

# EXPLORATION OF THE IMPACT OF THE INCREASING PRESENCE AND INTERVENTION OF FOREIGNERS ON THE LOCAL ACCOMMODATION BUSINESS COMMUNITY IN AHANGAMA, SRI LANKA

Karunaratna, K.G.A.G.H.<sup>1\*</sup> and Priyankara H.P.R.<sup>2</sup>

<sup>1,2</sup>*Department of Business Management, Faculty of Management Studies,  
Sabaragamuwa University of Sri Lanka, Belihuloya, Sri Lanka*  
*[\\*kgaghkarunaratne@std.mgt.sab.ac.lk](mailto:*kgaghkarunaratne@std.mgt.sab.ac.lk)*

## 1. Introduction

Ahangama, a popular Sri Lankan coastal town, attracts tourists with its beautiful beaches and surf breaks. Foreigners have been increasingly involved in accommodation businesses in Ahangama, through direct ownership, co ownership with locals, and long-term leases of properties. However, there is a dearth in research on the impact of the increasing presence of foreign-owned hospitality businesses on the local accommodation business community in Ahangama, Sri Lanka. The main objective of this qualitative study was to explore the impact of the foreigner's intervention on the local accommodation business community in Ahangama. The study contributes to the existing body of literature, offering a valuable case study for other destinations facing similar challenges.

## 2. Research Methodology

The study adopts an interpretivist philosophy to explore the subjective experiences of local accommodation business owners, who are providing short term lodging in Ahangama, Sri Lanka. An inductive approach was used and particularly, case studies are chosen to capture rich, detailed perspectives. Convenience sampling was used to select 9 participants, and semi-structured interviews are conducted to gather data. Thematic analysis was then used to identify and interpret patterns within the collected data.

## 3. Findings and Discussion

The analysis revealed that foreign investment uplifts the economy. However, local accommodation businesses struggle due to increased costs and competition. Further, foreign intervention has created opportunities to be innovative and identify niche markets.

## 4. Conclusion and Implications

The findings suggest positive and negative impacts on local accommodation businesses.

**Keywords:** Local accommodation, Ahangama, Sri Lanka, Foreigner's intervention