collect richer data sets. Especially real-time longitudinal investigations would provide much more detailed data and avoid retrospective bias when further examining effectuation theory and especially transformational mechanisms. Even though real-time longitudinal studies might be difficult to implement, they could shed light on different aspects and stages of the new-venture-creation process, provide valuable insights about how initial

means are transformed into new resources, and enable a more detailed examination of the

actions taken by individuals. However, we hope that our findings can be used as a base for

future real-time investigations with larger sample sizes.

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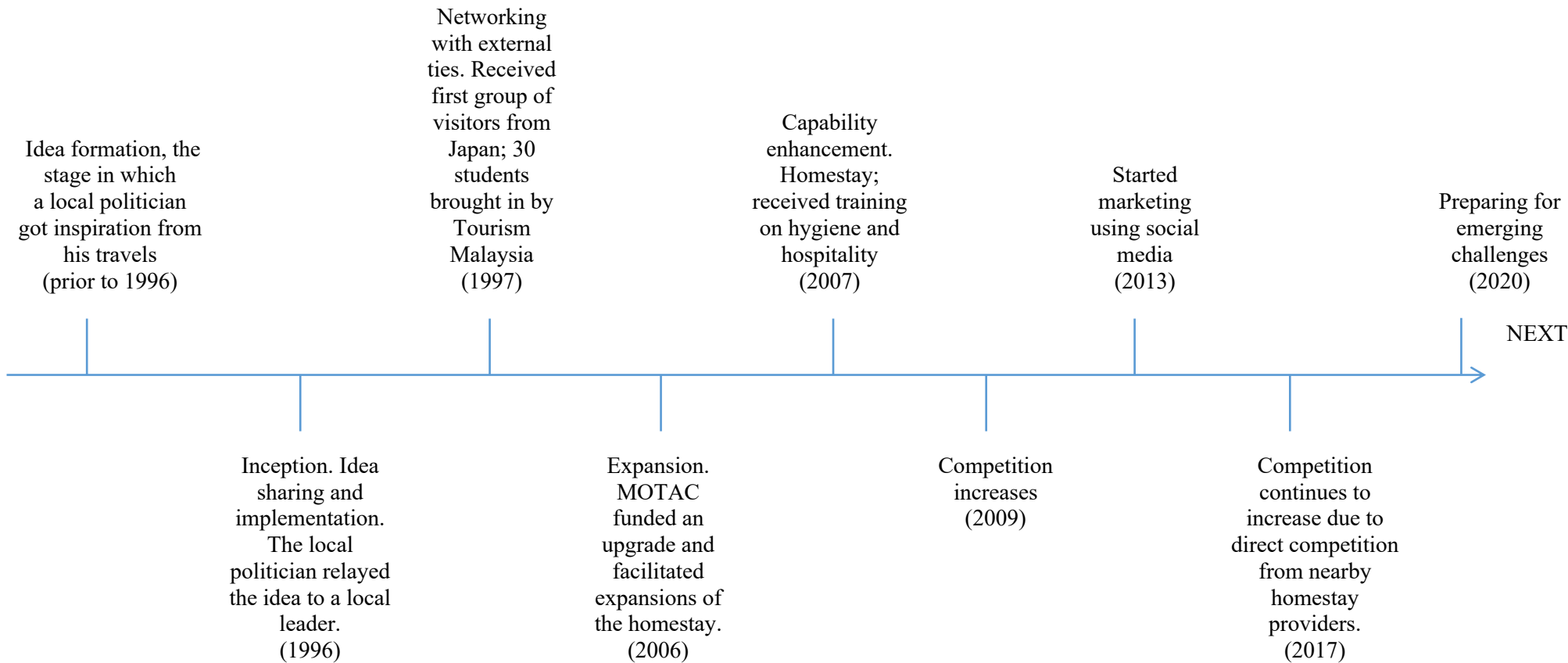
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Figure 1. The data collection site

Figure 2. Key milestones

Appendix 1. Background information and illustrative quotes						
Interviewee	**Demographics**	**The collectivist culture and sense of community**	**Limited resources**	**New resources**	**Value created and new market**	**Challenges ahead**
A	Male Late 50s Malay High school	"It was Haji Shah who initiated the idea. He was a well-respected leader, so we followed his advice." "We are just village people. We are not educated like city people. But when we are united in something [a project], we can do anything."	"We were told they [the tourists] wanted to see how we live, so we didn't do anything new. Just used what we have."	"Tourism Malaysia gives us funds for upgrading the toilets, so tourists are happier because they feel more comfortable."		"Our Wi-Fi access is good, so we have no problem using WhatsApp, etc."
B	Female Early 50s Malay High school	"We trusted [Haji Shah] with our lives. He is very wise, and he travelled a lot."	"We only have our wooden houses, our farms, our ducks, and chickens so that's what we started with."			"Lately, business has been quite slow due to competition. Some new homestays are offering better products at a lower price. It's hard to cope with this actually."
C	Male Early 50s Malay High school	"Haji Shah gave us this idea because he said he has seen it work in other places [that he travelled to]. That's why we helped him implement it."	"I organized the youngsters who play *Kompang* to play whenever a group visited. They [the tourists] love the upbeat sound [of the music played].	"Certificate of fitness was given to households that successfully complied with their standards. That helped ensure all the host families take care of their comfort."		"We realize the business is increasingly competitive, but we are trying to find solutions for this."

Appendix 1. *continued*						
Interviewee	**Demographics**	**The collectivist culture and sense of community**	**Limited resources**	**New resources**	**Value created and new market**	**Challenges ahead**
D	Female Mid-50s Malay High school			"We also have KEMAS to thank because they trained the housewives and single mothers who want to host." "There was excitement in receiving and sharing our culture with the tourists. That's why all community members participated, especially during the first few years of the program."	"There was excitement in receiving and sharing our culture with the tourists. That's why all community members participated, especially during the first few years of the program."	"We need more people to participate in the program because the young people are no longer interested, and most have moved to the city. So, we are thinking of reaching out to neighboring villages to find people interested to host [tourists]."
E	Female Late 40s Malay Bachelor's degree	"When the village leader asked us to discuss Haji Shah's idea, we started a committee to discuss how to implement it." "Our *penghulu* [village head] is very smart, and we love him and his leadership. So, whatever he says, we follow."		"Before we can include new people in the program, we need to make sure they are ready first, especially from the hygiene and quality service point of view. We will need to train them."	"We managed to have tourists from Japan, etc., because Tourism Malaysia promoted our homestay program abroad."	

Appendix 1. *continued*						
Interviewee	Demographics	The collectivist culture and sense of community	Limited resources	New resources	Value created and new market	Challenges ahead
F	Male Mid-50s Malay High school	"Being united and together in any issues have always been in our blood. So, when the village leader asked us to discuss the [homestay business] idea, we got organized and discussed it."	"They stay where we stay, eat what we eat, and even try to help us do things like tap the rubber trees, etc."	"We didn't know much about how to market [our homestay business], but Tourism Malaysia helped us with promotion."	"They stay where we stay, eat what we eat, and even try to help us do things like tap the rubber trees, etc." "We didn't know much about how to market [our homestay business], but Tourism Malaysia helped us with promotion."	"The costs [of doing business] have risen now. So, we are thinking of increasing the price [of packages]. But this is hard if other [competitors] can offer better value at lower costs."
G	Male Mid-50s Malay High school	"I think everyone in the village is proud [of the village] and wanted to share it [with tourists]. So, whenever we needed to do something [for the homestay program], everyone helped, even the youngsters." "As villagers, we always try to get everyone from the local community involved in any new project."	"Each tourist will be allocated a host family, with whom he/she will live throughout the stay—*kampong* style."	"I think the training that INFRA did for us was useful because they taught us about quality and hygiene and how to give good service."	"Each tourist will be allocated a host family with whom he/she will live throughout the stay—*kampong* style."	