The case of three Italian SMEs.

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Fderica Montaguti
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

Main issues for the competitiveness of Italian tourism companies:
• business networks
• ICT
• intergenerational transmission
• private-public relationships
• etc.

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

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<tr>
<th>Main themes</th>
<th>Tools</th>
<th>Sources of information</th>
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<td>Value creation</td>
<td>Business Model Canvas</td>
<td>Interviews to managers, founders, employees</td>
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<td>Innovation drivers</td>
<td>Value constellation</td>
<td>Internal documents (official presentations, etc.)</td>
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<tr>
<td>Networking</td>
<td>Storytelling</td>
<td>Newspapers, blogs, social media, etc.</td>
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<td>New competences</td>
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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

Addiopzzo 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
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
- Suppliers
- Public institutions
- Responsible tourism associations
- Universities / schools

### Key Activities
- Travel planning and development
- Certification activities for suppliers

### Value Propositions
- "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:
- 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:
- Guided visits

#### Post:
- Newsletter
- Social network

### Channels
- Direct channel (website)

### Cost Structure
- Human resources (guides)
- Promotion and communication

### Revenue Streams
- Travel packages (80%)
- Excursions (15%)
- Fee for certifying accommodation (5%)

### Customer Segments
- Schoolchildren
- Tourists
- Responsible tourists and same-day visitors who act in favour of legality and against mafia.
Addiopizzo Travel

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.

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

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.

- 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

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
<th>Channels</th>
<th>Revenue Streams</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public bodies at national, regional and local level (for the development of specific projects about accessible tourism)</td>
<td>Marketing and communication</td>
<td>Tourist operators and (re)positioning in the accessible tourism market</td>
<td>- Contact staff</td>
<td>Tourist operators interesting in accessible tourism</td>
<td>- Contact staff</td>
<td>- Travel packages (80%)</td>
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<tr>
<td>National and international institutions for patronage, sponsorship and membership (for example Italian Tourism Minister)</td>
<td>Contacts with new companies and collection of information</td>
<td>- Improvement plan</td>
<td>- Social media</td>
<td></td>
<td>- Website</td>
<td>- Excursions (15%)</td>
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<tr>
<td>National and international organisations (UNWTO, ENAT, SKAL, etc.)</td>
<td>Advisory activity</td>
<td>- Visibility</td>
<td>- Newsletter</td>
<td></td>
<td>- Website in 5 languages</td>
<td>- Fee for certifying accommodation (5%)</td>
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<tr>
<td></td>
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<td>- Training courses</td>
<td>- Reviews</td>
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<tr>
<td></td>
<td></td>
<td>Customers</td>
<td></td>
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<td>Channels</td>
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<tr>
<td></td>
<td>Key Resources</td>
<td>Detailed, transparent and free information about accessible accommodation and tourist providers</td>
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<td>- Contact staff</td>
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<td></td>
<td>Human Resources</td>
<td>- Website</td>
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<td>- Website</td>
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<td></td>
<td>Know-How</td>
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<td>ICT (App V4All Inside)</td>
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Cost Structure
- Human ressources (guides)
- Promotion and communication
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.

3. 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

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

**Mapping land**
- Development of new itineraries
- Content producers
- Editors
- Software
- Associations
- Bloggers
- Social media and blog communities
- Website managers
- B2B clients
- Managers
- Journalists
- Cycling tourism
- Tour operators
- Travel agencies
- Booking systems
- Cycling tourism
- Local producers
- Local public bodies
- Bike rental
- Cycling and natural tourist guides
- Maintenance
- Accommodation
- Restaurants
- Tourist attractions
- Tour organizing
- Intermediation
- Organization of events

#STCBCETT
Anfibia Ecotours

• Identification between Anfibia’s staff and final clients – cycling tourists. They are parte 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.

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.

Clients = Entrepreneur

The role of clients
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 present 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.
Thank you for your attention

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