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: congress barcelona :

Innovative business models within niche
tourist markets: shared identity, authenticity
and flexible networks.
The case of three Italian SMEs.

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The focus of the project

Main **challenges** for the Italian tourism industry:

- attraction of new targets
- development of new products and of minor destinations
- differentiation / repositioning of well-known and mature destinations

To study the **evolution of business models** of Italian tourism companies, in particular small and medium enterprises, and the **related drivers of innovation.**

Main **issues** for the competitiveness of Italian tourism companies:

- business networks
- ICT
- intergenerational transmission
- private-public relationships
- etc.

Methodological approach

Step 1

- State of the art: recognition of existing Italian and international case-studies
- Focus: governance and destination management

Step 2

- Surveys and focus groups with several players and key actors of the Italian tourism industry
- Focus: challenges, issues and competences evolution

Step 3

- Analysis of **10 case studies** of tourism companies successful in innovating or creating ex-novo an **innovative business model**
- Focus: value creation and new entrepreneurship

Methodological approach – Step 3

Main themes

Value creation

Innovation drivers

Networking

New competences

Tools

Business Model Canvas

Value constellation

Storytelling

Sources of information

Interviews to managers, founders, employees

Internal documents (official presentations, etc.)

Newspapers, blogs, social media, etc.

Methodological approach – Step 3

- **Business Model Canvas** (Ostelwader, 2004)
 - It focuses on the way the company creates value, it highlights as key elements customer segments, partnerships and client-firm relationships.
 - It offers a quick to read but deeper understanding of the business model which is at the same time easy to be discussed with the entrepreneurs and its partners.
- **Value constellation** (Norman & Ramirez, 1993)
 - More suitable than other models – as the value chain – for describing how contemporary companies configure their relationships with different actors – included clients - , underlining the importance and the complexity of network and sharing.
- **Storytelling techniques**
 - Particularly effective for studying how the business creator interprets the value they propose and where the value is created.
 - It brings to light internal values and tacit knowledge and processes.

Three case-studies

Addiopizzo Travel



A Sicilian TO offering ethical “mafia-free” travel experiences.

Village4All – V4A



A company – based in Emilia Romagna region – managing the International Quality Brand *Hospitality for All* specialised in accessible tourism.

Anfibia.com **anfibia**

A Sardinian tourism service business specialised in promoting and organising cycling and active tourism experience.

- Very small businesses: emblematic cases of business model innovation in SMEs.
- Based in well-known and mature Italian tourism destinations: innovation and differentiation are strategic for the competitiveness.
- They are not companies of the hospitality sector.

Addiopizzo Travel

Key Partners <ul style="list-style-type: none"> -Suppliers -Public institutions -Responsible tourism associations -Universities / schools 	Key Activities <ul style="list-style-type: none"> -Travel planning and development - Certification activities for suppliers 	Value Propositions <ul style="list-style-type: none"> “Mafia-free” travels to Sicily, i.e. travels based on companies and operators who do not pay “pizzo” to mafia. -Study travels -Travel packages and one-day excursions 	Customer relationships Pre: <ul style="list-style-type: none"> -Attendance of the same places attended by ethical tourists and in general by people who support the Mafia-free movement. -Social network, website, newsletter -Taylor-made reservation During <ul style="list-style-type: none"> -Guided visited Post: <ul style="list-style-type: none"> -Newsletter -Social network 	Customer Segments <ul style="list-style-type: none"> -Schoolchildren -Tourists Responsible tourists and same-day visitors who act in favour of legality and against mafia.
	Key Resources <ul style="list-style-type: none"> “Addio Pizzo” Certification -Guides 			
Cost Structure <ul style="list-style-type: none"> -Human resources (guides) -Promotion and communication 		Revenue Streams <ul style="list-style-type: none"> - Travel packages (80%) - Excursions (15%) - Fee for certifying accommodation (5%) 		

Addiopizzo Travel

1 Customer segments

A specific and well-defined niche tourist segment: not simply responsible tourists but specifically ethical tourists who strongly act in favour of legality and against mafia.

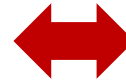
2 Clients = Entrepreneur

The profile of clients perfectly matches with that of Addiopizzo Travel's founders and collaborators: the same values, the same physical and virtual "places", the same interest in volunteering at the Addiopizzo association or similar organisations.

Addiopizzo Travel

3 An exchange based on trust

Consumers trust Addiopizzo and rely on it for living a true “mafia-free” experience: Addiopizzo plays a consultant, cultural mediator and certifier role in favour of its clients.



Clients are active customers and are an active part in the company’s network, in particular for product development: feedback, suggestions on itineraries, places and attractions.

4 A flexible network

- A flexible and open network, also built on informal relationships that are guaranteed by the sharing of common values.
- Clients are part of the network.
- Every actors can play a different role according to the specific situation.

Village for All – V4A

<p>Key Partners</p> <p>Public bodies at national, regional and local level (for the development of specific projects about accessible tourism)</p> <p>National and international institutions for patronage, sponsorship and membership (for example Italian Tourism Minister)</p> <p>National and international organisations (UNWTO, ENAT, SKAL, etc.)</p>	<p>Key Activities</p> <p>Marketing and communication</p> <p>Contacts with new companies and collection of information</p> <p>Advisory activity</p>	<p>Value Propositions</p> <p>Tourist operators</p> <p>-Support in (re)positioning in the accessible tourism market</p> <p>-Training courses</p> <p>-Improvement plan</p> <p>-Visibility</p>	<p>Customer Relationships</p> <p>-Contact staff</p> <p>-Social media</p> <p>-Newsletter</p> <p>-Reviews</p>	<p>Customer Segments</p> <p>Tourist operators interesting in accessible tourism</p> <p>Tourists from accessible tourism market</p>
	<p>Key Resources</p> <p>Human Resources</p> <p>Know-How</p> <p>ICT (App V4All Inside)</p>	<p>Customers</p> <p>Detailed, transparent and free information about accessible accommodation and tourist providers</p> <p>-Website in 5 languages</p>	<p>Channels</p> <p>-Contact staff</p> <p>-Website</p>	
<p>Cost Structure</p> <ul style="list-style-type: none"> - Human resources (guides) - Promotion and communication 		<p>Revenue Streams</p> <ul style="list-style-type: none"> - Travel packages(80%) - Excursions15%) - Fee for certifying accommodation (5%) 		

Village for All – V4A

1 Value proposition and customer segments

- Ability to bring together two different but interdependent groups of clients, through the Quality Brand *Hospitality for All*: on the one hand accommodations and tourist facilities and on the other hand tourists with special needs.
- A specific advisory service offered to both customers.

2 Clients = Entrepreneur

The founder of V4A is a reduced-mobility person himself. The guarantee given by V4A to its clients is based on a clear identification of the founder with the final customers, i.e. travellers with special needs.

4 The network

An integrated and differentiated network, strategic for developing cooperative projects about accessible tourism and for increasing the value and visibility of V4A: Italian and international associations and organisations (ex. UNWTO), trade associations, public bodies, etc.

Anfibia Ecotours

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
Public administrations	Public relations	-Design and development of cycling tourism itineraries for territorial bodies	-Social media and blog	-Local public bodies
Italian and foreign tour operators	Promotional activities	-Development of cycling and active tourism travels packages for Italian and foreign tour operators	-Website	-Regional development agencies
Community of cycling fans	Training	-Mapping land	-Through partnership linked to a common vision	-Consortia
Associations	Planning	Development and sale of its own cycling tourism travel packages , though the brand Sardinia Grand Tour	Channels	-Authorities in charge of forest management and protection
	Key Resources		- Direct channel	-Tour Operators
	Human Resources			-Travel guide publishers
	Brand			Sardinia Grand Tour
	Network			-Tour operators
				-Tourists
Cost Structure		Revenue Streams		
- Management and administration		- Revenue from public bodies (60%) - Revenue from tour operators (40%)		

Anfibia Ecotours

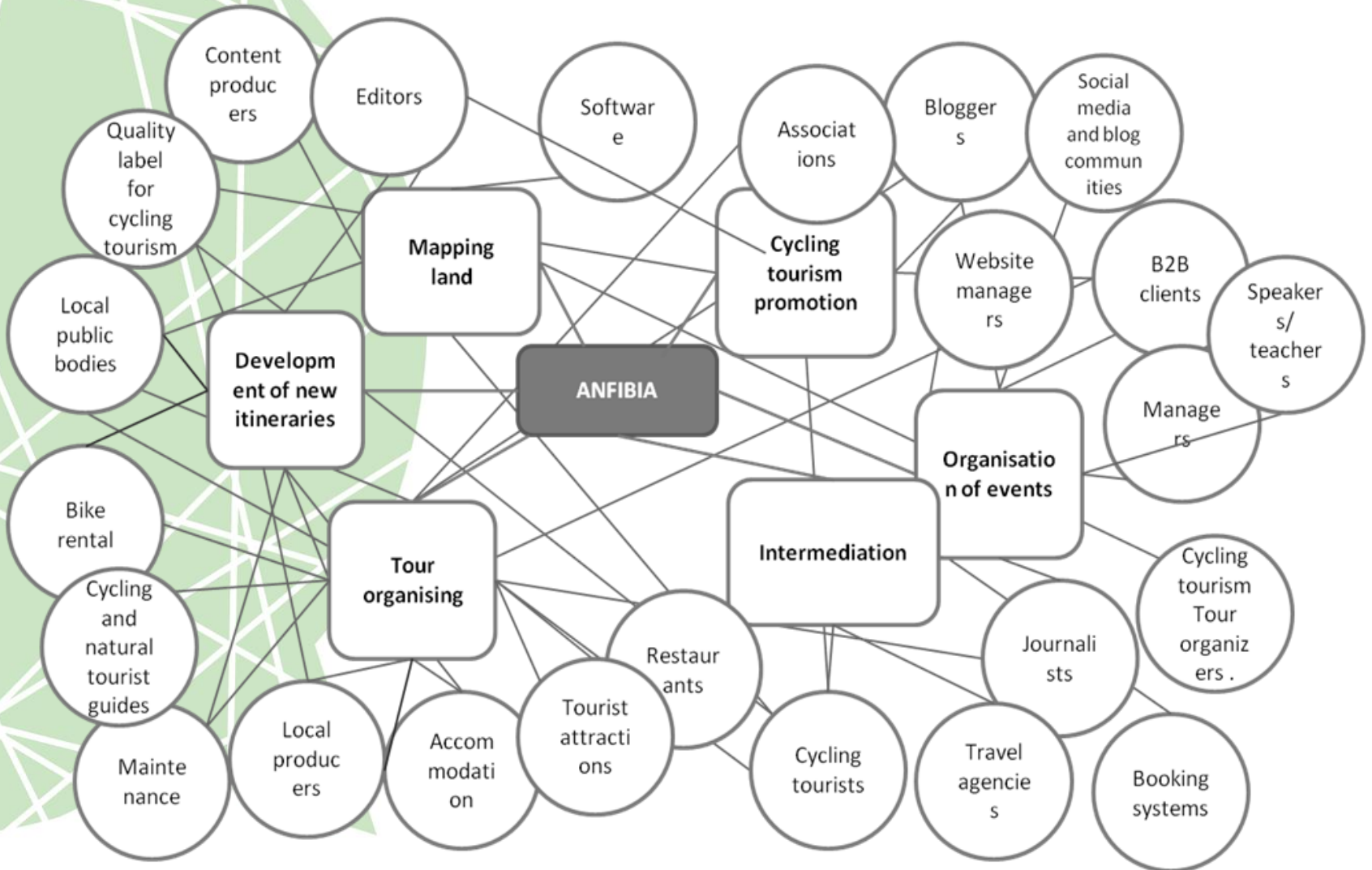
1 A diversified value proposition

- One market – i.e. cycling tourism – but several diversified activities for several segments: from TO to local public bodies, from regional development agencies to publishers of travel guides and companies specialised in navigation satellite systems.

2 The network

- A vast, open, flexible and diversified network of partners and collaborators, strategic for supporting the value proposition.
- Interchangeable roles of the partners, according to the specific situation: customers, partners or suppliers.
- Not necessarily defined *a priori* and based on a formal structure: the network can change often and quickly.
- In the network, Anfibia acts as a catalyst for resources, expert and motivator.

Anfibia Ecotours



Anfibia Ecotours

3 Clients = Entrepreneur

- Identification between Anfibia's staff and final clients – cycling tourists. They are part of the same “community” since Anfibia's founders and colleagues are first and foremost cycling fans. The founder is also bike instructor.
- Anfibia perfectly knows what cycling tourists need, what the best communication channels are, etc.

4 The role of clients

The passion for cycling, shared with a vast community (online and offline), stimulates Anfibia's creativity and innovation in developing new products: Anfibia takes its cue from the experiences told and shared by other members of the community.

Main findings

- Value proposition and customer relationships are based on the **mutual identification between the entrepreneur, his staff and the customers**: the value offered is a **shared identity** and the passion, personal life and experience of the entrepreneurs/staff are a guarantee for quality and authenticity.
- **Co-creation**: clients are an active part of the company's value constellation and they contribute to the definition and innovation of the product.
- The **network** is strategic for the success of the company: a wide and extremely flexible network with a great variety of actors who play different role.
- Priority is given to **customer relationships and intelligence** (although based more on relationships than on data collecting) instead of operations.

All three case-studies are able to successfully answer the needs of specific niches, findings new opportunities within mature tourism market and well-known destinations.

Future development

All three case studies presents features that are distinctive of emerging **knowledge and information economy business models**, although they are very small businesses and not specifically technology or internet-based.

The study should be **further improved** with other national and international case-studies in order to verify the consistency of the main findings with those coming from a wider analysis



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