

Investigating green startup financing for tourism villages

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Abstract: Investigating green start-up financing in Bali's growing tourist settlements is the goal of this project. The goal of green start-up financing is to safeguard the viability of the tourism industry by advocating for environmental protection. Despite the fact that preserving businesses depends on this issue, not all investors have a green issue as their primary objective when starting a firm. In-depth interviews and questionnaires are used to gather data in two stages. A questionnaire was made using the findings of the qualitative analysis and given to the manager of the tourist town. Out of 100 managers, 80 have responded to surveys that were mailed and distributed by email. Descriptive statistics were used to analyze quantitative data. According to the findings of a qualitative study, green start-up financing has not yet started to support the environment when issues with economic improvement develop. In terms of percentages, the tourism village manager agrees with 65% of respondents that institutional entrepreneurship, environmentally friendly products and services, product and service features, reputation, customer types, innovativeness, entrepreneurial motivation, market origination, and company growth are all important aspects of green start-up finance. The findings of this study give managers a broad perspective of numerous issues related to implementing green start-up financing, and they are essential to sustaining sustainable village tourism. These outcomes may be developed further by linking.

Keywords: sustainable tourism, tourist village, investigating green start-up

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Introduction

The study looked at green startup funding in relation to sustainable travel, particularly the creation of a destination. Community-based tourism (CBT), collaborative destination marketing (CDM), and strategic destination branding (SDB) are a few approaches for developing destinations sustainably (Tasci, Croes, & Villanueva, 2014). These three ideas all have the same intention for the neighborhood, which is to raise the morale and quality of life of the residents (Goodwin & Santilli, 2009; Hall, 2008; Sebele, 2010; Stone & Stone, 2011). This kind of model, known as Village Tourism Destination (VTD), was also created in Bali and is built on a peaceful culture (THK). With its ecological idea, THK-based VTD development sets itself apart from global CBT development. To achieve green growth 2050, up to 100 VTD are starting up (Astawa, Ardina, Yasa, & Parnata, 2018; Astawa, Triyuni, & Santosa, 2018; DeLacy, Lipman, & Law, 2014; Law, De Lacy, Lipman, & Jiang, 2016). A startup is a creative company with high risk and high growth that frequently needs a sizable amount of outside capital (Cable, 2010). The majority of self-funded "bootstrap" start-ups are in their first stages (Cole, 2009). Friends, family members, and employees could act as start-up businesses' informal investors (Alden, 2011).

One form of green startup that participates in the larger sustainable entrepreneur community is one that develops goods and services that have a positive influence on the environment (Bergset & Fichter, 2015). Entrepreneurs themselves may not necessarily be driven by sustainability, and a "unintentionally green" start-up whose environmental benefits are their

byproducts rather than their primary objective can result (Bergset & Fichter, 2015; Schaltegger & Wagner, 2011). Previous studies' findings on green start-up finance have been inconsistent, leaving a gap that needs to be filled by a thorough investigation of the topic of VTD development in Bali and comparison to existing theories in order to develop a new green start-up financial model and aid in the establishment of green entrepreneurs.

Methodology

The investigation was carried out in two stages (Bergset, 2017). Five tourism village managers were interviewed in-depth in the first stage, and the interview materials were obtained from Bergset (Glaser & Strauss, 2017). For each informant, the interview lasted an average of 50 minutes. then matched the interview results to the theories (Miles & Huberman, 1994). Data were analyzed using Miles and Huberman's work (Sugiyono, 2014), and the output was used to develop a questionnaire that was sent to 100 tourism village officials in Bali who were launching green businesses. The remaining surveys weren't completed, leaving only eighty that could be processed in descriptive statistics (Frederking, 2011). questionnaires with a cover letter, a title, a mechanism for responding, and contents distributed through email and mail. Bergset research (Frederking, 2011) was cited in the questionnaire materials' five-point Likert scale: The scales were developed based on the findings of a qualitative investigation and are as follows: 1 = STS (strongly disagree); 2 = TS (disagree); 3 = RR (average); 4 = S (agree); and 5 = ST (strongly disagree). Ten factors were taken into consideration: innovativeness, entrepreneurial motivation, market orientation, corporate growth, strategic issue, institutional entrepreneurship, local culture, and environmentally friendly goods and services. Surveys have undergone validation and reliability testing and have been deemed valid.

Results and Discussions

Results

Table 1 provides an explanation of the findings of the in-depth interview on green start-up funding..

Table 1. Green Start-Up Funding

No	Characteristics	Specification
1	Environmentally friendly products/ service,	Do not contain plastic materials (VTD1,VTD2,VTD3); tools and equipment made from natural materials (VTD4,VTD5).
2	Product/service features	Have service standards (VTD1, VTD2), nature, art, and culture are accordance with the village condition (VTD3,VTD4, VTD5).
3	Reputation	Villages selected have good reputation in Bali (VTD3,VTD4, VTD5), tourists give good opinion on villages (VTD1, VTD2).
4	Customer types	Most guests come from Europe who have environmental awareness (VTD1, VTD2, VTD3,VTD4, VTD5).
5	Innovativeness	Agro tourism (VTD3,VTD4), natural-based culinary tourism (VTD1,VTD2, VTD5)
6	Entrepreneurial motivation	Village-owned enterprises (BUMDES) (VTD1, VTD2, VTD3,VTD4, VTD5).
7	Market orientation	Global market (VTD1, VTD2), guests enjoyment is the main concern (VTD3,VTD4, VTD5).
8	Company growth	Village economic improvement (VTD1, VTD2, VTD3,VTD4, VTD5).
9	Strategic issue	Indonesian government programs (VTD1,

		VTD2, VTD3, VTD4, VTD5).
10	Institutional entrepreneurship	Village-owned enterprises (BUMDES) (VTD1, VTD2, VTD3, VTD4, VTD5).
11	Local culture	Vertical and horizontal harmonization (VTD1, VTD2, VTD3, VTD4, VTD5).

According to the findings of the qualitative research, the government and outside parties provided funding for green start-ups, and the development of the rural economy was the first issue to arise (Cable, 2010). However, a fascinating fact was the implementation of cultural preservation measures in rural areas. The attainment of sustainable tourism was accelerated by the combination of the two factors. The lack of collateral caused the funding procedure for early establishment to become problematic in earlier research (Cosh, Cumming, & Hughes, 2009; Kerr & Nanda, 2009; Megginson, Lucey, & Smart, 2008; Nitzsch, Rouette, & Stotz, 2005; Starobom, 2013), but this did not happen in VTD. The research's findings provide fresh information regarding how start-up regions evolve in contrast to earlier studies. Local culture was also utilized as a solid foundation for the development of start-up destinations. Environmentally friendly products/services, product/service features, reputation, customer types, innovativeness, entrepreneurial motivation, market orientation, company growth, strategic issue, and institutional entrepreneurship that support a research by Bergset were other characteristics that contributed to the development of green start-up finance (Bergset & Fichter, 2015). Regarding the use of local cultural elements as the primary foundation to establish sustainable tourism businesses, the research was unique.

Discussions

Since the government is focused on the development of sustainable tourism, the tourism village is the primary product that has been developed into an international product (Vickers & Lyon, 2014). The program incorporates environmental aspects like agrotourism and is also an innovative work (Freimann, 2005; Linnanen, 2005; Nicholls & Pharoah, 2008). Table 2 provides an explanation of the data processing's outcome.

Strong local culture helped green start-ups, as shown in Table 2, where the administrators' reaction was closer to strongly approve. A new discovery in the creation of green start-ups to protect the world from numerous pollutions is the outcome. Additionally, the Indonesian government did a good job of addressing the problem of global warming by combining elements of green start-up finance, which combines institutional entrepreneurship, local culture, innovativeness, entrepreneurial motivation, market orientation, company growth, and environmentally friendly products and services. These activities were distinct from earlier research, which simply touched on the subject in passing. There have been studies that focused on business motivation derived from the commercial side effects of moving toward environmental support (Panapanaan, Bruce, Virkki-Hatakka, & Linnanen, 2016; Prahalad & Hammond, 2002) or started with green-oriented consumer targets (Parrish, 2010).

Table 2. On funding for green start-ups, the participant responds.

No	Characteristics	Average Respondents' Response
1	Environmentally friendly products/ service	4.42
2	Product/service features	4.52
3	Reputation	4.46
4	Customer types	4.45
5	Innovativeness	4.58
6	Entrepreneurial motivation	4.41
7	Market orientation	4.57
8	Company growth	4.56
9	Strategic issue	4.47
10	Institutional entrepreneurship	4.54
11	Local culture	4.59

The research findings contributed to the field of entrepreneurship science by present-

ing low-cost tourism destination businesses that are the consequence of effective government, company, and local community engagement. To produce a more precise green start-up model, the research might be improved by enhancing the analysis process utilizing structural equation modeling. The advancement leaves a hole for further research by including green economics.

Conclusions

Green start-up financing is created based on local culture by advocating harmony between the vertical (God) and horizontal (nature and humans), with the government acting as the funder to inspire people to pursue sustainable tourism. Inadvertently, the activities were green in nature and it seemed as though they were emerging concurrently with tourism activities since green start-up happens as a community culture. VTD was adopted as a model for CBT development and contributed to the preservation of the environment because it was backed by a local culture that promoted environmental protection. Managers can exploit the novelty of the green start-up finance model developed by VTD as a marketing tactic to enhance the green reputation that is currently gaining international attention.

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