



*Dipartimento di Economia e Finanza,
Indirizzo di Economics and Business*

Cattedra di Entrepreneurship, Innovation and Technology

A Feasibility Study for the Creation of a Luxury Hotel in a XI Century Abbey

RELATORE

Prof. Vangelis Souitaris

Matr.189051

CANDIDATO

Natalia Ferrarese della Rovere

ANNO ACCADEMICO

2016/2017

Index

1. Introduction	4
1.1 Investment opportunity	4
1.2 Positive externalities	5
1.2.1 Historical benefit	5
1.2.2 Natural benefit	6
1.2.3 Enogastronomy	6
1.2.4 Tourism	6
1.3 Business Model	7
2. Literature review	8
2.1 Literature review	8
2.2 Models explanation	10
2.2.1 VRIO	11
2.2.2 Business model canvas	11
2.2.3 SWOT analysis	11
2.2.4 Porter five forces	12
2.2.5 The value chain	12
3. Data methodology	14
3.1 Direct search	14
3.1.1 The sample	14
3.1.2 Location	15
3.1.3 Facilities	15
3.1.4 Enogastronomy	15
3.1.5 The form	16
4. The Business Model	17
4.1 Background	17
4.2 Strategy	17
4.2.1 The VRIO framework	17
4.2.2 Segmentation and targeting	18
4.2.3 The SWOT Analysis	19
4.3 Marketing	20
4.3.1 Consumer buying process	20
4.3.2 Product	20
4.3.3 Price	21

4.3.4	<i>Placement</i>	21
4.3.5	<i>The name</i>	21
4.3.6	<i>The logo</i>	22
4.4	Competition	22
4.4.1	<i>Substitution</i>	24
4.4.2	<i>Potential entrants</i>	24
4.5	Operations	25
4.5.1	<i>The hotel</i>	25
4.5.2	<i>The restaurant</i>	26
4.6	Financial Analysis	26
4.6.1	<i>Initial Investment</i>	26
4.6.2	<i>Finanziamento a tasso zero</i>	26
4.6.3	<i>Financing planning</i>	27
4.6.4	<i>Expenses</i>	27
4.6.5	<i>Revenues</i>	28
4.7	Human resources	28
5.	Conclusion	30
5.1	Feasibility	33
6.	Appendix 1	34
7.	Appendix 2	35
8.	Bibliography	37

1. Introduction

In a valley dug by the *Musone* River, it stands *Badia di San Vittore*. The Badia is a Benedictine abbey built in XI century, above a Roman *Municipio* (*i.e. city with a certain autonomy from Rome*), and erected by using the ruins and remains the monks were able to recover (See further historical details in Appendix 1). Marghigian hills enclose the abbey. These are mainly cultivated with wheat and vineyard, creating a seasonal and fascinating landscape.

Currently the monastery is used as a private house, beyond, the property includes the lands in the immediate surroundings, which comprises a small wood and a park with Italian architecture. The Badia consists of three large halls, useful for events like weddings or conferences, two flats, one room with en-suite bathroom and an old unused deconsecrated church.

The business proposed in this paper is the development of a luxury hotel, based on the restoration of the old part of the Badia and the implementation of an improved service, to receive the hosts in the best possible way. When the project will start the the Badia will be reorganized to host at least twenty rooms, two halls, two technical rooms (including a professional kitchen. The first phase of the project also includes the conversion of the conference rooms into an elegant restaurant.

The second phase of the project will instead focus on the restructuring of the old deconsecrated church, which will include an indoor swimming pool and a spa.

1.1 Investment opportunity

Deciding to invest in a luxury hotel in Marche is a clever move. Tourists take Italy in great consideration when they have to choose a destination for their holydays; in particular, according to ENIT (Agenzia Nazionale del Turismo) tourism had grown by 4.6%, between 2014 and 2015, (52 millions more)¹; furthermore the demand for luxury *casa vacanze* had an increase of 50% in the last 5 years².

Le Marche has not been an international touristic destination in the past. This is probably why it was able to maintain its integrity and its beauty. In addition, the characteristics of its countryside are quite

¹ Muratore, 2017.

² Ronchetti, 2017.

similar to the internationally well-known countryside of Tuscany and Umbria, this is a factor that could be positively exploited in a marketing campaign.

The visitors of the Abbey define it as “A charming location with a park which instils alluring, mystery and seduction” and “unforgettable”. This reviews were given even though the structure has not been operating at its full potential, as only a small area of the park is open to the public and some relevant facilities, such as a restaurant and a swimming pool, are still missing. Moreover, a large part of the basement, which includes places of great historical interest, and which encloses the mediaeval essence of the Abbey, is closed to the visitors.

Ancient ruins and remains are hidden in the Abbey, buried under the ground or covered by plaster behind the walls. This was, for example, demonstrated during the last renovation, that led to the discovery of an antique column as well as other elements of historical interest. If the monastery could be restored and brought to its own intrinsic potential, it would offer a highly enriching experience to the clients.

An additional possibility is offered by the beautiful hills in the immediate surroundings, as a project for constructing a golf camp has been submitted few years ago. Permissions have been already granted, but the project has not been implemented yet due to the lack of capital. Therefore, this could also be considered as a possible future investment.

1.2 Positive externalities

Positive externalities are generally defined as spillover benefits to third parties not involved in the economic transaction that produce them. The opening of the discussed business, that could attract new tourists and spread the voice of the existence and beauty of Marche, would be really good for the local businesses and the whole region. The development of the proposed business is expected to create a variety of external benefits, some of which are briefly discussed in the following sections.

1.2.1 Historical benefit

As mentioned, the monastery has a long history, even longer than its construction, it had been a Roman *Municipio* and the remains of that ancient culture are still being discovered in the surroundings. Benedictine monks have used part of this ruins and objects to build their home. Unfortunately, due a

lack of investment, some elements of the old part need to be restored and brought back to their original majesty.

In addition, part of the ancient remains are still unfounded, as they are hidden under the garden or behind the walls. Recovering these ancient remains would be a great benefit for the town of Cingoli, as these will uncover an important part of the history of the town which is still largely unknown. Also, some of the ancient objects that will be recovered will be given to the town or to the Marche region, increasing the local and regional historical patrimony.

1.2.2 Natural benefit

The Abbey was erected in a small valley, near a river, and, even now, it is still surrounded by nature: this is the habitat of various plants and several species of animals live in the garden, in the small wood nearby and in and around the surrounding fields. The presence of an investment in this area will spur the need for protecting and keeping the environment untouched and rural, in order to maintain the original aspect of the Abbey countryside landscape.

1.2.3 Enogastronomy

Several times, when non-local people are asked about Marchigian cuisine and wine production they cannot provide a proper answer, even if the products are actually appreciated when exported. This is very disappointing, as extremely good and natural wine and food are produced in the region. See for example ‘Verdicchio dei Castelli di Jesi’ winner of the Gambero Rosso best wine in 2017³ and a variety of traditional food such as salame di Fabriano, prosciutto di Carpegna, ciauscolo, ciarimbolo, coppa marchigiana, migliaccio, passatelli, stoccafisso in potacchio all'anconitana, olive ascolane, etc. The presence of a well-known restaurant, which uses local products and includes a comprehensive wine cellar, preserving and offering the best local wines, could stimulate an interest in culinary tourism, supporting indigenous production and agricultural activities.

1.2.4 Tourism

While the centre of Italy is famous for tourism, particularly abroad, Le Marche is quite an unknown region and the possibility of shifting the attention from Umbria and Toscana would have a great positive impact for the Marchigian tourism economy. Bringing people to discover its marvellous places, in particular the hill countryside and the mountains, which would gain great exposure if the region becomes a trendy place to spend holidays.

³ Guida-Vino.Com. (2017).

The increase in tourism is an externality that has to be taken in great consideration, as tourism is one of the main sources of revenues for Italy, thanks to the wide artistic, archaeological, natural and scientific heritage that the country offers. In fact, in 2015 foreign tourism provided a total contribution to Italian GDP of 10.2% and contributed to national employment for 11.6% ⁴.

According to Deloitte, half the purchase of luxury goods is done while in a foreign country, particularly people coming from developing countries, for whom there is an increase of 60% ⁵.

1.3 Business Model

The aim of this paper is to develop a business model for the venture of a luxury hotel starting from the already existing structure of *Badia di San Vittore*. The research have considered various exiting studies, mainly related to the luxury good market, its situation, and, particularly, how it is performing considering different branches of tourism. Overall tourism has also been taken into account.

Extra data have been collected by investigating figures of single, luxury structures in Italy, both to identify average prices and to comprehend which facilities are more appreciated by the clients. The business model has been elaborated by using managerial models, both to focus on strategy and organization and to make the results clearer.

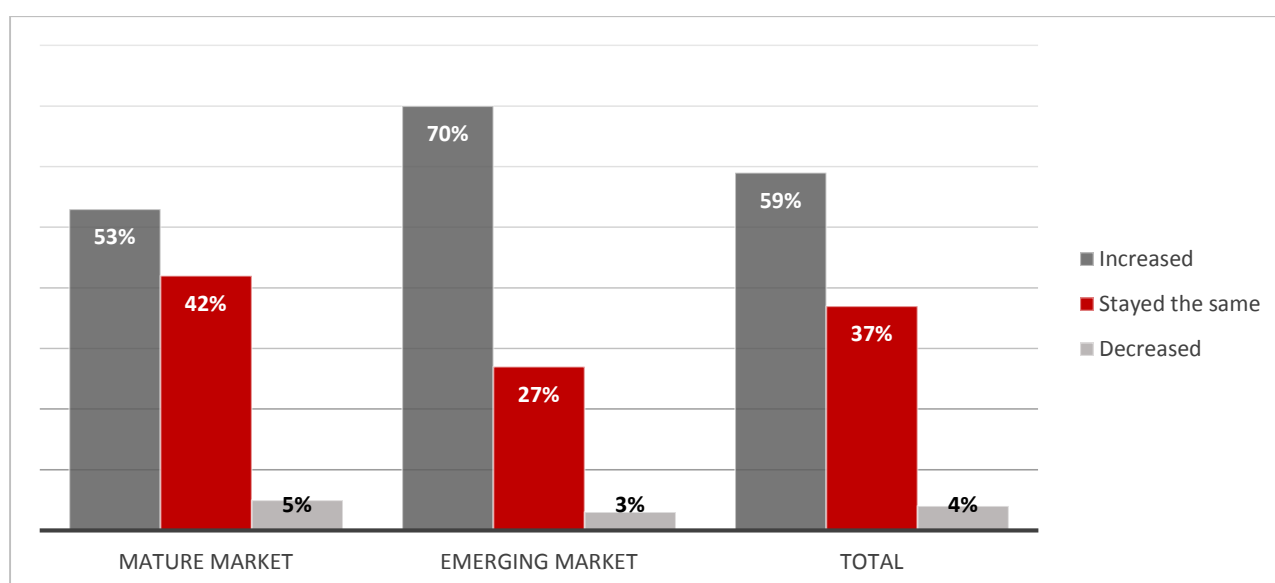
⁴ WTTC (2016).

⁵ Deloitte (2017).

2. Literature review

2.1 Literature review

The market analysis has started from the general situation of Luxury good market and its trending. It resulted to be a growing market: Brain & Co. states that “The overall industry has posted steady growth of 4%, to an estimated €1.08 trillion in retail sales value in 2016.”, while Deloitte (Global Powers of the New Luxury Good) reported a steady and robust purchase of luxury goods in February 2017.



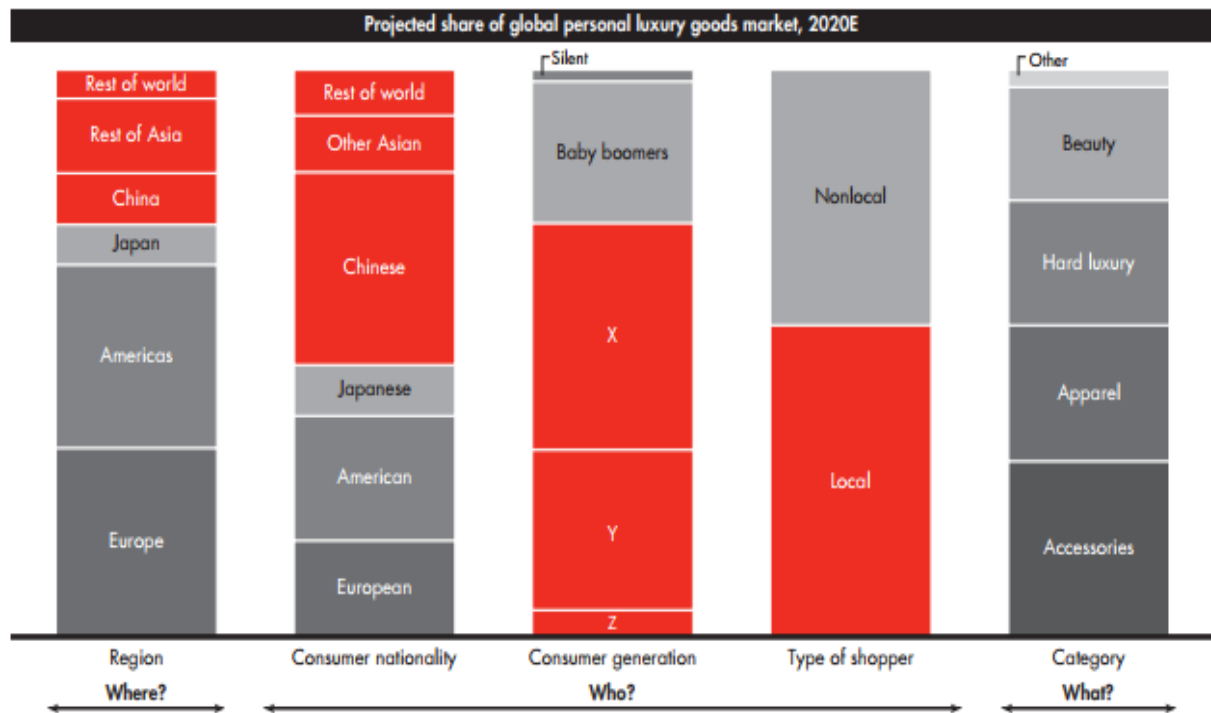
⁶Fig.1 Inclination towards purchasing luxury products in the last 5 years.

An interesting, although foreseeable data is the preponderance of the emerging markets, in China, Russia and United Arab Emirates the 70% of the interviewed increased their spending (compared to 53% in more mature markets). In addition they portrayed the fact that almost half luxury purchases are done while abroad, again particularly for tourists from emerging markets, which account for about 60% of purchases during a travel.

Bain also stated that the luxury market is predicted to grow at an annual rate of 3-4% at least until 2020, and it will be led by Chinese middle class. This author also envisages an overall improvement in the purchasing of luxury products in mature market.

⁶ Deloitte (2017)

In the next few years consumption is expected to be led by millennials, whom, in China, are expected to carry out 45% of the total purchases⁷. However, relevant data also depicts an increase in confidence of the older generations that are expected to intensify their purchases in the future years⁸.



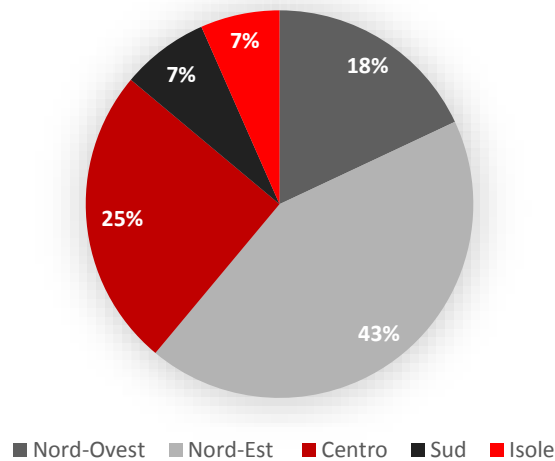
⁹Fig.2 What will the global personal luxury goods market look like in 2020?

ENIT (Agenzia Nazionale del Turismo), reported an increase of 4,4% of international arrives in Italy between 2014 and 2015, making Italy the 5th country chosen for holidays, considering arrivals, and the 7th considering the expenses. The foreign visitors are mainly from Germany, with 10.858.540 arrivals in 2015 followed by US, France and China. The preferred destination is the North East, followed by the Centre.

⁷ Bain (2017).

⁸ Bain (2017).

⁹ Bain (2017).



¹⁰Fig. 3 Presence for Regional Macro-Area (2015)

Both arrivals and presences in Marche have raised between 2015 and 2016, respectively of 1,4% and 11%, while spending increased by 6,6%. (Even if the situation is expected deteriorate due to the recent earthquakes)

Particularly the area of *Badia di San Vittore*, is hilly, and shares several characteristics with Tuscany, so due to the underdevelopment of Le Marche's territory it was considered useful to see also investigate data on Tuscan tourism. According to Rapporto sul Turismo in Toscana, la Congiuntura 2015, the growing of international tourism, mainly from extra European countries, is particularly favourable for upper-middle class and luxury accommodations. The presence in 5 stars hotels had grown by as much as 16% in 2013, having relatively "decelerated" in 2014 (6,5%), their growth rate went up to 11,8% in 2015. Growth was particularly relevant in the rural and hilly areas, with an increase of 20%. The overall market situation is extremely positive and makes it advisable to invest in Luxury tourism industry in central Italy.

2.2 Models explanation

The following tools are used to analyse and discuss the proposed business in a concise and explicative way. These tools also allow to visually represent information by using images and graphs, greatly improving information impact and understanding.

¹⁰ ENIT (2016)

2.2.1 VRIO

In order to highlight the resources that characterize the *Badia di San Vittore*, the VRIO framework comes in great aid. It helps to analyse what makes the assets of the business something unique on the market.

Firstly the resource has to be *valuable*, so it has to increase opportunities, and exacerbate the value of the product or service to the consumer's eyes. *Rare*, as if the resource is easily available it would not permit competitive advantage. Similarly, *imitability* is an important aspect, as if the imitation is simple everybody would take advantage of it. Finally, *Organization* is used to explain how to capture the value of the resource¹¹.

2.2.2 Business model canvas

The usage of the business model canvas permits to characterize the most relevant features of the business. It is an important step to identify the fundamental bricks of the business, in order to guarantee a smooth growth to a better organization and a higher competitive position.

It starts with the *Value Proposition*, a description of the offer, illustrating the most relevant features that characterize the venture and the needs that are being fulfilled. *Consumer Segment* is used to present the target market; the customers the business expects to deal with. How the value is delivered is analysed in the box of *Channels*, caring of considering costs and feasibility. The post purchase evaluation is *Customer Relationship*, how the business is perceived and deals with customers, segment that became extremely important with the expansion of internet.

The model also describes what *Key Activities* are carried on to actually create and deliver the promised value proposition and which are the *key resources* needed. *Partners* are important for the well-being of the venture, they can bring knowledge and experience, as well as physical aid. A good partnership with a famous brand or partner is useful to be known in the market. Finally it describes the *Cost Structure*, used to identify the principal costs, and the *Revenue Streams* (i.e. how the profit is obtained)¹².

2.2.3 SWOT analysis

SWOT analysis is an analytical framework used to describe the positive and negative characteristics of the business, taking into consideration both the internal and the external point of view. The name includes the characteristics that are investigated. Internally, the *strengths* and the *weakness*, the first is what makes the firm able of being competitive on the market, the second focuses on the feeble

¹¹ Chapman, R. (2011).

¹² Forbes.com (2017).

spots, which have to be strongly considered and well analysed in order to reduce the damage they could cause and to improve them.

Furthermore, the SWOT analysis is used to identify external *opportunities* that should be exploited, these could be favourable changes in technology, policies, population and lifestyle. Finally, external *threats* are detected, to avoid the underestimation of external factors that might have a negative impact on the business, such as increase in competition or costs of resources¹³.

2.2.4 Porter five forces

One fundamental point of the Porter analysis is the identification and explication of actual competitors and potential ones. Porter Five Forces permits to determine the competition in an industry, to understand the potential and the attractiveness of the market in which the business is operating.

First of all it considers the firms that already works in the *industry*, then it pinpoints the *potential new entrants*, the new competitors that could start operating in the investigated industry. These will have similar characteristics to the firms considered in the first step and they would increase competitiveness, rising the offer on the market. *Threat of substitution*, on the other hand, focuses on the goods or services that may replace the ones provided in the investigated industry, providing a good or service that is not exactly the same of what the industry provides, but target the same customers and prevents them from choosing the product or service produced in the investigated industry.

Bargaining power of suppliers and buyers is also evaluated, as the more strength they have the less control power on the product the firm has. Suppliers are those businesses from whom the firm buys the goods or services required to run the business activity, while buyers are the businesses or persons to whom goods or services are sold¹⁴.

2.2.5 The value chain

Value Chain analysis is done by considering the organization as a sequential process of activities that creates value and which, in the end, constitute the final value of the good or service. The final value is the price that the customer is willing to pay. To be profitable a business, should make at least a normal level of profit, which covers the total costs of production (including the opportunity cost of the entrepreneur) .

In the value chain analysis, primary activities are the activities that refer to the physical creation of the good or service, its sale, transfer and post purchase service. They are *inbound logistics*, (related

¹³ Dess, Lumpkin and Eisner (2013).

¹⁴ Dess, Lumpkin and Eisner (2013).

to internal storage of the received materials), *operations*, *outbound logistics* (related to the storage and distribution of the final product), *marketing and sales*, and *service*. Support activities are instead those activities that, either add value from themselves or through relationship with primary activities or other support activities. They consists of *procurement*, *technology and development*, *human resources management*, and *general administration*¹⁵.

¹⁵ Dess, Lumpkin and Eisner (2013).

3. Data methodology

Mainly secondary data have been collected for this study, as the primary information that was possible to collect was considered not representative of the target that the business is aiming to. There have been two kinds of research, one that involved the reading and re-elaboration of data from papers and reports published by big companies or national authorities. Then data have been integrated through an investigation on the popular website Booking.com, a platform through which it is possible to reserve and rent a hotel room.

3.1 Direct search

A research has been done with the aim of increasing the available data on average prices and identifying the main characteristics that should be considered to achieve at least a competitive parity with other similar business structures in Italy.

The data have been gathered through the platform of Booking.com for the night between the 9th and the 10th of September (weekend).

The research considered the main characteristics that could attract tourists, giving particular importance to the ones that attract the same target of *Badia di San Vittore*, in particular, results related to seaside locations will be given a low level of relevance and importance. As the research was done during summer and refers to September, seaside locations are expected to be extremely popular, while mountain areas are likely to be depreciated due to the lack of snow. The choice of September was done to avoid periods of extremely high or low season, trying to identify an average price.

3.1.1 The sample

The focus of the data search has been on the actual market for luxury hotels in Italy. The sample taken in consideration represents the 13% of the total (459) of Hotels with 5 stars. They have been selected by considering the region in which the hotels are located, except for Molise and Abruzzo, which have been merged (with their original name Gli Abruzzi) because of the lack of available structures in the area.

A problem encountered during this search has been the presence of particular cases in which the price was exceptionally high, due to the particular location. The city centre of Florence, Venice and Portofino stands above all of the other locations, as hotels in the former locations they can even have prices of six times higher than the average hotel prices of the other locations. Similarly, some areas in Sicily and Campania present higher than average prices. The first two cities, Florence and Venice, have

been excluded by the researcher, as their situation and target is different from the one investigated in this study. The other cases are a little more tricky, as it has to be evaluated how much the price is affected by the popularity of the cities in which the hotels are (e.g. Portofino or Taormina), the attractions of the above mentioned cities (both historical and secular), the presence of the sea (the research was done during summer) and the actual offer of the structure.

Hotels in other large and famous cities, like Rome or Milan, have been in the average and have been included in the research. Even if hotels located in these cities may have less facilities, this is generally balanced by their central position. An outstanding exception is the FENDI's hotel in Rome, which has less facilities than all of the other whole hotels taken into account, but it has prices relevantly above the average. This is probably due to the famous name of the brand.

3.1.2 Location

An important variable that could affect the relevance of the data is the location of the structure, for this reason hotels have been evaluated by considering if they were in a city of interest, near a mountain, on the hills or by the sea. In general, the most important characteristics have been considered, for example a Hotel in Assisi has been considered as in a city. Cases that deviate from this analysis have been two, because these hotels had both the attractiveness of the beautiful seaside and interesting ruins that could attract tourist. As Badia di San Vittore is neither in a city of interest, nor in front of a beach, these findings will not affect the results in a nullifying way.

Hotels in mountain areas, where is possible to ski, are expected to rise their prices in the winter season, as they will add an attractive feature for their customers. However, as the survey has been done in September, during this month these hotels and their locations have characteristics very similar to the ones of Badia di San Vittore; considering what could attract people, landscape and available facilities. Therefore, data related to these hotels has been considered extremely useful for the research.

3.1.3 Facilities

The research also analysed the main facilities that attract people, mainly taking into account what could be offered by the Abbey to improve customer satisfaction and retention. An important facility that has been considered, is the presence of an external or internal swimming pool (or an hammam, which resulted extremely popular among hotels). In addition, non-seaside structures (and several seaside hotels) have a spa, either included in the reservation price or by paying an extra charge. As an additional option lot of hotels gives the possibility of massages, but, as this was almost a constant

service (always if there were a spa) and offered by additional charge. It has not been considered as a variable in this study.

Other activities that could be done in the proximity were considered, excluding sea related activities, these activities include hiking, cycling, horse riding and golf playing.

3.1.4 Enogastronomy

Local food and drink production is considered as a relevant an attractiveness for a territory and this is considered as a strength point for the Badia di San Vittore. Therefore, enogastronomic, which could be defined as food and wine tourism, have been considered in the research. Because of the importance of culinary culture in Italy, all hotels have been taken as equivalent despite the region they are in.

The presence of an included restaurant, preferably with high cuisine or local products, has been checked, but due to the almost constant presence of an included restaurant, this feature has not been considered in the research. While an offer of wine was part of all restaurant menus, the presence of a wine cellar was not as frequent, as considering that Italian wines are internationally well-known and appreciated, it has been considered as a relevant variable that should be included in the research.

3.1.5 The form

Structure's name: _____	
Price for the night between 9 th and 10 th of September: _____	
Region: _____	
Facilities:	<input type="checkbox"/> Pool <input type="checkbox"/> Indoor pool <input type="checkbox"/> Spa <input type="checkbox"/> Spa (by charge)
Other characteristics:	<input type="checkbox"/> The hotel is an historical location <input type="checkbox"/> Garden <input type="checkbox"/> Restaurant <input type="checkbox"/> Wine cellar
Where the hotel is:	<input type="checkbox"/> City of interest <input type="checkbox"/> Mountain <input type="checkbox"/> Hills <input type="checkbox"/> Lake <input type="checkbox"/> Sea
Other activities	<input type="checkbox"/> Hiking <input type="checkbox"/> Cycling <input type="checkbox"/> Horse riding <input type="checkbox"/> Golf

4. The Business Model

4.1 Background

As said in previous chapters, the evidences that an investment in the *Badia di San Vittore* would be profitable are quite high, the market situation is extremely good and the Abbey has a great potential, it could be provided of all the features to obtain competitive parity with the best hotels in Italy, while it has very good opportunity to achieve a competitive advantage if considering its beauty and history.

4.2 Strategy

The strategy of the business is to differentiate this luxury hotel from the other competitors by offering a unique experience of traveling back in times, without leaving the comforts of the present era. The beauty of the countryside cannot be underestimated, as this alone, if well-advertised, could represent a relevant attraction for tourists. The wide offer of local food and wine, the historical value of the property together with its historical remains can only complete the picture of a paradise to be discovered.

4.2.1 The VRIO framework

The VRIO framework presented in Fig.5 analyses the competitive potential of Badia di San Vittore by considering its value, rarity, imitability and organization.

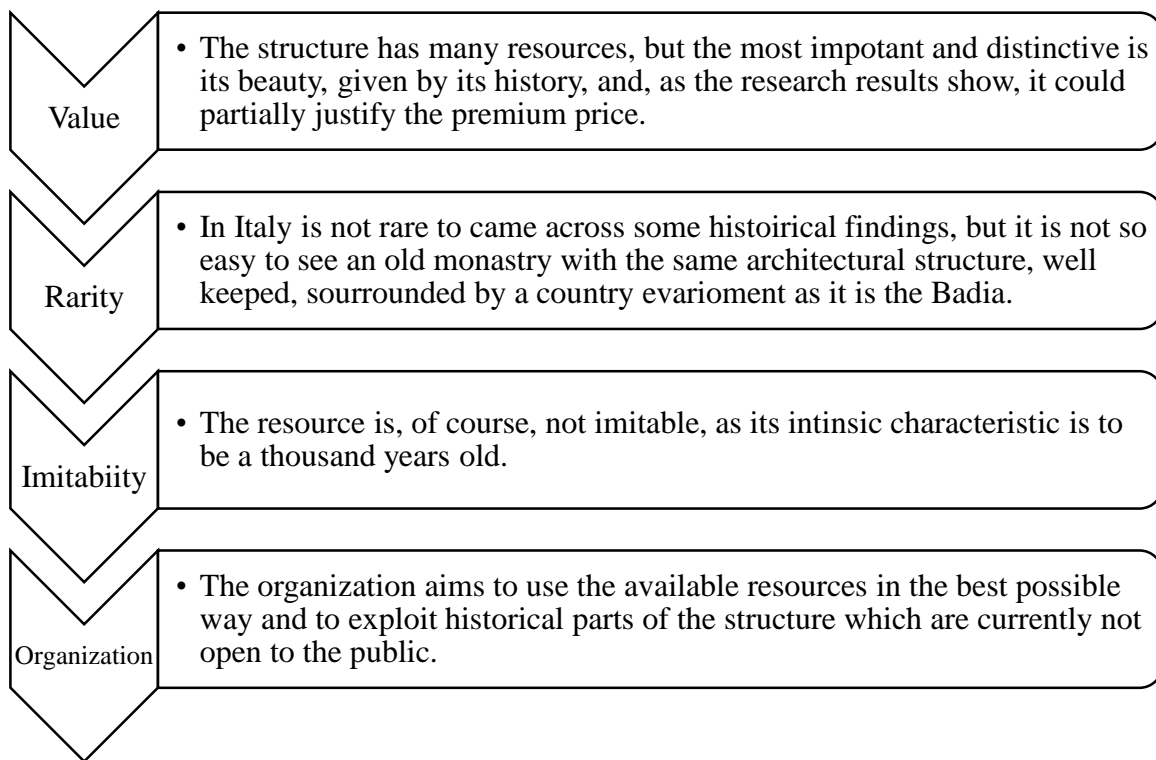


Fig. 5 VRIO framework for the Badia di San Vittore

4.2.2 Segmentation and targeting

The target audience is the sophisticated customer who wants to buy an experience of something extravagant but also elegant and enclosed in comfort and relax. The targeted guest is an adult from upper-middle class, including both baby boomers and generation Y, but with a particular attention for millennials that are increasingly taking the control of the luxury goods market¹⁶.

The targeted customers are mostly people who want to spend a pleasurable holiday or weekend, with a hidden desire of keeping their individuality and appreciate the value of an unusual experience. The guests would be mainly international, with particular importance to customers from Germany, US, France and China¹⁷.

¹⁶ Deloitte (2017)

¹⁷ ENIT (2016)

4.2.3 The SWOT Analysis

Strengths	Weaknesses
<p>The point of force of the project is the history of the structure, the customer will have the possibility to enjoy a place who “lived” for thousand years, this experience would be unforgettable for the guest.</p> <p>In addition, the hotel will be equipped with the modern services, including a spa and an internal swimming pool but it will still offer the impression of going back in time, to the moment when monks decided to settle down. The offer will include local food and wine, to have a complete experience of the local area. Both mountains and seaside are rather close and a lake is just few minutes away. The place is immersed in quietness and peace.</p>	<p>The greatest problem is that the village in which the abbey is located is not particularly renowned as it does not offer distinctive features.</p> <p>In addition, even if lot of interesting towns and tourist attractions are nearby, these can only be reached by car.</p>
Opportunities	Threats
<p>The countryside is very similar to the internationally appreciated Tuscan countryside, but not well known in the tourism industry. The business has great historical and cultural potentials that are currently unexploited.</p> <p>The challenge would be catching the attention of new customers but technology provides extremely good opportunities to easily reach the international targeted customers.</p> <p>In addition the nearby international airport of Ancona will facilitate the journey to the Badia.</p>	<p>The fact that Marche is not famous could also prevent some costumer to choose the structure, especially in the initial phase.</p> <p>The recent earthquakes could demotivate potential customers. Fluctuations in international tourist arrivals could be a relevant threat to be considered. Earthquakes could also be a serious threat for the infrastructure.</p>

Fig. 6 SWOT analysis for the Badia di San Vittore

4.3 Marketing

4.3.1 Consumer buying process

When deciding what to purchase the consumer goes through several steps. The first one is the *recognition of need*, when the person understands that he/she wants something, in the case of an hotel, the costumer realises that he/she wants a holiday, for this particular business, a relaxing break from everyday life surrounded by history and culture.

Information search varies from generations, older customers still use travel agencies, while the majority of the targeted customers will look on the Internet, searching from a web browser. However the trend that is becoming more and more important is the use of web portals that give the possibility of renting online, after having compared between different choices. Particularly, millennials tend to be interested in the reviews of other guests, while older generation are more focused on the price.

Searching for alternatives have become extremely easy with the online portals, because they present all of the possible accommodation options and once. This means that it is fundamental to stand out from competitors and being unforgettable from the first sight. If the research was carried out by customers by looking at each single hotel website, the comparison would be much harder, and even more difficult in the case of travel agencies, as these tend to present to the customer only few options. *Purchase decision* can be either contacting directly the hotel or using some booking portal. In addition to price, location and feature, purchase decision could be affected both by the holiday dates, as in certain periods the structures tend to be full.

4.3.2 Product

Badia di San Vittore offers an experience of traveling back in time to ancient Italy, lost in a magic valley, where legend and reality have often found a point of contact in the imagination of the travellers. Customers will find the magnificence of the past, with the comfort of the present. They will be taken care of all of their needs, and they will have the opportunity to enjoy both a Spa and a swimming pool in a very unique location.

The best local cuisine will be explored and a vast offer of local food and wine will be offered.

Furthermore, the possibility of several trips in the surrounding areas and local attractions, such a historical places and enogastronomical or sportive events, will be periodically offered to the guests. A qualitative research to decide which design is best for the rooms and the general environment will be carefully carried out in the project initial phase. This will enable the business to further improve customer satisfaction and online reviews.

4.3.3 Price

Computing the price was not a simple thing. First the average fare was computed, by considering the prices of all structures included in the research.

Focusing on the night between 9th and 10th of September, the average price resulted to be 500 euros. However, the calculation also involved structures of different nature, which, even though targeting the same kind of customers, offer a different product: they are situated in seaside locations. The average price of structures with the same offer (i.e. hills and mountain) of *Badia di San Vittore* have an average price of 468 euros. Finally, the resource of being in an historical place has been taken into consideration and the results are quite interesting, as the average is 525 euro. In conclusion, the price can be estimated to be around 500 euros a night.

One positive feature, with respect to hotels in seaside locations is that the Abbey is not strictly connected with the summer season, so guests can arrive and enjoy the place in every seasons of the year. This cause a low estimated price fluctuation and thus a stable revenue during the year.

4.3.4 Placement

Product placement refers to the promotion of the structure that is not linked to direct advertising, is a more subtle way to engage the customers. It could start even before the construction phase, by building the identity of the building and defining the soul of the business, trying to raise the curiosity around the place and the abode.

The collaboration with the local government to improve the promotion of the territory, by organising and supporting events and festivals and by trying to amplify the resonance of these events around the country, should not be underestimated. Moreover, the possibility of involving the Abbey in some cultural events, would be extremely positive, as these events are usually discussed in the press and among potential customers.

Finally, the strategic importance of the *Badia di San Vittore*'s website should be carefully considered, as it represents the business to the world. It is the showcase of the hotel. Therefore, the website has to be curated in every detail, be dynamic and interesting, constantly updated, showing several appealing features and be interactive.

4.3.5 The name

The current name of the structure is “*Badia di San Vittore*”. The matter is to understand if it is better to maintain it as it is now, or finding another one. From a legal point of view, the name is safe, as it is not possible to ask for a trademark for a name that contains the geographical indication. The problem is that this is an issue also for the business. Firstly because there would be no protection.

Secondly and most importantly, because it is something that has low distinctiveness, due to the presence of many villages named San Vittore in Italy.

Another problem is the immediate connection to the S. Vittore Prison that Italians tend to do, and the unfortunate fact that the mentioned prison is currently the first results displayed when searching “San Vittore” on Google. For this reasons it would be recommended to consider changing the name before starting the venture. Another option could be to run a qualitative analysis to evaluate its effectiveness.



4.3.6 The logo

The logo is an old one, which has been used for at least fifty years; it represents the façade of the abbey.

On the left there is a cypress, which does not stands there anymore because it was hit by a lightning, but it has been always considered part of the entity of the house.

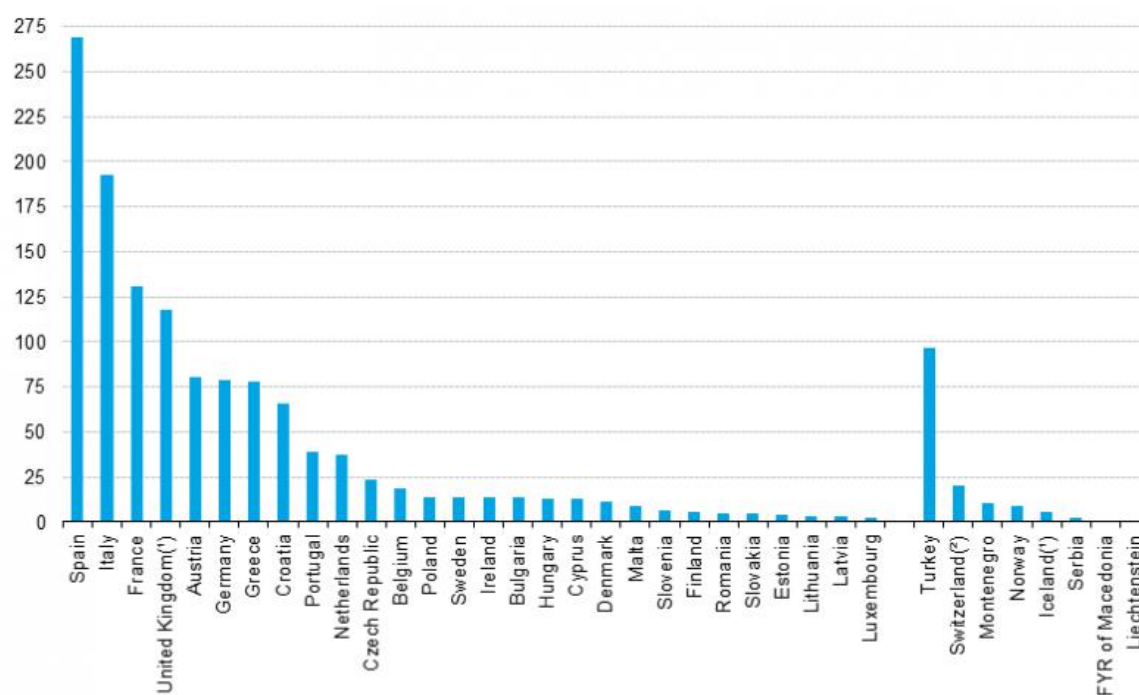
The idea would be to keep the logo, to give a sense of continuity with the past, and to use the logo in all of the future promotional material, e.g. website, business cards, advertisements, etc.

4.4 Competition

Competition has to be taken into great consideration when studying the threats for the business.

First of all it can be useful to distinguish between Italian competition and world competition, regarding the second, the competition can be considered quite high, but focusing on what the Abbey offers it can be restricted mainly to France, so, considering the width of the demand: according to Eurostat, only considering residents from the EU-28, travels are accounted to be around 1.2 billions¹⁸. Both France and Italy are one of the favourites destinations.

¹⁸ Eurostat(2016)



(*) Number of nights spent estimated using monthly data.

(*) Excluding nights spent in holiday and other short-stay accommodation establishments.

¹⁹Fig. 7 Tourism destinations — nights spent at tourist accommodation establishments, 2015

Considering Italy, not all the regions can be considered competitors: places like Sicily in summer or Trentino Alto Adige in winter target different kind of customers. The main competitors for *Badia di San Vittore*, are likely to come from Tuscany, as this region it has quite the same offer of Marche. It should be considered that tourism in Tuscany is already a well-developed sector: in 2017 it hosted more than 90 million people²⁰, with an increase of 3% from last year. This consolidated presence can be extremely dangerous as it could attract the Abbey's clients. On the other hand, the fact that Tuscany is a great attraction to foreigners means that people seek that kind of experience, so they could be interested in the structure, situated in a very similar but still to be discovered region.

Structures in Umbria could also be potential competitors, but this region accounts only four 5 stars hotels²¹, so the offer is quite limited. Finally, excluding seaside locations and ski locations in winter, all of the other regions have to be considered competitors to a certain degree, so these should be carefully considered when planning operations and marketing.

¹⁹ Eurostat (2016)

²⁰ Toscana Promozione Turistica (2017)

²¹ Booking.com (14/09/2017)

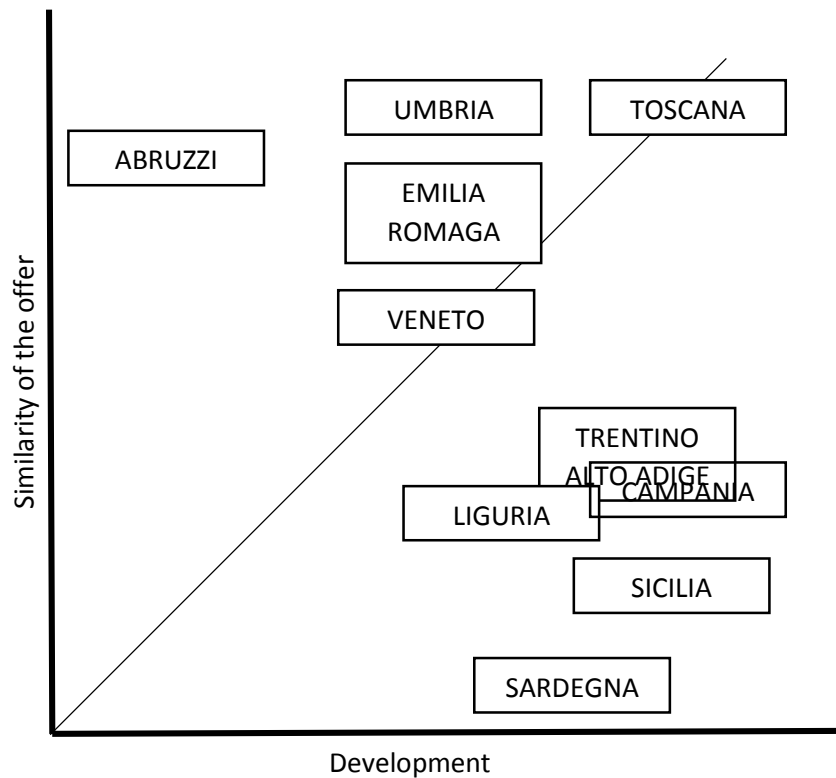


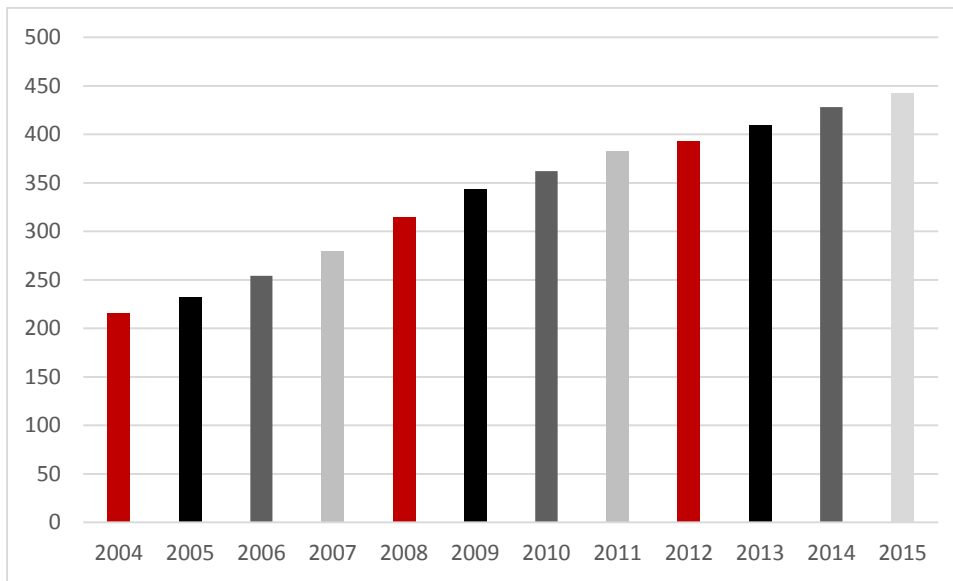
Fig. 8 Locations of potential competitors

4.4.1 Substitution

The possibility of substitution are quite high, as the majority of the offer is composed by hotels with less than five stars (in particular 3 star hotels (ENIT 2016)), but, with actual the trend of the market is more expected to have a shift of clients toward the luxury hotels, and not vice versa.

4.4.2 Potential entrants

Entry barriers are quite high due the cost of building and run a luxury hotel. In addition, the historical premises of the Abbey represents a rare resource that cannot be imitated, as old constructions similar to the monastery are not so frequent. However new entrants are expected to join the industry, due to the favourable period of the tourism market, and because of the registered past trend (see Fig. 9).



²²Fig. 9 Number of 5 stars hotels in Italy.

4.5 Operations

To identify operations it is useful to divide the business into two different categories. Indeed, there are two different sections that have different kinds of operations and could be considered separated.

4.5.1 The hotel

To guarantee the best possible customer experience it is firstly essential to consider the hidden work. Cleaning of every spot of the hotel has to be accurate and precise, it would be better to carry out silent cleaning activities during the night, when it is not a bother for costumers. The exception are the rooms, which are taken care of as soon as the occupant leaves it and every day. Supply of linen, soaps and everything that could be needed has to be checked and carried out on a daily basis.

In addition, the care of the garden has to be scrupulous and everything has to be carefully checked. In particular, the proper working condition of all facilities.

The service will start as soon as the guest makes the reservation. Transportation will be offered from the airport to the Badia and vice versa, the map to arrive to the hotel and the contacts to rent a car will be provided.

The reception of the clients is to be considered as one of the most important moments, as a good reception will create a positive first impression on the entire structure and on the level service. Therefore, this should be done in in the best possible way, always being kind, helpful and cheerful.

²² ENIT (2016), Ribualdo (2016)

Receptionists will have to be fluent in different languages. They will also need to be competent on the activities and the events in the surrounding area, in case they are asked for information.

4.5.2 The restaurant

The restaurant needs its own cleaning, particularly to the kitchen area, which, from a healthcare point of view requires particular attention. The supply of food has to be daily checked, not only because of the usage but also to ensure the freshness of the products. The cooking is made in several steps, starting from the preparation of dishes that are used to serve the meals, to the presentation of the plates. The restaurant reception is still a fundamental part, as well as the serving, which has to be fast, organized and professional. Quality, competence and kindness are the key ingredients for a successful restaurant which effectively complements the high level of service offered by the hotel.

4.6 Financial Analysis

4.6.1 Initial Investment

A fundamental step in order to get this venture started is the gathering of funds. The costs have been approximately calculated to be 1 million euros, divided, around half and half, between the rooms and the facilities.

The costs for the rooms are divided in two chunks. The first focuses on the costs to be sustained for the renovation of the old part of the abode, while the second chunk, focuses on a separate adjacent building, on areas that have to be built almost from zero. As the latter area is currently composed of big halls, partially used for weddings and partially for storage ($84,45 \text{ m}^2 + 425,27 \text{ m}^2$) and the ancient deconsecrated unused church.

The facilities are to be built in the ancient church of the abbey ($91,48 \text{ m}^2$), which has to be restored. This will include the spa as well as the swimming pool, in front of the main entrance. In addition, several small improvements have to be done to the garden and to the surrounding wood.

4.6.2 Finanziamento a tasso zero

Italian Government offered the opportunity of a zero percent finance, regarding the 75% of the total expenses²³, if the firm abide by the restrictions, in particular^{24,25} :

²³ Decreto Legislativo n. 185/2000

²⁴ Decreto Legislativo n. 185/2000

²⁵ Raccomandazione 2003/361/CE

- a) It has to be in company form.
- b) Half of the partners have to be aged between 18 and 35 or women.
- c) The constitution has to be done less than 12 month from the application.
- d) It has to be “di micro e piccola dimensione” (i.e. small-sized enterprises).
 - *Microimpresa*: it has less than 10 employees and annual turnover of 2 million euro.
 - *Piccola impresa*: it has less than 50 employees and annual turnover of 10 million euro.

In addition the decree specifies the sectors in which the business has to work in, and it includes tourism.²⁶

(See Appendix 2)

4.6.3 Financing planning

As the project for *Badia di San Vittore*, fits the requirements of the decree discussed in the previous section, it is a good opportunity to exploit the opportunity offered by this financing scheme. Considering that the costs are estimated to be around 1 million euro, the government loan would be of 750.000 euros.

It would be extremely useful to involve a partner to cover the remaining cost. An external investor would mean the entrance of someone who understands well and works in the tourism industry (this would be a requirement). The experience and the knowledge are important assets, so the engagement of an appropriate partner would be preferred to a private loan.

4.6.4 Expenses

The business will have the following operating expenses

- 1) Salaries
 - Reception
 - Cleaning
 - Kitchen
- 2) Food, the provision has to be done with the best choice of local foods, many of which could be perishable in short time.
- 3) Linen, including the purchase and substitution (that is expected to be done quite often) or the rental. In addition Laundry expenses.
- 4) Cutlery, plates and other dine related items, purchase and substitution and their cleaning.
- 5) Attire.

²⁶ Decreto Legislativo n. 185/2000

- 6) Other current expenses, as could be soaps or perishable decorations (e.g. flowers).
- 7) Heating, water and similar expenses.

The business will have the following investing expenses

- 1) Hotel maintenance, everything the building need to be restored, from chinks to structural instabilities.
- 2) Facilities maintenance, to be kept at their best they have to be regularly checked.

4.6.5 Revenues

Computing revenues is an extremely complicated matter, neither price nor the exact number of rooms has be defined. However an overview and underestimation over the possible income has been done.

The market price have be seen to be around €500, and it is unexpected to go under €300 a night (9th/10th of September). In addition, price fluctuation are not expected to be high during the year.

The number of rooms is around thirty, and a negative evaluation would be to have half of the rooms rented for the weekend nights.

With this data the revenues, only considering 4 nights a moth would be €18.000.

Additional revenue steam would came from the restaurant, which would be open both for the guests and external clients.

4.7 Human resources

“Employees have the crucial role in defining and achieving the vision, values, missions and principles of hotel chain business operations.” (Svetozar, 2016)

Finding a good team is challenging. The employees have to be qualified to face the needs of the hotel and, at the same time, the manager has to be able of motivating staff, making them work at their best and ensuring staff retention.

The main difficulties in *Badia di San Vittore* would be finding people qualified to work in a high class hotel, particularly as it will host foreign guests. The knowledge of several languages is extremely

important, particularly English, German, French and Chinese²⁷ Also the ability of dealing with different cultures should not be underestimated, as manners and courtesy change from country to country. It is therefore relevant to have a broad awareness of foreign cultures.

The hotel industry is characterized by a large number of seasonal workers, so it is important to provide a fast and complete training, with regular personnel able of dealing with this issue.

To obtain the best staff it is important to understand people potential and to be able of strengthening it. The possibility of a career is extremely helpful to motivate employees as well as a pleasant work environment.

The first and most important position is the manager, he/she has to be able of coordinating every single activity; checking that everything is done in the proper way and, making sure that everything that could be needed is available.

The Chef would also have an important role: managing the kitchen and the its team as well as being responsible for the organization of the food. This first two figures are fundamental and have to be rigorously selected by considering their capability, as if they underperform the venture would be likely to fail.

Then responsables for the reception, the maître, waiters and the chef's assistants should be selected. Recruiting the aforementioned staff could be facilitated by the presence of two schools in the area specialized in the hospitality and catering industry, the “Istituto Superiore Alfredo Panzini” in Senigallia and the “IPSEOA Girolamo Varnelli” in Congoli.

The last, but still extremely important part is the cleaning. For a luxury hotel it is fundamental to have a good cleaning team that ensures the perfect cleaning of the rooms and of all of the other areas within the hotel.

²⁷ ENIT (2016)

5. Conclusion

The Luxury Hotel market is currently at its best, the growth have been stable during the last years and is expected to continue to increase for several years. In addition, the millennial generation has shown a hedonistic behaviour that was extraneous to the previous generations, which was more interested in practical issues.

The territory in which the Abbey stands is rich and beautiful, with nothing to envy to the most famous locations in Italy.

The historical background is what differentiate this place from the others; it has an old and fascinating background and an impressive appearance. The architectural traits are not common in the old constructions' panorama.

A well-organized business plan could bring to a successful venture.

<u>Key partners</u> Local activities and point of interests.	<u>Key resources</u> Beautiful countryside Historical attraction	<u>Value proposition</u> A unique experience of travelling back in times with the comforts of modern area.	<u>Customer relationship</u> Taking care of all guest's need from the first contact.	<u>Segment</u> The customer is a wealthy adult of all ages, with particular attention to millennials. They are from various countries.
	<u>Key activities</u> Cleaning Reception Organization of the kitchen		<u>Channels</u> The website, as well as online portals for booking hotels. Hosting valuable initiatives.	
<u>Cost structure</u> It mainly concerns equipment, food and wages, and the cost of running the structure (as light, heat)			<u>Revenue stream</u> Revenues come from the restaurant and hotel clients, as well as the renting for conferences and weddings.	

Fig. 10 The business model canvas

Competition is quite high, mainly for the threat of new entrants, but the industry is under its potential; possibilities of substitution are lots, but considering past trends, unlikely.

Suppliers do not have great power, as the area is not extremely developed. Possible buyers are firms, which wants to use the conferences rooms, and even if they are welcome, they are not the main target.

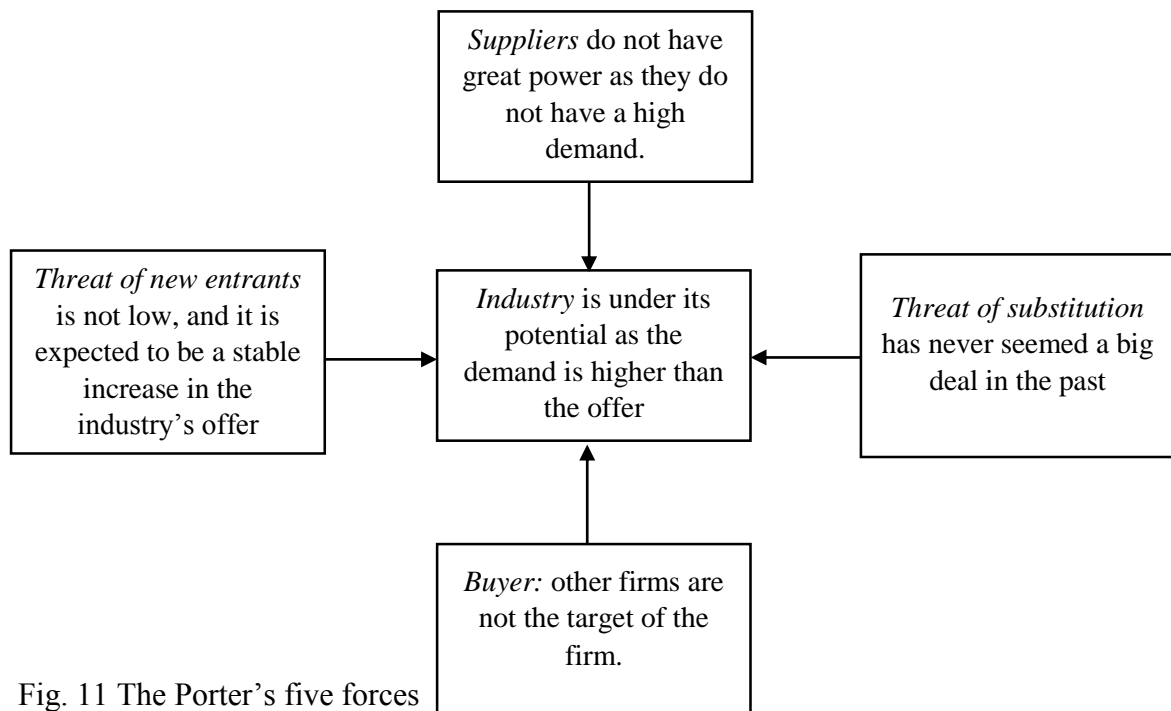


Fig. 11 The Porter's five forces

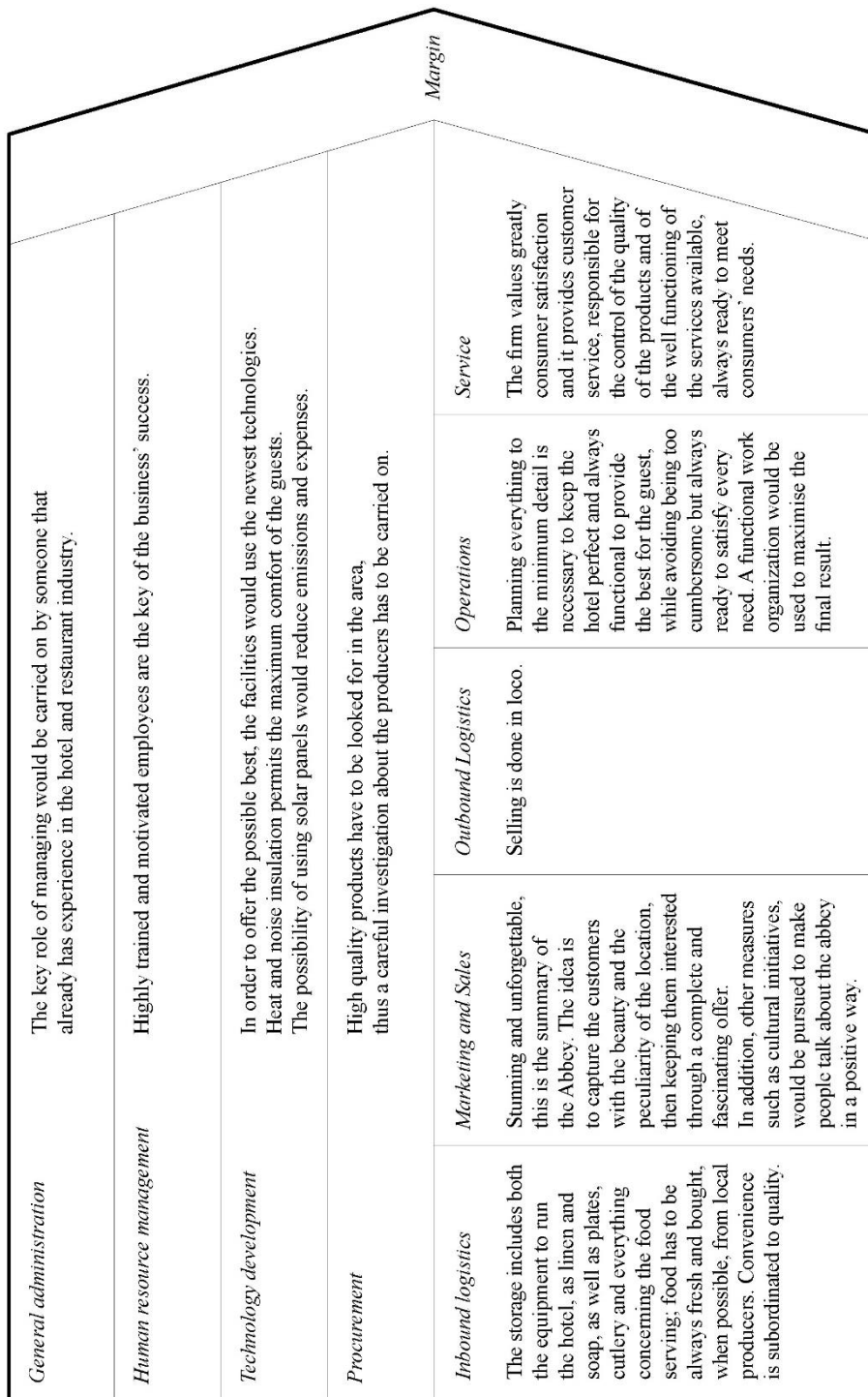


Fig. 12 The value chain

5.1 Feasibility

The hotel project have an interesting potential and it will be undertaken as soon as possible. In fact the first step will be starting to develop a project for the renovation, talking with an architect and others constructions expert to understand the exact costs and decide precisely how to do the various rooms, it could be useful to do a qualitative research to understand customers preferences. At the same time, it is important to search for a partner, someone who already has experience in the sector, then deciding the terms of the partnership.

The request of financing has to be done right before the start of the works, to maximise the hotel's earnings before having to give back money.

A promotion campaign should be carried out few months before opening the hotel. During the same period the various employees should be selected. The first step would be deciding who will be in charge of the managing role. The opening should be at the beginning of the summer season. The payback of the financing will start after two years from the date in which the funds are obtained.

Now	<ul style="list-style-type: none">• Find a partner• Develop the renovation project
June 2018	<ul style="list-style-type: none">• Found the firm• Ask for the financing
60 days from the application	<ul style="list-style-type: none">• Obtain the funds
September 2018	<ul style="list-style-type: none">• Start renovation
January 2019	<ul style="list-style-type: none">• Start advertising• Look for HR
June 2019	<ul style="list-style-type: none">• Opening
September 2020	<ul style="list-style-type: none">• First installment

Fig. 13 The projection of future steps.

6. Appendix 1

The area around *Badia di San Vittore* has attracted for centuries populations who decided to find there a place of living. It is interesting the recurrence of religious activities in the place.

The first signs of inhabitation of the area on the Musone river's banks go back to the pre Roman era: a sanctuary stood on the left side, where now is S.Vittore village. The place's main trait of importance was the presence of a spring, whose waters were believed to have curative properties, and were worshipped for this reason.

Remains of an ancient religion based on the figure of a female deity have been found. During time an urban reality developed, and, with the arrival of the Romans it became a *municipio*. It is believed this could be the city of Planina, of which Plinio il Vecchio talked about. Evidences of this can be found in the remains discovered in the area which confirm the presence of a settlement from the Republican period: several inscriptions, amphoras, ceramics, mosaics, architectural structures and fragments of sculptures were found on this grounds.

From the findings of tubes, often decorated with aquatic scenes and pipes, we know that the spring had become a thermal centre, probably active between V century B.C. and I A.D..

An important figure linked with the area is Tito Labieno, one of Pompeo's generals. This was likely to be the place of origin of his *familia*.

During the barbaric invasions records become confused, even if there are a few legends that narrate the importance of the frequentation of the spring by Longobards. This didn't prevent the decline and the degradation of the territory. At least until XI century Benedictine monks decided to settle down in the area, this new presence gave a new impulse to the cultivation of lands and permitted a new expansion and the creation of a village.

In the first half of XIX century digging up started, and this permitted the recovering of several elements of historical value, partly stored in museums in Cingoli, Ancona and Florence.

The spring knowledge remains until few years ago, when it was called *Fonte del Bagno*, or *di San Giovanni*, and was common for the population to carry out rites linked to water during the night on the 24th of June.

The exact position of the spring is a mystery nowadays, but people are still trying to bring back.

7. Appendix 2

Ministero dello Sviluppo Economico, Direzione Generale per lo Sviluppo alle Imprese,

Decreto Legislativo n. 185/2000

Section 3, Soggetti beneficiari

Soggetti beneficiari 3.1. L'articolo 5 del Regolamento individua i soggetti beneficiari delle agevolazioni di cui al Titolo I, Capo 0I, del Decreto legislativo 185/2000, nelle imprese: a) costituite in forma societaria, ivi incluse le società cooperative; b) la cui compagine societaria è composta, per oltre la metà numerica dei soci e di quote di partecipazione, da soggetti di età compresa tra i diciotto e i trentacinque anni ovvero da donne; c) costituite da non più di 12 (dodici) mesi dalla data di presentazione della domanda di agevolazione; d) di micro e piccola dimensione, secondo la classificazione di cui all'allegato 1 del Regolamento GBER.

Ministero dello Sviluppo Economico, Direzione Generale per lo Sviluppo alle Imprese,

Decreto Legislativo n. 185/2000

Section 4. Iniziative ammissibili

4.1. Sono ammissibili alle agevolazioni, fatti salvi i divieti e le limitazioni stabiliti dal Regolamento de minimis n. 1407/2013, le iniziative che prevedono programmi di investimento da realizzare in tutto il territorio nazionale con spese non superiori a euro 1.500.000,00 (unmilione cinquecentomila/00) promossi nei settori di seguito elencati: a) produzione di beni nei settori dell'industria, dell'artigianato, della trasformazione dei prodotti agricoli; b) fornitura di servizi: (i) alle imprese; (ii) alle persone. c) commercio di beni e servizi; d) turismo; e) settori, di particolare rilevanza per lo sviluppo dell'imprenditorialità giovanile, riguardanti: (i) attività turistico-culturali, intese come attività finalizzate alla valorizzazione e alla fruizione del patrimonio culturale, ambientale e paesaggistico, nonché al miglioramento dei servizi per la ricettività e l'accoglienza; (ii) l'innovazione sociale, intesa come produzione di beni e fornitura di servizi che creano nuove relazioni sociali ovvero soddisfano nuovi bisogni sociali, anche attraverso soluzioni innovative. 4.2. I programmi di investimento, di cui al punto 4.1, devono essere:

Ministero dello Sviluppo Economico, Direzione Generale per lo Sviluppo alle Imprese,

Decreto Legislativo n. 185/2000

Section 6, Forma e misura dell'aiuto

6.1. Le agevolazioni di cui alla presente Circolare sono concesse ai sensi e nei limiti del Regolamento de minimis n. 1407/2013 e assumono la forma di un finanziamento agevolato per gli investimenti, a tasso pari a zero, della durata massima di otto anni e di importo non superiore al 75% (settantacinqueper cento) della spesa ammissibile. L'agevolazione è subordinata, in particolare, al rispetto dei massimali previsti dal precitato regolamento europeo, ai sensi del quale le agevolazioni possono avere un importo massimo complessivo, in termini di equivalente sovvenzione lordo (ESL), di euro 200.000,00 (duecentomila/00) nell'arco di tre esercizi finanziari per impresa unica, fatte salve le specifiche limitazioni dettate nel settore del trasporto merci su strada per conto terzi.

European Commission

Raccomandazione 2003/361/CE

Circa la nuova *definizione della categoria delle piccole e medie imprese (micro, piccola e media impresa)*, come è noto, i nuovi parametri di riferimento, definiti nella Raccomandazione e recepiti nello schema di decreto del Ministero delle Attività Produttive sono i seguenti:

- **microimpresa** - a) meno di 10 occupati e, b) un fatturato annuo (corrispondente alla voce A.1 del conto economico redatto secondo la vigente norma del codice civile) oppure, un totale di bilancio annuo (corrispondente al totale dell'attivo patrimoniale) non superiore a 2 milioni di euro;
- **piccola impresa** - a) meno di 50 occupati e, b) un fatturato annuo, oppure, un totale di bilancio annuo non superiore a 10 milioni di euro;

Nelle tre tipologie i due requisiti sub a) e b) sono cumulativi, nel senso che entrambi devono sussistere.

8. Bibliography

- 1) Arienti, P. (2017). *Global Powers of Luxury Goods 2017, The New Luxury Consumer* [online] Available at: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/consumer-industrial-products/gx-cip-global-powers-luxury-2017.pdf> [Accessed 19 Sep. 2017].
- 2) Bain.com. (2017). *Luxury Goods Worldwide Market Study, Fall-Winter 2016*. [online] Available at: http://www.bain.com/Images/REPORT_Luxury_Goods_Worldwide_Market_Study_2016.pdf [Accessed 25 Sep. 2017].
- 3) Chapman, R. (2011). *Simple Tools and Techniques for Enterprise Risk Management*, 2nd Edition. John Wiley & Sons.
- 4) Decreto Legislativo n. 185/2000.
- 5) Deloitte (2017). *Global Powers of Luxury Goods 2017, The New Luxury Consumer*. [online] Deloitte. Available at: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/consumer-industrial-products/gx-cip-global-powers-luxury-2017.pdf> [Accessed 10 Sep. 2017].
- 6) Dess, G., Lumpkin, G. and Eisner, A. (2013). *Strategic management*. 7th ed. McGraw-Hill Education.
- 7) Forbes.com. (2017). Forbes Welcome. [online] Available at: <https://www.forbes.com/sites/tedgreenwald/2012/01/31/business-model-canvas-a-simple-tool-for-designing-innovative-business-models/#45f3733516a7> [Accessed 1 Oct. 2017].
- 8) Guida-Vino.Com. (2017). E' un Verdicchio il miglior vino bianco italiano del 2017 secondo il Gambero Rosso - Guida-Vino.Com. [online] Available at: <https://www.guida-vino.com/it/migliori-vini-delle-marche-migliori-vini-marchigiani/item/783-e-un-verdicchio-il-miglior-vino-bianco-italiano-del-2017-secondo-il-gambero-rosso.html> [Accessed 1 Oct. 2017].
- 9) Hotel Managers Group Blog. (2017). How People Choose Hotels: Results of a Decisive Survey. [online] Available at: <https://hmghotelsblog.com/2014/12/24/how-people-choose-hotels-results-of-a-decisive-survey/> [Accessed 23 Sep. 2017].
- 10) Invitalia.it. (2017). *Invitalia: l'Agenzia nazionale per lo sviluppo d'impresa - Invitalia*. [online] Available at: <http://www.invitalia.it> [Accessed 23 Sep. 2017].
- 11) IRPET (2016). *Rapporto sul Turismo in Toscana, la Congiuntura 2015*. [online] Firenze: IRPET Regione Toscana, Settore Sistemi informativi e servizi - Ufficio Regionale di

- Statistica. Available at: http://www.irpet.it/wp-content/uploads/2016/09/rapporto-turismo_congiuntura-2015.pdf [Accessed 23 Sep. 2017].
- 12) Luxury Hotel Marketing | Luxury Hotel Advertising Campaigns | Richard Williams Associates. (2017) [online] Available at: <http://richardwilliamsassociates.com/website/case-studies/case-study-luxury-hotel/> [Accessed 23 Sep. 2017].
- 13) Muratore, M. (2016). *Studi e ricerche - ENIT - Agenzia Nazionale del Turismo*. [online] Enit.it. Available at: <http://www.enit.it/it/studi.html> [Accessed 23 Sep. 2017].
- 14) Muratore, M. (2017). *Studi e ricerche - ENIT - Agenzia Nazionale del Turismo*. [online] Enit.it. Available at: <http://www.enit.it/it/studi.html> [Accessed 3 Sep. 2017].
- 15) Raccomandazione 2003/361/CE.
- 16) Ronchetti, N. (2017). *Boom delle vacanze di lusso in Italia, tra ville e palazzi storici*. [online] Il Sole 24 ORE. Available at: http://www.ilsole24ore.com/art/impresa-e-territori/2017-02-03/boom-vacanze-lusso-italia-ville-e-palazzi-storici-185754.shtml?uuid=AEXtPxN&refresh_ce=1 [Accessed 31 Aug. 2017].
- 17) Svetozar, K. (2016). *Human Resources Management in Hotel Industry: the analysis of current practice in Serbia*. Belgrade, Serbia: Belgrade Chambre of Commerce, pp.174-180.