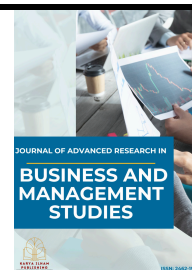




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Developing an Orange Economy Mapping Framework for Sustainable Homestays in Sabah, Malaysia: A Conceptual Paper

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ABSTRACT

This study aims to develop and validate an Orange Economy Mapping Framework for sustainable homestay performance in Sabah, Malaysia. The Orange Economy is formally recognised in the 13th Malaysia Plan (13MP, 2026–2030) as a strategic thrust under the MADANI Economy framework, reflecting the federal government's intent to position the creative economy as a key driver of national growth. The framework conceptualises the Orange Economy as a development pathway through which homestay entrepreneurs transform cultural heritage, creativity, local knowledge, and intellectual property into products, services, and experiences that generate economic and social value. Although Malaysian homestay programmes possess substantial cultural and community resources, previous studies have predominantly examined tourist experiences, operational challenges, digitalisation, and sustainability, with limited attention given to the systematic identification and measurement of Orange Economy practices within community-based homestays. Theoretical frameworks are grounded based on resource-based view (RBV), this research also proposes a framework comprising six dimensions: cultural and creative resources; creative products and services; participatory creative experiences; storytelling and cultural interpretation; digital creative capability; and community co-creation and inclusion. A survey questionnaire development design will be employed, involving literature-based item generation, expert content validation, pre-testing, pilot testing, and a quantitative survey of entrepreneurs participating in Sabah's official homestay programme. Data will be collected using a structured questionnaire and analysed through partial least squares structural equation modelling (PLS-SEM) using SmartPLS 4. The analysis will assess the framework's measurement properties and examine the relationship between the Orange Economy framework and sustainable homestay performance. The proposed framework is expected to provide a theoretically grounded and practically applicable instrument for mapping creative-economy practices, identifying capability gaps, and guiding targeted interventions in Sabah's homestay sector. The study supports Sustainable Development Goal (SDG) 1 (No Poverty), SDG 4 (Quality Education), and SDG 17 (Partnerships for the

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Goals), and aligns with the Sabah Maju Jaya 2.0 (SMJ 2.0) agenda. The findings are expected to assist government agencies, Sabah homestay associations, and local universities in designing targeted financial assistance, training, and knowledge-transfer initiatives that strengthen collaboration, creative capabilities, and the sustainable development of homestay communities.

1. Introduction

This study aims to develop an orange economy framework for sustainable homestay performance in Sabah, evaluate its applicability into the homestay industry, and examine the relationship between the orange economy framework and sustainable homestay performance. The respondents are homestay entrepreneurs who operate homestay businesses under the homestay programme in Sabah, Malaysia. The Orange Economy is formally recognised in the 13th Malaysia Plan (13th Malaysian Plan, 2026–2030) as a strategic thrust under the MADANI Economy framework, reflecting the federal government's intent to position the creative economy as a key driver of national growth [1]. This inclusion signals a paradigm shift in Malaysia's economic policy, recognising the creative and cultural industries as a substantive driver of high-growth, high-value economic output, rather than merely a social or cultural initiative. Furthermore, the government projects that Malaysia's orange economy will contribute approximately RM32 billion to the national Gross Domestic Product (GDP) by 2030 [2]. The importance of orange economy encompasses cultural and creative activities through which ideas, talent, knowledge, heritage and intellectual property are transformed into products, services and experiences with economic and social value [3,4]. Understanding these trends is crucial for researchers, policymakers, and industry practitioners seeking to foster sustainable homestay performance and creative industries in Malaysian regional contexts. The orange economy is also commonly used as a regional policy label for the creative economy, encompassing cultural and creative industries whose value derives from creativity, cultural heritage and intellectual property [3]. We can conclude that the orange economy places particular emphasis on the productive and commercial mobilisation of the cultural and creative assets underpinning homestay strengths. Its principal inputs are therefore not limited to physical resources; they also encompass cultural expression, community identity, creativity, traditional knowledge, and innovation. This perspective is especially relevant to community-based tourism (CBT). In contrast to conventional accommodation businesses, community-based homestays are embedded in the everyday life, culture and environment of host communities. Their potential value extends beyond the provision of rooms to include local cuisine, crafts, music, dance, agriculture, oral histories, indigenous knowledge and host guest interaction. Creative tourism strengthens this potential by shifting tourism consumption from passive observation towards participation, learning and co-creation [5,6]. Integrating the Orange Economy framework into the homestay industry is beneficial because it provides homestay entrepreneurs with a structured pathway to convert intangible cultural assets such as local traditions, culinary heritage, craftsmanship, and storytelling into marketable products and experiences capable of generating direct income. This transformation process not only diversifies revenue streams for homestay entrepreneurs but also contributes to the broader growth of Sabah's creative and tourism related industries by positioning cultural heritage as an economic asset rather than a static resource. As more homestays adopt this approach, the cumulative effect strengthens Sabah's positioning within the national Orange Economy agenda, supporting job creation, rural entrepreneurship, and destination differentiation in an increasingly competitive tourism market.

Sabah provides an ideal context for this investigation, given its cultural diversity, indigenous traditions, rich biodiversity, and robust community-based tourism sector. This study also aligned with The Sabah Maju Jaya 2.0 roadmap for 2026–2030 emphasises competitiveness, productivity, economic value, quality tourism products and progress towards ASEAN tourism standards [7]. At the national level, the Thirteenth Malaysia Plan similarly prioritises value creation, innovation, inclusive development and higher-value economic activities [1].

The study supports the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty) through local income opportunities, SDG 4 (Quality Education) through skills development and knowledge transfer, SDG 8 (Decent Work and Economic Growth) through entrepreneurship, and SDG 17 (Partnerships for the Goals) through stakeholder collaboration [8]. These policy connections establish the practical relevance of this research. Nevertheless, policy relevance alone does not clarify how the Orange Economy framework can be integrated into and operationalised within the homestay industry, nor how such practices should be measured. A contextually grounded framework is therefore required to assess Orange Economy framework within the homestay context.

1.1 Problem Statement and Research Gap

Research on Malaysian homestays has produced valuable knowledge about visitor experience, authenticity, community participation, digital adoption, innovation and sustainability. For example, Malaysian studies have examined experiential value in homestay visits [9,10], cultural landscapes and authenticity [11,12], digital marketing and technology adoption [13-16], and product, service, marketing, management and process innovation [18]. A systematic review from previous study demonstrates the importance of economic and sociocultural in rural homestay development [19]. However, these streams of research remain fragmented. They address individual aspects of homestay development but do not provide an integrated framework for identifying the extent to which homestay operators mobilise cultural and creative assets as part of the Orange Economy or creativity economy. Consequently, the presence of cultural resources is sometimes treated as equivalent to creative-economy participation, even though resources generate limited economic value when they are not interpreted, transformed, packaged, communicated and co-created with relevant stakeholders. The gap is particularly important in Sabah. The state possesses extensive cultural and natural resources, yet there is limited empirical evidence showing how these resources are converted into differentiated homestay products, participatory experiences, stories and digital content. There is also no validated mapping instrument that can help homestay entrepreneurs, coordinators and policymakers distinguish between the possession of cultural assets and the capability to transform those assets into sustainable community value. Without such a framework, capability gaps are difficult to diagnose, support programmes are difficult to target and comparisons across homestay programmes remain largely descriptive. This study addresses the gap by developing and validating a multidimensional Orange Economy Mapping Framework for Sabah's community-based homestays. Rather than if the Orange Economy automatically improves performance, the study separates the Orange Economy framework from sustainable homestay performance and empirically examines the relationship between them.

1.2 Research Objective

- a. To evaluate the applicability of Orange Economy framework towards homestay industry.
- b. To identify the dimensions and indicators of the Orange Economy framework that contribute to sustainable homestay development.

- c. To empirically examine the relationship between the six Orange Economy dimensions (1) cultural and creative resources, (2) creative products and services, (3) participatory creative experiences, (4) storytelling and cultural interpretation, (5) digital creative capability, and (6) community co-creation and sustainable homestay performance.

1.3 Literature Review

1.3.1 Orange Economy

The creative economy describes economic activities in which creativity, cultural knowledge and intellectual property constitute major sources of value [4]. The Orange Economy provides a policy-oriented expression of this broader idea by emphasising the transformation of culture and creativity into economic and social opportunities [3]. Creative tourism provides the tourism mechanism through which this transformation can occur. It explains that creative tourism shifts attention from the consumption of tangible heritage towards intangible culture, everyday life and co-created experiences [5]. Creative value therefore does not arise merely because a destination possesses cultural resources. It emerges through processes that allow visitors to learn, participate and interact with local people. More recent work similarly positions creative tourism as a place-making strategy that connects creative content, local identity and visitor engagement [5]. Previous studies demonstrate that small-scale, place-based creative-tourism initiatives can support cultural vitality, community development and regenerative local development [20]. The Orange Economy framework is fundamentally applicable to the homestay industry, as homestays serve as a micro-level operationalization of creative tourism that converts local cultural knowledge, creativity, and intangible heritage into tangible socioeconomic value. Within this paradigm, value creation is not derived merely from the passive presence of static cultural assets, but through active host and guest interactions, participatory learning, and the shared experiences of everyday life.

1.3.2 Cultural and creative resources

Cultural and creative resources are the tangible and intangible assets from which creative tourism value can be developed. Tangible resources may include architecture, cultural landscapes, agricultural settings, traditional tools, costumes and handicrafts. Intangible resources include cuisine, music, dance, oral history, rituals, indigenous knowledge, traditional skills, language and community identity. Orange economy identifies intangible culture and the everyday life of destinations as important foundations of creative tourism [5]. Within the Malaysian homestay context, previous research argues that cultural landscapes connect the physical environment, community practices and tourism experience [12]. Similarly, findings show that authenticity in Malaysian homestays is shaped not only by traditional objects but also by visitors' interpretations of host–guest encounters and local ways of life [11]. Cultural resources should therefore be assessed in terms of identification, preservation, accessibility and responsible use. Their presence alone does not demonstrate that they have been transformed into creative-economy value.

H1. There is a positive relationship between cultural and creative resources towards sustainable homestay performances.

1.3.3 Creative products and services

Creative products and services represent the transformation of local resources into offerings that visitors can identify, experience and purchase. Examples include branded traditional food, handicrafts, souvenirs, creative workshops, cultural demonstrations and integrated accommodation–activity packages. This dimension is distinct from cultural resources: cultural resources concern what the community possesses, whereas creative products and services concern how those assets are developed, differentiated, packaged, priced and presented. Some studies show that how local knowledge and creative practices can be converted into small-scale, place-based experiences that support sustainable and regenerative development [20]. Malaysian evidence provides more direct support. Based on interviews with 14 participants from seven registered homestay programmes on the East Coast of Peninsular Malaysia, previous findings identified product and service, marketing, management and process innovation [18]. Product-related innovation included accommodation, activity packages and associated community businesses. Accordingly, this dimension should assess whether cultural and natural resources have been transformed into coherent and marketable products or services rather than merely displayed.

H2. There is a positive relationship between creative products and services towards sustainable homestay performances.

1.3.4 Participatory creative experiences

Participatory creative experiences distinguish creative tourism from forms of cultural tourism in which visitors primarily observe performances or purchase finished products. In creative tourism, visitors become active participants who learn, make, perform or produce something connected to the destination. It conceptualises creative experience as an interaction among the tourist, environment, people and tourism products, mediated by internal reflection, needs and creativity [6]. Similarly, findings found that creative tourism in Balinese rural communities incorporated everyday community life, host–guest interaction and cultural learning into tourism experiences [21]. In Malaysia, identified host–guest interaction and activity–culture–knowledge experience as important dimensions of perceived value [9]. Other findings demonstrated the importance of functional, emotional and social value in a community-based homestay setting [10]. This dimension may include traditional cooking, weaving, craft-making, farming, dancing, music-making and other cultural activities in which visitors participate. Assessment should consider whether such activities are structured, interactive, culturally meaningful and capable of facilitating learning rather than simply being available for observation.

H3. There is a positive relationship between participatory creative experiences towards sustainable homestay performances.

1.3.5 Storytelling and cultural interpretation

Storytelling communicates the history, symbolism, and community meaning attached to cultural resources. Without interpretation, traditional food, farming practices, handicrafts, and performances may be experienced as isolated tourism objects. Narratives provided by hosts, artisans, farmers, cultural performers, and community elders can connect these objects and activities to collective identity and place. Storytelling and cultural interpretation position creative content and local

storytelling as important components of creative place-making [5]. A recent study's analysis of Malaysian homestay experiences indicates that authenticity is constructed through visitors' narratives and interpretations of encounters with hosts and local life [11]. Storytelling should therefore be assessed through the availability, accuracy, cultural sensitivity, and engagement quality of oral histories, community legends, guided interpretation, cultural demonstrations, explanations of symbols, and stories about local producers. The emphasis is not merely on whether a story is told, but on whether cultural meaning is communicated responsibly and effectively.

H4. There is a positive relationship between storytelling and cultural interpretation towards sustainable homestay performances.

1.3.6 Digital creative capability

Digital creative capability connects local cultural value with tourism markets. It includes the ability to produce photographs, videos, and written content; communicate cultural stories through social media; manage websites and digital customer interactions; use online booking or payment systems; and interpret basic platform analytics. It therefore combines creative content, communication, commercial, and technological competencies. A previous study found that tourism providers in Ba'kelalan, Sarawak, relied heavily on word of mouth and direct communication and possessed limited awareness of digital marketing's promotional potential [15]. Other findings showed that ICT use generated direct and indirect effects on the human, social, financial, physical, and natural livelihood assets of Malaysian homestay communities [17]. Hence, a subsequent study [16] identified low digital awareness, limited technical expertise, insufficient human resources, and language constraints as barriers to social-media marketing adoption among rural Malaysian homestay operators. Another study [14] found that digital technology supported operational efficiency, communication, marketing, and revenue generation, although adoption remained constrained by connectivity, access, and digital literacy. Digital creative capability should therefore be assessed beyond the possession of a social-media account. It should measure an operator's capacity to create culturally meaningful content, maintain consistent communication, facilitate digital transactions, respond to customers, and use platform information to improve marketing decisions.

H5. There is a positive relationship between digital creative capability towards sustainable homestay performances.

1.3.7 Community co-creation and inclusion

Community-based homestay offerings are rarely produced by operators alone. Their design and delivery may require artisans, farmers, cooks, cultural performers, women entrepreneurs, young people, community leaders and other stakeholders. Meaningful participation can broaden the range of products, distribute economic opportunities and reduce the risk that tourism activities are externally controlled or culturally inappropriate. Previous study, identify networking, partnerships, collaborative learning and community-based development as important features of sustainable creative tourism [20]. Other findings found that community-based homestays could support poverty reduction and sustainable communities but also generated costs and workloads that required collective planning and management [22]. Community inclusion should therefore be assessed through participation in product design, planning, decision-making, delivery and evaluation, as well as the distribution of responsibilities and benefits. Counting the number of community participants

is insufficient if those participants have little influence over decisions or limited access to tourism benefits.

H6. There is a positive relationship between community co-creation and inclusion towards sustainable homestay performances.

1.3.8 Sustainable homestay performance

Sustainable homestay performance is treated as an outcome that is conceptually separate from Orange Economy practices. It refers to a homestay programme's ability to maintain economic viability while generating social and cultural value and protecting the resources on which tourism depends. Consistent with the multidimensional sustainability literature on rural homestays [19,23], the construct comprises key domains: economic performance (revenue stability, profitability, market reach, repeat customers, and local employment); social performance (community participation, skills development, quality of life, collaboration, and equitable benefit distribution); and cultural performance (preservation, respectful transmission, and continued practice of local culture and knowledge). Evidence from homestay research supports this multidimensional conceptualisation. A previous study examined sustainable homestay tourism through economic, socio-cultural, and environmental sustainability [24]. Their structural-equation analysis demonstrated that economic and socio-cultural sustainability were closely associated with tourist satisfaction. Similar research showed that the economic sustainability of registered Malaysian homestays depends on the capacity of operators to obtain continuous financial returns and maintain viable business activities [25]. Keeping these outcomes separate from the six Orange Economy dimensions permits the study to test whether the creative economy framework is associated with better sustainable performance rather than assuming the relationship in advance. Therefore, the Orange Economy framework is hypothesized to have a positive relationship with sustainable homestay performance, in this study, sustainable homestay performance is operationalised through two outcome dimensions: economic performance and socio-cultural performance. Since less study exploring the dependent variable in the literature.

2. Methodology

2.1 Resource-Based View

The Resource-Based View (RBV), introduced by Barney [26], suggests that a firm's sustained competitive advantage stems from internal resources and capabilities that are valuable, rare, inimitable, and non-substitutable (commonly referred to as the VRIN framework). Rather than attributing competitive advantage solely to external market positioning, Barney argues that firms achieve superior and sustained performance when they possess and effectively deploy resources that competitors cannot easily replicate or acquire. In the context of sustainable homestay performance, RBV provides a strong theoretical foundation for understanding how homestay entrepreneurs can convert their cultural and creative assets such as indigenous knowledge, traditional practices, local craftsmanship, and community heritage into a source of competitive advantage. These culturally embedded resources are inherently rare and difficult for competitors outside the community to imitate, satisfying the core VRIN criteria. However, consistent with the study's central argument, simply possessing these resources is insufficient; homestay entrepreneur must actively transform them into value-adding products, services, and experiences (e.g., participatory creative experiences, storytelling, and digital creative capability) to realize their full economic and socio-cultural potential.

This aligns with Barney's claim that resources alone do not guarantee performance outcomes firms must also possess the organizational capability to exploit those resources effectively. RBV therefore provides the principal explanation for the resource-transformation process represented in the orange economy framework. Cultural and creative resources form the asset base, while product development, experience design, storytelling and digital creativity represent capabilities through which those resources can be mobilised. This creates value and strengthens the homestay program.

2.2 Conceptual Frameworks

Based on previous studies of the orange economy and homestay industry, we identify six distinct dimensions. Figure 1 illustrates the conceptual frameworks.

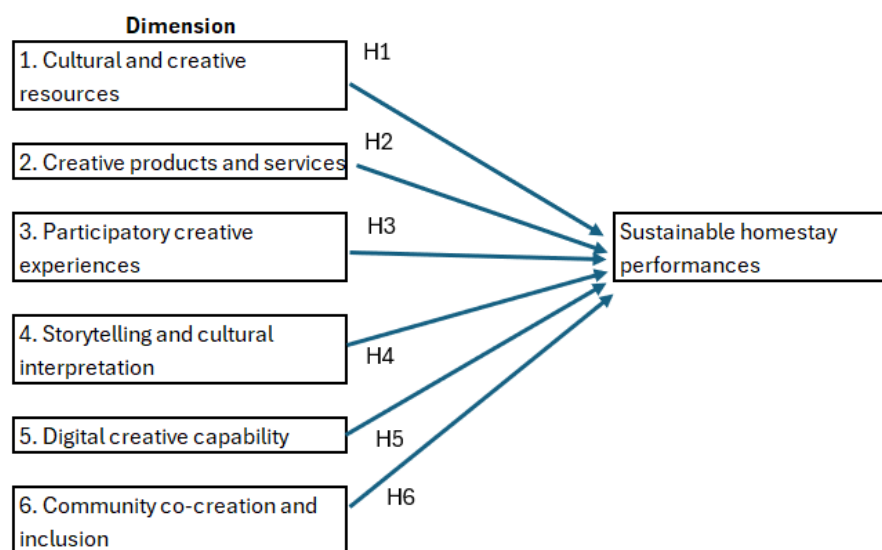


Fig. 1. Conceptual framework

2.3 Research Design

The study will employ a quantitative approach involving conceptual framework development, theoretical framework formulation, and validation design. This design is appropriate because the study is not merely applying an established scale; it is developing a context-specific instrument by synthesising constructs from creative-economy, creative-tourism and homestay research. The six dimensions will be derived from a structured review of peer-reviewed literature and relevant policy documents. An initial pool of questionnaire items will be generated from the operational definitions and observable practices presented in Table 1. Items will be screened for conceptual relevance, duplication, clarity and suitability for the Malaysian homestay context. A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) will be used.

2.4 Expert and Content Validation

The survey questionnaire will be reviewed by a panel of experts comprising academics specialising in entrepreneurship, tourism, and measurement, together with a homestay coordinator and representative(s) from the Ministry of Tourism, Arts and Culture (MOTAC) or relevant tourism

agencies. The panel will evaluate the survey questionnaire each item for relevance, clarity, and contextual appropriateness. Qualitative feedback obtained from the panel will be used to revise items identified as ambiguous or culturally inappropriate. Following this expert review, face validity will be assessed through a pilot study involving a small group of homestay operators to ensure that the wording and structure of the questionnaire are readily understood by the target respondents.

2.5 Population and Sampling

The target population consisted with homestay entrepreneurs. According to official 2025 MOTAC statistics, the state features 524 operators across 39 programmes and 135 villages [27]. To map the preliminary sample of Orange Economy framework, this study focuses on five homestay clusters located across Kota Kinabalu and Kota Belud, Malaysia : (1) Homestay Desa Cinta Kobuni, (2) Homestay Id Kalangadan, (3) Koperasi Darau Wetland, (4) Homestay Kg. Lobonglobong (Tanak Nabal), and (5) Homestay Aki Nabal. A purposive sampling approach will be applied, selecting participants who meet two inclusion criteria: official programme registration and active involvement in homestay operations. Homestay coordinators and homestay entrepreneurs will be contacted to establish research access, and respondents will be recruited through direct outreach, coordinator networks, and snowball referral methods. The targeted respondents are just preliminary phase before final phase. Data will be collected via hybrid survey questionnaires (online and print) and analysed using SmartPLS 4 to evaluate how the Orange Economy framework affects sustainable homestay performance. To determine the minimum sample size for the 6-predictor model at an 85% statistical power ($1 - \beta = 0.85$), an a priori power analysis using G*Power 3.1 indicates a required minimum sample size of 109 respondents for a standard medium effect size ($f^2 = 0.15$). Therefore, 150 survey questionnaires will be distributed to homestay entrepreneurs for completion.

3. Result

3.1 Discussion of Proposed Dimension and Expected Contributions

Based on Table 1, we conclude that the dimensions for mapping the orange economy framework are derived from the previous literature.

Table 1
Develop conceptual orange economy mapping framework

Dimension	Operational meaning	Examples of observable practices	Principal support
1. Cultural and creative resources	Identification, preservation and responsible use of place-specific tangible and intangible assets	Local cuisine, crafts, music, dance, architecture, oral history, cultural landscapes, indigenous knowledge and agricultural traditions	Richards (2011); Mura (2015); Samsudin and Maliki (2015)
2. Creative products and services	Transformation of local resources into differentiated and marketable offerings	Branded food, handicrafts, souvenirs, workshops, cultural demonstrations and integrated accommodation–activity packages	Duxbury <i>et al.</i> , (2021); Zulkefli <i>et al.</i> , (2023)

Table 1 (Continued)

Dimension	Operational meaning	Examples of observable practices	Principal support
3. Participatory creative experiences	Structured opportunities for visitors to learn, make, perform and interact with hosts	Cooking, weaving, farming, dancing, music-making and craft activities	Jamal <i>et al.</i> , (2011); Tan <i>et al.</i> , (2013); Rasoolimanesh <i>et al.</i> , (2016); Blapp and Mitas (2018)
4. Storytelling and cultural interpretation	Communication of the history, meaning, identity and symbolism attached to local culture	Host narratives, oral histories, community legends, guided interpretation, farmer stories and explanations of cultural symbols	Mura (2015); Richards (2020)
5. Digital creative capability	Creation, communication and commercialization of cultural value through digital technologies	Photography, video, social-media storytelling, websites, online booking, digital customer service and platform analytics	Cheuk <i>et al.</i> , (2017); Gan <i>et al.</i> , (2018); Murniati <i>et al.</i> , (2023); Abdul Samad <i>et al.</i> , (2024)
6. Community co-creation and inclusion	Meaningful stakeholder participation in designing, delivering and benefiting from homestay offerings	Participation of artisans, farmers, women, youth, performers and community leaders in planning, decision-making and benefit-sharing	Duxbury <i>et al.</i> , (2021); Pasanchay and Schott (2021)

Source: Author's compilation from literature review

3.2 Expected Results Contributions

The expected findings of this study will directly address three primary objectives: first, to evaluate the applicability of the Orange Economy framework to the homestay industry (RO1); second, to identify the specific dimensions and indicators that contribute to sustainable homestay development (RO2). To empirical examine the relationship between the six Orange Economy dimensions such (1) cultural and creative resources, (2) creative products and services, (3) participatory creative experiences, (4) storytelling and cultural interpretation, (5) digital creative capability, and (6) community co-creation and sustainable homestay performance (RO3). The result will contribute to these three objectives.

3.3 Theoretical Contribution

To examine sustainable performance in community-based homestays, this paper proposes the Resource-Based View (RBV) as the theoretical foundation for developing the Orange Economy framework. Following the RBV principle that sustained competitive advantage relies on VRIN (valuable, rare, inimitable, and non-substitutable) resources [26], homestays achieve efficiency by leveraging their core homestay program assets as they strength. This research extends the RBV by demonstrating that six key dimensions (1) cultural and creative resources, (2) creative products and services, (3) participatory creative experiences, (4) storytelling and cultural interpretation, (5) digital creative capability, and (6) community co-creation and inclusion drive sustainable performance outcomes. By leveraging the strength of these resources, homestay entrepreneurs can improve the overall sustainability of the homestay business. Furthermore, it advances community-based tourism research by positioning participation and benefit-sharing as integral drivers of creative economy

value creation, rather than mere contextual factors. In practice, integrating the Orange Economy transforms local cultural assets such as traditional foods, handicrafts, indigenous knowledge, and community narratives into distinct, participatory visitor experiences that generate diversified income and wider market opportunities. Ultimately, this theoretical and practical alignment validates the applicability of the Orange Economy framework into the homestay industry, thereby this study fulfilling the first research objective (RO1) to evaluate the applicability of Orange Economy framework towards homestay industry.

Orange Economy activities simultaneously strengthen social performance by encouraging community participation, skills development, entrepreneurship, and collaboration. At the cultural level, the responsible commercialisation of local knowledge supports cultural preservation, intergenerational transmission, and community identity. Economically, Orange Economy integration diversifies income streams and market opportunities through creative products, participatory experiences, and value-added services, thereby enhancing the financial resilience of homestay entrepreneurs [24]. These relationships are consistent with community-based tourism research suggesting that sustainable tourism outcomes should be evaluated multidimensionally, encompassing economic, socio-cultural, environmental, and quality-of-life dimensions [28], and that homestay sustainability is shaped by the interaction between community resources and multidimensional impact factors [23]. Accordingly, homestays with higher levels of Orange Economy integration are expected to achieve significantly stronger sustainable performance than those primarily providing accommodation without value-added creative and cultural activities. By establishing these measurable linkages, this framework directly addresses the second research objective (RO2) to identify the dimensions and indicators of the Orange Economy that contribute to sustainable homestay performances. Consequently, the six dimensions serve as VRIN resources that directly support sustainable homestay performance, fulfilling RO2 and RO3 by establishing (1) cultural and creative resources, (2) creative products and services, (3) participatory creative experiences, (4) storytelling and cultural interpretation, (5) digital creative capability, and (6) community co-creation and inclusion as core drivers of sustainable homestay performance, consistent with previous studies that report a positive relationship between these dimensions and performance outcomes.

3.4 Methodological Contribution

The study will produce a multidimensional and contextually validated mapping instrument. Its principal methodological contribution lies in distinguishing the possession of cultural resources from the capabilities required to transform, interpret, commercialise and collectively govern those resources.

3.5 Practical Contribution

This framework enables homestay entrepreneurs and coordinators to evaluate strengths and capability gaps across its six dimensions. With support from the Ministry of Tourism, Arts and Culture (MOTAC), Sabah tourism agencies, local authorities, and training providers, they can organize and design targeted training interventions to address these gaps. For instance, a homestay possessing rich cultural resources but limited digital capability requires a distinct support strategy compared to one with strong promotional outreach but constrained community participation or product diversification. Therefore, a focus group study would be suitable for identifying their strengths and uniqueness that can be integrated into the Orange Economy framework.

3.6 Policy Contribution

By providing measurable indicators, the study translates the broad Orange Economy framework and sustainable homestay performance into practices that can be observed at the community level. The framework may support programme profiling, resource allocation, training design, destination development, and periodic monitoring of Sabah's homestay sector. This is expected to strengthen the growth of the Orange Economy in Sabah, particularly within the homestay programme. Which contribute to Sabah Maju Jaya 2.0 Agenda which strengthens the economy of Sabah, Malaysia.

3.7 Government and Agency Collaboration Contribution

This study's analysis of Sabah's homestay industry is anchored in the Quadruple Helix Innovation Model [29]. The sustainable development of community-based tourism (CBT) requires collaborative interactions among government, industry, academia, and civil society. In the context of Sabah, federal and state agencies, such as the Ministry of Tourism, Arts and Culture (MOTAC), provide regulatory and financial support, constituting the government helix. The industry helix is operationalized through key institutional actors, including the Sabah Homestay Association (SHA), Persatuan Pengusaha Kluster Inap Desa Sabah (PPKIDS), Institut Kemajuan Desa (INFRA), and Institut Keusahawanan Negara (INSKEN), which working together to build grassroots capacity across Sabah's homestay sector to strengthen Sabah's homestay industry. Crucially, the academia helix is fulfilled through university led Knowledge Transfer Programmes (KTP). By designing creative economy frameworks and AI-assisted social media marketing modules, universities enhance the operational knowledge of entrepreneurs, thereby contributing directly to SDG 4 (Quality Education). Finally, the civil society helix comprises the local communities—specifically, Sabah's homestay entrepreneurs. By implementing these strategies on the ground, operators improve their economic livelihoods, effectively advancing SDG 1 (No Poverty). By applying this theoretical lens, this study demonstrates how collaborative interventions, such as the proposed "Sabah Homestay Month," serve as boundary-spanning initiatives that align the objectives of all four stakeholder groups to drive socio-economic growth. Ultimately, this multi-stakeholder synergy directly advances the United Nations' Sustainable Development Goal 17 (Partnerships for the Goals).

3.8 Future Research

Future research must address current gaps in the literature by explicitly operationalizing the creative (or Orange) economy within the homestay industry. While previous evidence exists in allied domains such as community-based tourism (CBT), rural tourism, homestay innovation, and destination resilience few empirical studies directly examine homestays through a dedicated creative economy framework. Future studies should therefore investigate the transition of homestays from traditional accommodation providers to community-owned experiential hubs. Researchers are urged to measure the impact of (1) cultural and creative resources, (2) creative products and services, (3) participatory creative experiences, (4) storytelling and cultural interpretation, (5) digital creative capability, and (6) community co-creation and inclusion drive sustainable performance outcomes. Given the scarcity of empirical research mapping Orange Economy frameworks directly onto East Malaysian CBT, this study represents a timely and pioneering effort. It aims to secure funding through Sabah state grants or other Malaysian research grant schemes to develop and refine an Orange Economy framework for the homestay industry, and to test this model using data collected from local respondents. This study aims to provide empirical evidence in this field, contributing to the

theoretical advancement and practical application of the Orange Economy framework in the literature review.

4. Conclusion

This study develops and tests a new Orange Economy framework for strengthening sustainable homestay performance in Sabah, Malaysia. It challenges the assumption that possessing rich cultural resources automatically translates into active participation in the creative economy, instead examining how these resources are transformed into sustainable economic and socio-cultural value. Anchored by theoretical framework such the Resource-Based View and the Quadruple Helix Innovation Model, the framework comprises six dimensions such as cultural and creative resources, creative products and services, participatory creative experiences, storytelling and cultural interpretation, digital creative capability, and community co-creation and inclusion. Previous studies also indicate that the Orange Economy framework is applicable to sustainable homestay performance. Secondly, the independent variable dimensions have a positive relationship with sustainable homestay performance. Employing a quantitative design, hybrid-mode questionnaires will be administered to 150 registered homestay entrepreneurs in Sabah. The study is expected to produce a validated diagnostic framework instrument aligned with the Thirteenth Malaysia Plan, the Sabah Maju Jaya 2.0 roadmap, and Sustainable Development Goals 1, 4, 8, and 17. Once validated, the instrument will help homestay entrepreneurs assess their creative economy capabilities in the framework, strengthen sustainable homestay performance, provide valuable empirical data and guide future research on the Orange Economy in community-based tourism. This is followed by collaboration among various government agencies, the private sector, and universities to create a better ecosystem for enhancing and improving the homestay program in Sabah.

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