LIBERA UNIVERSITÀ INTERNAZIONALE DEGLI STUDI SOCIALI

Department of Business and Management

Chair of Entrepreneurship and Venture Capital

NEW ENTREPRENEUSHIP OPPORTUNITIES IN THE DEVELOPMENT OF THE TOURISTIC OFFER: THE "OSPITALITÀ DIFFUSA" MODEL TO INNOVATE THE ITALIAN MARKET: THE CASE OF THE VESUVIO COAST

SUPERVISOR:

Prof. Federica Ceci

CANDIDATE:

Michele Pisacane

689911

CO-SUPERVISOR

Prof. Arturo Capasso

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LIST OF ABBREVIATIONS

AD - Albergo Diffuso

APS - Adult Population Survey

Art. – Article

EE – Entrepreneurial Ecosystem

GDP **-** Gross domestic product

NES - National Expert Survey

OD - Ospitalità Diffusa

PPP**-** Purchasing power parity

PWC – PricewaterhouseCoopers

SET - Southern Europe against Turistification

TEA - Total early stage Entrepreneurial Activity

UAE - United Arab Emirates

UK – United Kingdom

UNWTO – World tourism organization

VC – Vesuvio Coast

WTTC - World Travel and Tourism Council

INTRODUCTION

The present study aims to analyze the management and the advantages related to the diffusion of a new tourist business model, capable of revitalizing the Italian tourism sector and consequently the whole Italian economy, the "Ospitalità Diffusa OD" / "Albergo Diffuso AD" model. Demonstrating that among the major innovations of the last years this model can truly reposition the Italian tourist offer, stimulating a competition that is more a cooperation based on quality rather that a price war, and at the same time preserving the authentic characteristics of the ecosystems in which it will be applied. Finally we will see a practical application of the model in one of the Italian territories with the highest potential not yet exploited: the Vesuvio Coast.
The elaboration therefore offers a starting point for the development of an integrated supply system capable of satisfying the new needs of tourists but at the same time preserving the socio-cultural characteristics of the Italian ecosystems that have made Italian quality a must in the world. The work follow the fil rouge of the function of the entrepreneur who plays a key role in this process of applying an innovative hospitality model, which can be implemented in various forms depending on the characteristics of the ecosystem; but not a simple ecosystem since an entrepreneurial ecosystem, which, at the same time, with the right policies and the right incentives, can push or not, an entrepreneur to succeed. The "Ospitalità Diffusa" to set up a quality hotel offer, must provide an entrepreneurial management that knows how to provide the minimum services of the hotels but going to simultaneously satisfy the interest of the owners of the buildings and those of tourists, citizens and all the actors involved in offering and promoting all the services and accessory experiences that will make the experience of the tourist unique. This objective according to this study could easily be reached with a diffusion of a new entrepreneurial figure that understands the value of Made in Italy authenticity and the value of Human Heritage, and knows how to transmit it to tourists making him live the experience of feeling "temporary resident". The entrepreneur of the "Ospitalità Diffusa" should work as a film director and coordinates the interests of all the stakeholders with whom he will operate. This director must therefore wisely guide the company of actors (stakeholders), linked to a given territory, which in this metaphor corresponds to the stage where they will represent those experiences able to touch the hearts of the public, the tourists, in a memorable way.

But why Vesuvius Coast? The choice of this destination is dictated by the deep interest and personal involvement, for a territory rich of naturalistic, historical, cultural and archaeological sites, but at the same time, economically poor; where young people without prospects are forced to leave their land and seek fortune in other borders. Through the creation of a strong tourist industry, which manages to overcome the 1.9% share of the total regional GDP, many new jobs would be created, and the economy would start up again, changing the endemic unemployment and poverty.

In the first chapter we analyze the figure of the entrepreneur from a strategic point of view, starting from a discussion on the historical outline of the origin of the word entrepreneur and continuing with the historical evolution of the concept, reviewing some academic studies of the entrepreneurial phenomenon proposed over the years by various economists, from which it derives that each study has emphasized different aspects of human behaviour in business, in particular we will see how Schumpeter (1989) will define the entrepreneur *a person who is willing and able to convert a new idea or invention into a successful innovation***.**

The focus has therefore shifted to the necessary conditions to start an entrepreneurship process: the opportunities and the ability to create or find them, the advantage that information can give to one entrepreneur over another, the possibility of a potential economic return if you decide to invest even under uncertain conditions. As well as the capacity of organize materials, capabilities, people and strategies and move everything towards the same objective to have success. Fundamental was also the study of the two currents of thought about the innovative skills of the entrepreneur who see on one hand the Schumpeterian innovation that manifests itself through a "*(creative destruction) process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one.*"(Joseph Schumpeter 1942)

And on the other hand, the theory of Kirzner "*incremental*" innovation, a *"new combinations may in time grow out of the old but continuous adjustment in small steps"*

The chapter then closes with an analysis on the Entrepreneurial Ecosystem based on the six pillars of Isenberg, whose analysis shows how the ecosystem is fundamental to understand the chances of success and the motivation of an entrepreneur in undertaking a project. The study on the ecosystem then concludes with an analysis on the GEM regarding the basic characteristics of the ecosystem useful to compare the entrepreneurial predisposition of a territory with the other countries of the world.

The second chapter, deals with entrepreneurship in the Italian tourism sector.

An analysis will then be made of the Italian tourists sector by comparing it with the rest of the world, from which will come out a very stimulating framework for entrepreneurs, who should

invest in the high potential and opportunities of the sector; but it will also be highlighted the negative aspects of tourism entrepreneurship, with little investment and poor entrepreneurship education in the tourism sector. In this chapter, we will see the analysis of opportunities and innovations at the base of tourism success, however, finding a key role in the experiential-base offer and in the territory. So, tourism being linked to the territory, has a strong dependency relationship with the latter and it follows that even tourism innovation can be efficient or not based on territorial context. Through the Porter Diamond which is focused on the forces that drive the competitiveness of clusters, regions or nations we have studied the characteristics that influence innovation and the result is that, being tourism a product **holistically** perceived, it will be necessary to focus more on cooperation rather than competition.
The chapter will close with the Isenberg and Gem analysis to evaluate the status of the Italian entrepreneurial ecosystem.

The third chapter starts with an examination of the Istat data on the structure of the Italian accommodations offer, based on a medium-low target. Then the focus is on the innovation of the last years in terms of hospitality, with particular attention on the role of online platforms and their impact on urban ecosystems, through the effect of gentrification and of turistification of Italian cities. Among the last innovation, the model of the "Albergo Diffuso" and the more general "Ospitalità Diffusa" will be considered as a valid and sustainable business model, counteracting the gentrification and at the same time increasing Italian quality standards. Then there is a look at the characteristics of the AD, a model conceived by Dall'Ara 30 years ago, based on the new experience need of tourists, that was the first frame and that is still in progress. In fact, the concept has been left to the free ingenuity of entrepreneurs who must be able to adapt the model to the ecosystem in which they will operate, thus improving the condition of the place where it is applied and satisfying the need for authenticity that according to TripAdvisor (2014) sees Italy at the top of the list of preferences as a country in which tourists would like to travel, motivated by the "experience of the authentic culture of the destination".
Then we will analyze the role of the Entrepreneurial Ecosystem for the implementation of, that great innovation in Made in Italy hospitality, the AD/OD, here we will see the weaknesses and strengths that can push the Italian entrepreneur to invest in this project, demonstrating that the market is very large, and that the entrepreneur should simply make tourists aware of the new innovation, through one of the marketing methods discussed in the last part of the chapter.

The objective of the elaborate will come out in the fourth chapter, where analyzing and comparing some successful model in 5 Italian regions, we will have a confirmation of the

strengths of the model and this will help us to demonstrate that there is not a single successful model of OD , but it will be necessary to widespread just the philosophy of the OD, leaving the possibility for individual entrepreneurs to adapt this model according to the context in which they want to operate, in this way the model will allow Italian entrepreneurs to operate in different segments, showing that a change and a new positioning for the Italian tourist offer is possible.
To have data to compare and then be able to validate the success of the model, the owners and / or managers of AD and OD models interviewed were chosen in different regions and oriented towards different targets in order to have a more general overview. Then, through video calls or calls, was submitted a questionnaire with a fixed structure but which, based on the type of project, looked more closely at some aspects. All the questions revolved around 9 main topics: The role of the entrepreneur, how the idea went out, the impact on the territory, the internal organization, the competitive advantage, competition, future perspectives, marketing politics and a quantitative balance of the composition of the arrivals.

Among these examples the double-action model of the entrepreneur Ezio Occhipinti was taken as an example in the 5th chapter for the re-launch of the Vesuvio Coast. We have therefore entered in detail with all the peculiarities, the strengths and weaknesses of a coastal strip made up of eleven municipalities on the slope of Vesuvius. We started with an introduction to the territory to explain the reasons for a necessary economic recovery, then we analyzed the economic-administrative and structural characteristics of the tourism sector, the positive trends of tourist flows and the characteristics of the stakeholders present in the territory, showing for every attractor the type of experience that could be proposed and framing the situation of the Entrepreneurial Ecosystem that will be the engine for the implementation of a systematic innovation to give back to this land, finally, the right reputation.
Considering the example of the Vesuvio Coast as a mirror of Italy, this new innovative business model will therefore be the springboard for the economic revival of Italy starting from those poorer territories.

CHAPTER 1.

ROLE OF ENTREPRENEURSHIP AND OF THE ENTREPREURIAL ECOSYSTEM

1.1 History and definitions: the evolution of the term and the actual meaning

The word Entrepreneurship comes from entrepreneur, anglicized from the original French word. The word first appeared in the French dictionary entitled *Dictionnaire Universel de Commerce compiled by Jacques des Bruslons and published in 1723*(Navale, Ashik Bhanudas 2013) and was first defined in the English version by the Irish economist Richard Cantillon in the 1730. In French the verb *"entreprendre"* means *"to undertake,"* with *"entre"* coming from the Latin word meaning "between," and *"prendre"* means *"to take."* Furthermore in French a person who performs a verb, has the ending of the verb changed to "eur," comparable to the "er" ending in English". (YantoPratiknyo , 2009).
Today the definitions are multiple and day by day there are new ones, but a widely-accepted definition of "entrepreneurship" and "entrepreneur" exists ?

Analyzing the historical path of the concept of entrepreneurship and considering some academic studies of the entrepreneurial phenomenon we can say that each study has emphasized different aspects of human behaviour in business.
Josef Schumpeter (1989) in his theories associated entrepreneurship with **innovation**, for him the entrepreneur is a person who is willing and able to *convert a new idea or invention into a successful innovation***.** Arthur Cole (1983), Schumpeter's colleague at Harvard, associated entrepreneurship with the creation of **organizations.** Peter Drucker (1985) was the first to define entrepreneurship as a discipline, combining it with other previous studies and in particular with the *concept of innovation and risk*, extending the concept of entrepreneurship to all types of organizations.
Sullivan and Scheffrin (2003) state, that an entrepreneur is a person who has possession of an enterprise, or venture, and assumes significant accountability for the inherent risks and the outcome. "*He is an ambitious leader who combines land, labor, and capital to create and market new goods or services"*.

According to Italian law, the entrepreneur is the one carrying out professionally an economic activity aimed at the production and exchange of goods or services.

"E' imprenditore chi esercita professionalmente un'attività economica organizzata al fine della produzione o dello scambio di beni o di servizi"(Codice Civile art. 2082).

To explain it in simple terms we can analyze the concept of productivity to explore entrepreneurship but remembering that is not sufficient for wholly explaining it.

We can consider as examples a bricklayer or a farmer that are strongly involved in a real productive job. The first doesn't work autonomously but under the control and the direction of a chief, the farmer works autonomously but be autonomous doesn't mean to be entrepreneur because is not looking for or pursuing an opportunity and is not risking nothing; he is just performing a basic, static job without innovation but necessary for sustenance. In this conditions, he will never improve his status and will never bring any real change to society. this therefore makes us understand that working autonomously even if you own your own means is not synonymous with entrepreneurship. Another confirmation of the thesis is given to us by Baumol (1990) which defined mafia-type criminal activities as entrepreneurial activities, even if not productive but unproductive activity. Therefore, it is important not to confuse normal survival or just a productive process with entrepreneurship. To be an entrepreneur is not only something related to the production but is it is the combination of a set of characteristic that makes someone: willing to take upon herself or himself full responsibility for the outcome, discover or creates new opportunities to make substantial profits, typically by organizing a new business firm or expanding an existing business. The entrepreneur is creative, innovative thinking, risk-taking and is able to forecast future conditions of supply and/or demand that will be different from current conditions.

All this characteristic can be resumed in the figure of an actor who has the capacity and is willing to develop, organize and manage a new project betting and gaining on risk and uncertainly in order to make profit. In the economic field the entrepreneur has the role to start new businesses organizing in the most profitable way natural resources, capital and people. The entrepreneur to carry on this project need a spirit characterized by natural inclination to innovation and risk, in order to succeed not only for herself/himself but for all the actors involved and for the territory where she/he operates and and to keep up with the fast competition of these years.

With this analysis, we don't have a specific definition of the concept, **nor a universal definition**; rather, **the goal is to identify the necessary conditions** to understand the fundamental principles of entrepreneurship itself.

1.2 Necessary conditions

1.2.1 Entrepreneurship and opportunities

"Entrepreneurship is the starting point for most businesses. It is about the process of seeking/creating opportunities and exploiting them through innovation. It is about being an entrepreneur" (Federica Ceci 2017). And this process of seeking/creating opportunities is the most important condition to start a new project and be able to make profit.

The literature of the Entrepreneurial Opportunities started with Casson (1982) who defined entrepreneurial opportunities as "*situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production ".* These situations do not need to modify the condition of the economic process to be entrepreneurial opportunities, but only need to have the potential to modify the existing economic equilibrium. It follows that the role of entrepreneurship is the management and leadership style that involves pursuing opportunity **without regard to the resources currently controlled** and the economic situation of the moment.
This use of the resources clarifies also the function of the entrepreneur distinguishing her/him from the simple person who can make better use of those resources, as the farmer of the previous paragraph who is just performing a basic job for sustenance without any calculation related to possible innovation, in fact as Baumol (1993) states, the" *Entrepreneurial opportunities cannot be exploited by optimizing because the set of alternatives in introducing new things is unknown, precluding mechanical calculations between all possible alternatives*", instead the "*non-entrepreneurial decisions that maximize scarce resources across previously developed means and ends, and entrepreneurial ones that involve the creation or identification of new ends and means"* (Gaglio & Katz 2001) : without an opportunity, there is no entrepreneurship, and a potential entrepreneur can be immensely creative and hardworking, but without an opportunity to target with these characteristics, entrepreneurial activities cannot take place. (Jeremy C. Short 2010).

Starting from this point is important to understand what is an opportunity and how is possible to use it to make profit.
Today exists *a little agreement about the definition and nature of opportunities* (Hansen & Shrader 2007), and there are two popular schools of thought debating that **opportunities are discovered or created.**
Among the first school of think, some scholars consider opportunities as *products of a creative process that is a gradual process*, *involving a synthesis of ideas* that cause the introduction of new goods, services, or processes that some individuals have the ability to see where not currently exist, or where they can be valuable and are not yet recognise (Dimov, 2007). Others are primarily concerned with the *role of opportunities in creating new ventures* (Baron, 2008). For these scholars the work of the entrepreneur is figuring out the right customer problem that need to be recognize and solved with the best solution.

The other school of think has another point of view that start from a deductive prospective, where "*imaginative entrepreneurs can leverage their experience, subjective understanding and current information to identify or create business opportunities"* (Witt, 1998) These other scholars believe that the needs must be created and successively satisfied with the new solutions.

1.2.2 Differences between people

From the previous paragraph, we know that being an entrepreneur is not only the capability of discover or create an opportunity but also so be a creative and hardworking person able to risk and bet on uncertainty. But the entrepreneur acts not just betting but with a strategy because he has more information than the others. He has a preferential access to information and with the ability to recognize information related to certain opportunities, her/him is able to exploit opportunities figuring out the right customer problem that needs to be solved.
Hayek was the first scholar that studied the importance of the information and affirmed that "*entrepreneurship exists because of information asymmetry between different actors"* (Hayek, 1945). This ability to manage to exploit information stimulate the entrepreneur, because opportunities and information alone do not spontaneously result in exploitation but *"entrepreneurs will discover opportunities because prior knowledge triggers recognition of the value of the new information"* (Shane 1999) and given entrepreneurial opportunity is not obvious to all potential entrepreneurs, depending on *rationale being that all people do not possess the same information at the same time* (Kirzner1997).

The consequence is that having the advantage of the information asymmetry (Kirzner, 1973) , does not means that the you are able to make profit or you have a competitive advantage, it is necessary to have the experience and the ability to understand the value of the information to discover the opportunity and create the best strategy to make profit.

1.2.3 Entrepreneurship requires bearing uncertainty

The entrepreneur after the capitation of the information can understand the opportunity, how to pursuit it and is ready to create the business plan and the strategy to make profits; but the business plan will work for sure? The answer is No. There is no certainty in starting a new project and here come out another necessary condition to be an entrepreneur: Do not be frighten by uncertainty and risk. Also when there is a detailed plan the exploitation is uncertain and the information about the profitability of an opportunity becomes known only when the entrepreneur pursues that opportunity, not before. With a correct business plan is possible to imagine different scenarios and possible solutions but is not possible to eliminate the risk and the uncertainty.

1.2.3.1 Risk or uncertainty? Capitalize on uncertainty

In this contest of uncertainty, Frank Knight in 1921 clarified some doubts thanks to his studies on the connection between risk and uncertainty in pursuing opportunities.
"In his seminal work, Frank Knight drew a sharp distinction between risk, as referring to events subject to a known or knowable probability distribution and uncertainty, as referring to events for which it was not possible to specify numerical probabilities." (Milton Friedman, 1976)
Knights explained that **risk is a quantifiable objective concept**; it is when future events are classifiable and there are defined probabilities that can be calculated. The risk changes only for exogenous elements, and comes out after a change in the objective parameters that depend on the environment or economic system.
The **uncertainty** on the other hand is a **subjective concept**. The change that comes with the uncertainly are endogenous and arise from people and their internal perception.
The distinction on the economic field between risk and uncertainty is evident because risk can be hedged, while uncertainty cannot, but insure the risk eliminates any potential profit.
To have a great gain a real entrepreneur should operates in context with high uncertainty and

unpredictable contingencies that can affect the performance, this was the purpose of Knight in Risk, Uncertainty and Profit (1921), where he explained how profit is the reward for bearing uncertainly. For Knight, profit is the residual between revenue and those costs that are contractual or imputable: "*The entrepreneur's income . . . may be distinguished from the contractual returns received for services . . . by pointing out that the latter are imputed, while his own income is residual*" Frank Knight (1921).

One of the most important original contributions of Knight was to observe that the reward for bearing insurable hazards should be excluded with interest and wages of management from profit, because being contractual or imputable, are qualitatively different from profit. The insurance premium appears on the balance sheet as costs when contracted out, so they should be imputed to cost rather than considered a component of profit. If profits are the reward for bearing uninsurable hazards and if it is uncertainty that gives rise to profit, it follows that uncertainty must be identified with uninsurable hazards. Risks, on the other hand, are insurable hazards (Stephen F. LeRoy, Larry D. Singell and Jr 1987).

Without uncertainty, there would be no profit as competition would settle things in a situation where all prices would be equal to costs. It is not dynamic change, however, that generates profits, but divergences between expected situations, and actual ones. The risk, if measurable and insurable, does not represent uncertainty, since the combination of several risk cases can be converted into a certainty, which allows an adequate forecast, and whose coverage would represent a simple fixed cost. Profit is therefore really linked to the economic change that causes uncertainty, that is the result of a kind of unmeasurable risk.

1.2.4 Entrepreneurship requires organizing

The entrepreneur when has a clear idea of the opportunity and the uncertainty related to it, has to plan and organize materials, capabilities, people and strategies and move everything towards the same objective to have success.

The competitive advantage rises only if this organization is different and unique than the others and when "*organizing involves the coordination and establishment of routines, structures and systems"* (Becker and Gordon, 1966). It is necessary a management structure, that in the future can change, and that is able to define the tasks and responsibility for each person in order to avoid problems when comes out and prepare a strategy to solve them rapidly. Among the people who takes part in the early stage of a new company the key role is the entrepreneur one. He is the one that takes a leadership role in seeing how the joint action of a different people achieve something that would be impossible only through individual action. Carter, Gartner & Reynolds confirmed this thesis explaining that *the organization formation process is the core characteristic of entrepreneurship* (Carter N., Gartner William B., Reynolds Paul D. 2009). The entrepreneur to succeed at the early stages needs to create motivation in all the levels of the organization, and from the foundation of the group is important to settle a good organization culture. It is important that the concept of teamwork is well settled and studied before clarifying it as the idea of voluntary cooperation among strong, competent individuals, who are working together in an atmosphere of friendliness and trust to reach the maximum achievement of the mission and the objectives settled by the organization.

1.2.5 Entrepreneurship requires innovation

*"Innovation is recognised to play a central role in creating value and sustaining competitive advantage"(*Francis D., Bessant J. 2005), a value and a competitive advantage for which customers will pay and that comes out thanks to a translation of an idea or invention into a good or service.

In the past years the concept of innovation was associated to a technological innovation and that was the main focus of research and development (R&D) department, but innovation is more than an invention, and does not have to be technical, can be social and economic. Nowadays we can consider an innovation like the creation of a *new product, new services, the settle of a new processes, new forms of organisation,* the development of new skills and human capital or as the introduction into a new market of a product already existing in other regions (Ganzer P. P., Olea P. M. 2017), all results of a specific need to satisfy.

Alongside the definition of innovation, also the conceptual relationship between entrepreneurship and innovation has been discussed in the literature for many years.

1.2.5.1 Schumpeterian innovation (creative destruction)

The first important scholar who established a linkage between entrepreneurship and innovation was Schumpeter (1934) who explained the figure of the *entrepreneur as an innovator*, whose innovation contributes to the growth of the economy. According to this paradigm, only a person who founds a new company based on a new idea can be called an entrepreneur. Entrepreneurship is viewed as a *creative act* and an innovation as a *process that produce something that did not previously exist*.

Few years later Schumpeter continued his theory of innovations explaining the alternation of expansive phases and recessive phases in the economic cycle. His theory says that innovations are not introduced constantly, but are concentrated in some periods of time; which, for this reason, are characterized by a strong expansion; followed by recessions, in which the economy is part of the circular flow equilibrium. After this circular period, a new balance is established, however, not the same as the previous one, but a new one changed by the new innovations. These phases of transformation under the pressure of major innovations are defined by Schumpeter as "creative destruction" referring, with this expression, to the drastic selective *"process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one."* (Joseph Schumpeter 1942)

1.2.5.2 Recombination requires innovation

Schumpeter in his studies affirmed also that most innovations are a recombination of existing knowledge and that *the engine of technological innovation is technological recombination* (Schumpeter, 1934). This recombination is mostly limited to knowledge or technology alredy developed within the own company or, at least, within value chain partners in the own industry.

This process of *recombination is not to consider as an imitation*, in fact: recombination refers either to the *combination of elements which were previously unconnected or finding new ways of combining elements which were already associated* (Nahapiet and Ghoshal 1997).

Imitation is only the copy of another product or process in another place of an already settle innovation, and is useful only to spread the innovation meanwhile innovation brings new things into the world.

1.2.5.3 Kirznerian innovation (Incremental)

In opposition to this theory, Kirzner studied the relation between innovation and entrepreneurship from another point of view.

In Schumpeter's view, the entrepreneur is seen in a "radical" way, as an innovator and a leader who, by introducing new combinations or new products in an economic system that destroy the current equilibrium, and temporarily taking profits from economic rents of incumbent firms, leading to a dynamic process of "*creative destruction*".

For Kirzner, innovation does not come from something completely new and disconnected from the past; it is not necessary to have such a radical destructive creative change but the entrepreneurship role can come out with an "*incremental innovation*". This type of innovation as Kirzner defined in 1999 is a "*new combinations may in time grow out of the old but continuous adjustment in small steps"* (Kirzner, I.M. 1999).
In Kirzner's point of view the entrepreneur has an arbitrage function and see opportunities that others do not see, because of specific and not uniform distributed knowledge, exploits imperfections currently existing, taking back the system into equilibrium. His function is independently of the nature of innovation, and can be limited to replicating or adapting existing solutions across different markets.

With this two point of view we have different type of entrepreneur, the Schumpeter's with a "creative destruction" innovation one creates opportunities that destroy the economic equilibrium, the Kirznerian entrepreneur has to improve the economic equilibrium step by step. This two prospective are not mutually exclusive, but can be considered as alternative representations of different types of innovation that can coexist in the economy at the same time and that both create a better equilibrium.

1.2.5.4 Entrepreneurship drives a market process

Be aware of the essential characteristics of a competitive market equilibrium is the key to reach a solution for our economic understanding.
In the previous paragraphs, we saw how entrepreneurship brings back the market system in equilibrium pursuing exploitable opportunity for profit and Kirzner in 1992 explained better this concept of the equilibrium, associating it to the entrepreneur work. Kirzner explained that *"Those future profits that inspires and motivates those entrepreneurial discoveries that end to correct earlier features of disequilibrium."* (Kirzner I.M. 1992)
This equilibrium is catch through the continual adjustment of prices that accommodate changes in tastes, technology and resource availability and is the key concept to understand how a market works. In this sense the entrepreneur earns thought the entrepreneurial process that constantly reveals overlooked opportunities to capture. It follows that *entrepreneurship, rather than*

resources and their allocations, matters more to individual wellbeing and to prosperity and is the engine of the market process (Kirzner1979,151).

But the market process does not have to be in disarray, it must follow certain rules for the benefit of the whole society and not of a single entrepreneur. In the first instance, profits must drive these changes, but then a regulation must be established to bring benefits for the whole society. Here, therefore, institutions must intervene by instituting regulations and taxes.
For example, if we consider a company that creates a new construction material, very innovative and economical but extremely toxic, the benefits for the entrepreneur will be high and in the short term also for consumers, but in the long term?
The cost of clean-up and the cost in terms of human lives for the society in general will never be able to match the individual benefit of the entrepreneur. Therefore, the role of governments must be to regulate innovations in order to achieve the supreme advantage for the whole population.
In the same way, policy makers must also support and encourage innovations and opportunities by protecting innovators and creative entrepreneurs through property rights protection policies.
To judge the quality of the economic environment and intervene to protect the market process, policy makers should *not rely on the number of start-ups*, but they should examine the economic freedom and the quality of the institutional and regulatory environment (Kirzner I. M., Frederic Sautet 2006). Only economic freedom allows anyone to compete (that is, enter the markets and create new ones), and only through the freedom to enter the markets and the safeguarding of the moral rules, the social benefit of entrepreneurship is realized.

1.3 Entrepreneurial Ecosystem

The concept of an entrepreneurial ecosystem refers to the collective and systemic nature of entrepreneurship and is based on two main components. *"The first component of the term is "entrepreneurial" and refers to entrepreneurship, a process in which opportunities for creating new goods and services are explored, evaluated and exploited"* (Shane, S., Venkataraman, S. 2000). The second component of the concept is "ecosystem". It represents the interaction of of private and public players, which operates in a physical environment.
New firms emerge and grow not only because heroic, talented and visionary individuals (entrepreneurs) created them and develop them. New ventures emerge also because entrepreneur is located in an "ecosystem" of actors, which can support them. From the sum of this two

concepts it is clear that the focus is on the entrepreneur whose success or unsuccessful is emphasized by a community of interdependent actors who interact with him.
The entrepreneurial ecosystem approach has been studied in economic literature with other established concepts, such as industrial districts, clusters, and regional innovation systems; and has in common with these concepts the focus on the external business environment.

The **industrial district** approach emphasizes the *local division of labour* of an industry (Marshall, 1920) and the interaction between the community of people and firms in a local area.

The **cluster** approach focuses on "*geographic concentrations of interconnected companies, specialised suppliers, service providers, firms in related industries, and associated institutions (...) in particular fields that compete but also co-operate"* (Porter 1998). To identify a cluster, it is necessary to start from a large company or a concentration of similar companies (industrial district) and then look for the horizontal and vertical links with companies and institutions, looking over the small portion of territory, (district) and considering a regional (regional cluster) or national (national cluster) extension.

The **Regional innovation systems (RIS)** approach studies *networks and institutions* that have in common the *focus on knowledge* and produce hubs such as universities and research labs that increase a region's overall innovativeness (Cooke et al., 1997).

The **entrepreneurial ecosystem** approach differs from industrial district, cluster, and regional innovation system approaches because the focus is on the entrepreneur, rather than the firm or the territory and emphasizes the role of the social and economic context surrounding the entrepreneurial process. Being the *focus on the entrepreneur*, the ecosystems research will be related to start-up rather than established firms. *These start-ups become the basis of the entrepreneurial ecosystems that were not a necessary condition in cluster and industrial district models* (Markusen A. 1996).

Considering the role of knowledge in industrial district, cluster, and regional innovation systems, it is seen as a source of technical know-how essential to develop new products and as market knowledge necessary to understand if new products will succeed in the marketplace; this knowledge comes from multiples sources like universities or research institutes. In the entrepreneurial ecosystem in addition to the technical and market knowledge, the knowledge has also another focus: it is the awareness on the entrepreneur role and the knowledge of the entrepreneurship process itself. This includes knowledge about the key characteristic necessary to be a entrepreneur nowadays, how to create a business plan, the way the entrepreneur has to present his pitch ideas to angel investors and venture capitalists.

Another important different with the other concepts is that the entrepreneurial ecosystem approach sees the role of entrepreneurs as central players (leaders) and not as a result of the ecosystem. As a consequences, the role of the state is resized compared to the other policy approaches. With this approach, the government is not the first promoter but is still important because has to protect this changes with regulations, and promoting it providing fund or educational opportunities. There are entrepreneurs in all markets, countries and cultures but some condition give more possibilities to some entrepreneur because of a favourable environment instead other condition block this process of growth. Those condition that influenced the ecosystem are environmental factors, such as cultural social, legal, political, technological and actors, linked together and supported by universities, governments, investors, rules, laws and economic disposal create different entrepreneurial ecosystem .

According to D. Isenberg all those elements of an entrepreneurial ecosystem can be grouped into six domains:

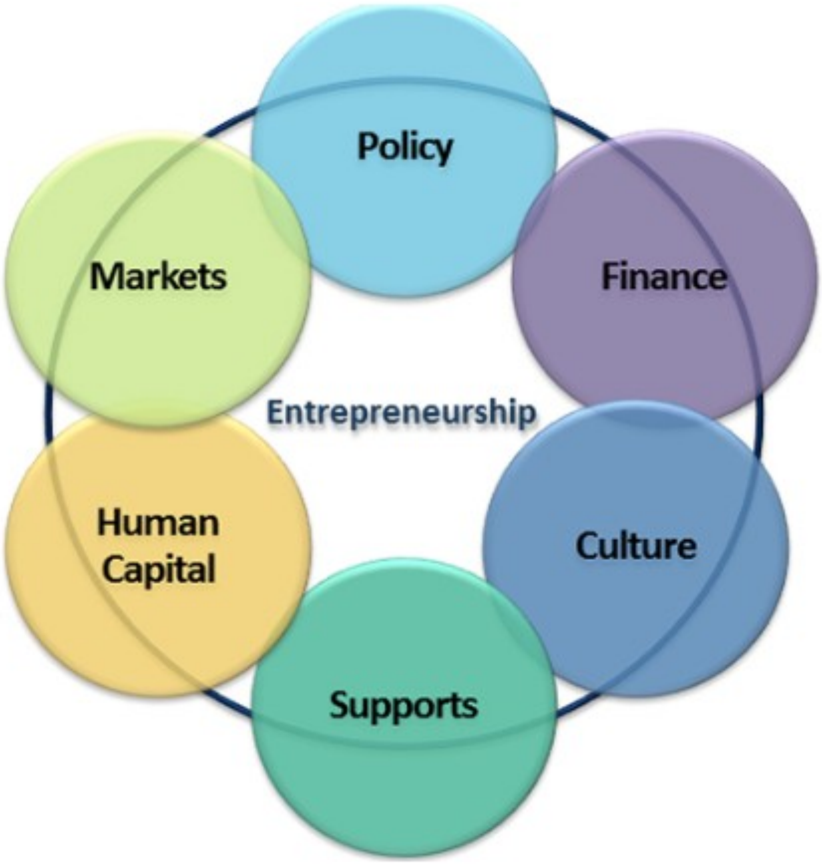

Figure 1.1 Babson entrepreneurship ecosystem framework (Isenberg, 2010)

1) Considering the **Finance** domain, it constitutes a fundamental pillar because the initial economic sustain is necessary to start any kind of project, it can be pursed through personal resources, FFF, Business angels, Venture capital, bank loans or Government financial support. The key point to keep in consideration is that this funding should not be bound only to the initial phase but must follow all the firms in all phases of growth or change.

2) The **Human capital** pillar consider the quality of the people and their collection of hard and soft skills possessed by an individual or by the population in sum. It is not an innate element but it can be acquired and improved through entrepreneurial education.

3) The **Policy and regulations** pillar constitutes the scenario in which the ideas, the actors and the elements of the ecosystem can move. Those elements are influenced by two spheres, the leadership one and the government that can support entrepreneur with new venture friendly legislations.

4) Culture and social norms influence general behaviour of individuals, they may be features that are unconsciously developed depending on the context in which the entrepreneur grow (Ambition, Propensity for innovation, Creativity or Tolerance for risk, mistakes and failures); or they can be matured on the basis of experience and study (Legitimacy and awareness of entrepreneurship, Entrepreneurs' social status)

5)**Supports** constitute the material and practical supports to push entrepreneurs and can divided into three macro areas:

- *Infrastructure and logistics*(Affordable access to energy, Telecommunications, Transportation and logistics, Access to resources)

-*Non governmental Institution* that support entrepreneurship (Entrepreneur-friendly associations, business incubator, accelerator, Business plan contests, Conferences)

-*Auxiliary professionals* (Legal Accounting, Investment bankers, Technical experts, advisor)

6)The **Market** pillar determines the conditions under which new businesses move to compete for their market share. Today due to the globalization, technological development and the international network the commercialization possibilities are multiple and can be more easy to reach a specific target in all over the world and reach the early adopters. (Isenberg D. 2011)

Becoming aware of all the actors involved and of the relative influences and the importance of one or more coordination entities it is up to the governments of the state, the regions or the bodies in charge of a certain area, to develop the best conditions to help the creation of a network and enable the actors to reach their similar goals to improve the territory in the best way pursuing also the economies of scale. Economies of scale that can be applied to market analysis, marketing communications programs, information technology infrastructure, legal support, financing process or research & development.

2.4 Global Entrepreneurship Monitor

To measure and underline the significance and weight of entrepreneurship in different countries, from 1999, Babson College (USA) and London Business School (UK) created a research organization called Global Entrepreneurship Monitor that release an annual assessment of the national level of entrepreneurial activity in many countries, that is considered the most authoritative annual study of the world on the entrepreneurial theme.
GEM is a trusted resource on entrepreneurship for the most important international organisations like the **United Nations**, **World Economic Forum**, **World Bank**, and the **Organisation for Economic Co-operation and Development (OECD)**, providing high quality information, comprehensive reports, and expert opinion, which help in understanding the entrepreneurial phenomenon in each country.

In each study, GEM looks at two elements:

The ***entrepreneurial behaviour and the attitudes*** of individuals and the ***national context*** and how that impacts entrepreneurship, the two are studied respectively through the **Adult Population Survey (APS)** and the **National Expert Survey (NES)**.

The **APS** tracks the entrepreneur characteristic, attitudes and aspirations and it is performed through interviews to 2000 people in each country.
On the other hand the **National Expert Survey (NES)**, considers nine factors that influence entrepreneurship, known as the Entrepreneurial Framework Conditions (EFCs); and is performed through studies of a minimum of 36 'experts'. (GEM 2018)

2.4.1 The **Entrepreneurial Framework Conditions (EFCs)**.

Entrepreneurial Framework Conditions (EFCs) are one of the most important characteristic to validate the success and the growth of any entrepreneurship ecosystem and constitute *"the necessary oxygen of resources, incentives, markets and supporting institutions for the creation and growth of new firms"* (Bosma et al., 2008).

These conditions constitute the core pillars for the entrepreneurial opportunities, and different structures of EFCs produces different entrepreneurial activity's inputs and outputs.

Thanks to the NES questionnaire is possible to have a source of harmonized, internationally and comparable data related to the environmental factors that support or block new and growing firms' performance. The NES came from the views of experts selected on a national and regional basis because of their reputation and experience and in each GEM, the experts are personally interviewed or surveyed and asked to fill out the NES questionnaire on the different dimensions of a specific EFC:

1. ***Entrepreneurial Finance***. *The availability of financial resources—equity and debt—for small and medium enterprises (SMEs) (including grants and subsidies).*

2. ***Government Policy***. *The extent to which public policies support entrepreneurship. This EFC has two components: a) Entrepreneurship as a relevant economic issue and b) Taxes or regulations are either size-neutral or encourage new and SMEs.*

3. ***Government Entrepreneurship Programs***. *The presence and quality of programs directly assisting SMEs at all levels of government (national, regional, municipal).*

4. ***Entrepreneurship Education***. *The extent to which training in creating or managing SMEs is incorporated within the education and training system at all levels. This EFC has two components: a) Entrepreneurship Education at basic school (primary and secondary) and b) Entrepreneurship Education at post-secondary levels (higher education such as vocational, college, business schools, etc.).*

5. ***R&D Transfer***. *The extent to which national research and development will lead to new commercial opportunities and is available to SMEs.*

6. ***Commercial and Legal Infrastructure***. *The presence of property rights, commercial, accounting and other legal and assessment services and institutions that support or promote SMEs.*

7. ***Entry Regulation***. *This EFC contains two components: a) Market Dynamics: the level of change in markets from year to year, and b) Market Openness: the extent to which new firms are free to enter existing markets.*

8. ***Physical Infrastructure***. *Ease of access to physical resources—communication, utilities, transportation, land or space—at a price that does not discriminate against SMEs.*

9. ***Cultural and Social Norms***. *The extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income.* (GEM WIKI 2018)

CHAPRTER 2

TOURISM ENTREPRENEURSHIP AND THE ITALIAN CONDITION

2.1 Tourism entrepreneurship

The tourism industry is one of the most important sectors in terms of its contribution to the global growth with an average annual growth rates around 10%, and the key factor to explain this percentage is the increasing in wealth, the economic development and because tourism has also become popular among the lower social cases and it is not anymore something for the elite.

In order, not to lag behind, and riding high, at least at the same growth rate of the demand, it is important for entrepreneurs to find their own opportunities to exploit, to carve out a niche market and satisfy the new needs of consumers that change every year faster because *"tourism as an industry is subject to changes due to changes in consumer preferences and emergence of new technology"* (Hall & Williams 2008).
For this, is important the role of the entrepreneur that today should provide "*more experience-based products*" to meet the new requests. (Alsos, Eide, & Madsen, 2014). The tourist entrepreneur of today should provide products that are not simply services like room, transportation and F&B, but following the tourist trend which is facing an increasing demand for unique experiences that generate memories, engagement and emotional involvements, he has to provide experiential services.

The result is that also the tourism industry depends on entrepreneurship, on one hand offering more basic services to respond the global market increasing demand; on the other hand, supporting new experience-based products generate from innovation which drive an industry transformation.
The innovation and transformation of the industry must not be seen only from the point of view of additional innovative services, but must include a broader vision that is able to sell even territories not yet touristic and then consequently create a "*strategy for economic development in weak regions"* (Jóhannesson & Huijbens, 2010), that is the strategy of several countries today which already support new business start-ups in tourism industry, particularly in less developed areas in order to create an innovation also in the destination to sell.

2.2 General overview on tourism industry

Considering the studies of the **World Travel & Tourism Council** is evident how important is the tourism industry nowadays: the total contribution of Travel & Tourism to GDP was USD 8,272.3bn in 2017, almost the **10.4%** of the total GDP; numbers that can present tourism as one of the leading sector of the global economy. The forecasts present an even better perspective, with a rise of 4.0% in 2018, and to rise by 3.8% in 2028 reaching USD 12,450.1bn, the 11.7% of GDP (Table 2.1). These data consider the whole impact that comes from direct, indirect and induced contribution. The total impact is based on a calculation which consider the total consumption of tourists, not only the direct spending on tourist services, so it includes also the total incidence of the induced activities.

In the two tables below (Table 2.1 / Table 2.2) there is the analysis of the economic activity related to the tourism industry considering the direct and the indirect values.

Starting from the economic contribution, the **direct spending** is the total amount of expenses of residents and non-residents for business and leisure purposes. It is calculated adding all the services that deal directly with tourists:

-hotels and accommodations;

-touristic transportation system, airlines, airports, rail, boats;

-travel agents;

-cultural leisure and recreation services.

The **indirect contribution** can be split in the pure indirect contribution and in the induced contribution. The pure indirect contribution includes the GDP and jobs supported by:

-*Travel & Tourism investment* such as the purchase of new train and renovation of building accommodations;

-*Government 'collective' spending*, which helps Travel & Tourism activity creating services for the benefit of the community of tourists and locals, such as tourism marketing and destination promotion, administration, common security services;

-*Domestic purchases of goods and services* that tourists enjoy, including, for example, purchases of food, cleaning and security services for the different accommodations, fuel for planes or IT services for travel agents.

The induced contribution measures the GDP and jobs supported by the *spending of those who are directly or indirectly employed by the Travel & Tourism industry*. (WTTC 2018)

2.2.1 The Italian situation

Making a comparison between the world and the Italian markets is possible to understand where is important to act to bring Italy at least on the podium.

Today Italy, according to the studies of the UNWTO (2018) on the international tourism competition, occupies the **5th place** considering the international arrivals (Figure 2.1) and the **6th place** with regard to the expense of the latter (Figure 2.2). Positions not certain worthy for a country with the greatest cultural heritage in the world, and with mountains, beaches and cuisine among the most appreciated.

Considering for example the World Heritage Sites by UNESCO, Italy is the first in the world raking with 54 sites (UNESCO 2018) , even though has a very small surface 301,340(CIA 2018); in the second position in fact there is China with 53 sites but with a surface that is of 9,596,960 SQ KM, almost 31 times Italy (CIA 2018). With this data is clear the burden of Italy in the global touristic panorama.

The problem of Italy relies precisely in the fact that its people lie down thinking that tourists must arrive for the characteristics of the territory, just seeing tourism as a passive phenomenon, not thinking about improving the services to make a better offer. But if it is true that is possible to live a little rent, being myopic we will never arrive on the podium and we will never efficiently exploit the riches we have.

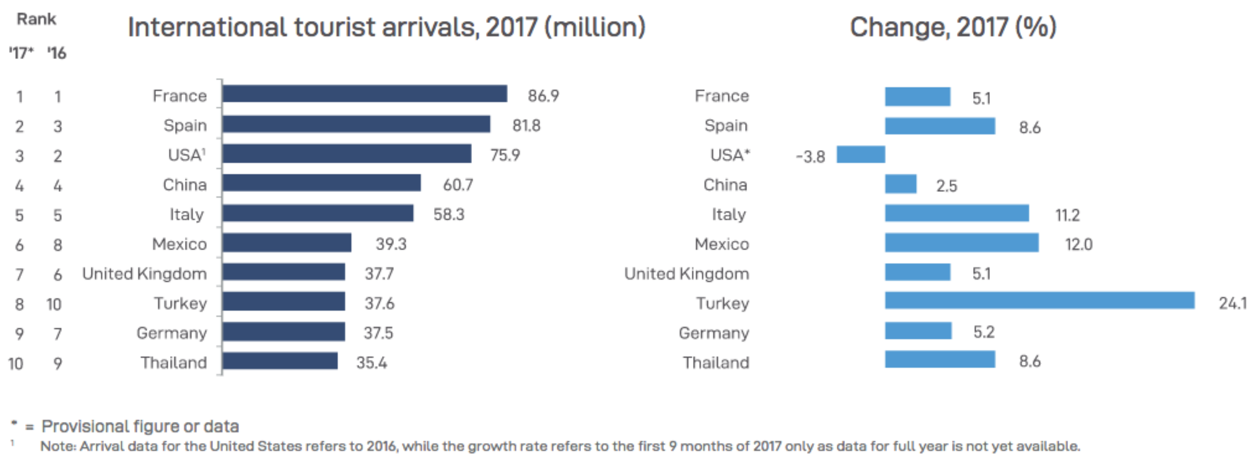

Figure 2.1

Ranking of top 10 countries for tourist arrivals

Source: UNWTO Tourism Highlights 2018

Figure 2.2

Ranking of top 10 countries for tourism receipts

Source: UNWTO Tourism Highlights 2018

We have to understand that also if some tourist can come by themselves, is necessary innovation in this industry to keep up with the new demands of consumers increasingly oriented to experience rather than classic tourism.

What is necessary to understand is that tourists can find equally interesting places all over the world. Starting from the Italian cuisine, that today is the most widespread cuisine in the world and Neapolitan pizza, buffalo mozzarella, as well as an excellent lasagna can now be tasted with the same high quality in the major cities of the world. Similarly, beaches and ski destination can be found of the same quality in other destinations, and the same is for cultural cities. Is important to understand that to change the things we have to **modify the model "touch and run"** creating new models of tourist offer that focus on the Italian spirit. This spirit cannot be lived with the mass tourism, but proposing a more quality tourism to make you enjoy a 360 degree experience of art, nature and food. Only a **change in the quality of the offer** can change the trend on the average length of the journey that has passed from 5 nights of the late nineties to 4.2 of these years(Banca D'Italia 2017, 4), confirming an increasing in the "hit and run" tourism model.

The situation, however, is to be examined not only considering tourism industry but analyzing Italy as a world economic power. According to the study "The World in 2050 - Projection in 2050" of Price Water house Coopers(PWC), Italy today is in twelfth position considering the total GDP PPP, but **in 2050** it will fall to the **twenty-first place** due to an annual growth rate of 1,2% which will be accompanied by a demographic decline of 0.2%.

The data are not just bad for Italy as all the more developed countries will grow at a very low rate while developing countries like Vietnam, India, Pakistan and Indonesia will see a strong population growth in support of a great economic recovery. But unlike the other economic powers, Italy will be the worst (PWC 2017). A little reassuring comes looking more closely the tourism industry from the data of the World Travel & Tourism Council (WTTC - Italy 2018 of Table 2.1 and Table 2.2 where is it possible to see that the incoming economic flows **in 2017**, contributed to **13% of total GDP** of Italy and **in 2028 will touch 14.3%.**

Data on the spending of foreign tourists are also reassuring as the **balance of tourist payments is positive**, with a value of **0.9%** of GDP at current prices. (Banca D'Italia 2018)

According to the survey on international tourism of Italy conducted by the Bank D'Italia, however, we cannot rest on our laurels as in 2017, both arrivals in absolute value and the **spending of foreign tourists in Italy have increased**, with a growth of **7.7%** in the total expenditures; On the other hand considering the **expense of Italian travelers abroad** in the same year the growth rate was **8.9%.** This shows that that 0.9% is an important number but if are not carried out radical measures in the tourist offer, it could turn over in a few years.

So if for the Italian economy in general the prospects are statistically negative, tourism can still succeed in almost maintaining a certain market share, but above all thanks to our legacy, so it is necessary to start the diffusion of the entrepreneurial culture in tourism to spread tourism innovations. The most important thing to worry about is the loss of position on GDP compared to other global economic powers, moreover if Italians continue to spend more than foreigners do and the economic balance starts to overturn, the result of the multiplication between low growth of GDP, higher expenditure of Italian than foreign tourists sees a non happy prospective even from the point of view of tourism.

For Italy, the message is clear: if the goal is to remain in the world elite, the strategy must be changed. The 1% growth that we are facing since years, that we consider also as a small success, in the long term is no longer enough and the governments have to start to understand the weight that the Italian tourism industry in the world could have, not only within the country but being able to directly exploit its own peculiarities aboard. Public and Private entities have to unify their effort in order to drive the change by improving productivity, finding untapped opportunities and increasing investment , following the entrepreneurial spirit. This organizations need to focus on Italianness and conquer the world with touristic brands or food chains that earn directly from aboard, taking advantage from the Italian quality. Is necessary also the implementation of the protection of the authentic Made In Italy, and with this joint strategy will not be difficult to establish Italy, also in the future as a world leader. Thus, the role of the entrepreneur becomes a

key role in this framework of economic development, a role that must however be supported by a set of local actors that make the entrepreneurial ecosystem favorable.
First of all is necessary to invest more. Taking into consideration the Tables 2.1 and 2.2 that collect the data of the World Travel & Tourism Council it is evident that Italian investments are not up to the country. In the global stage of 2017, tourism investments amounted to 4.5% of the total GDP and in 2028 will be equal to 5.1%(Table 2.1); in Italy instead, in 2017 the investments were 3.4% of total GDP and will be 3.8% in 2028(Table 2.2). These forecasts confirm what was stated above: if Italy will not intervene, instead of getting on the podium will move further and further away.
This is despite being very simple invest. In fact, Italy does not have to build attractors, at most it has to restore some monuments. In other countries instead like the UAE, investments are necessarily high because there are no attractors outside the artificial ones for this in 2017 amounted to 8% of the GDP and will be 11.2% in 2028. (WTTC UAE 2018) But there is a return? The impact of tourism on the GDP was 11.3% in 2017 and 10.6% in 2028(WTTC UAE 2018), lower than the Italian ones of 13% in 2017 and 14,3% in 2018(Table 2.2), but if we consider that all the attractors have been built in the last decade, it is clear how much we get a head start. Italy, not having to invest in important new attractor, can focus only on: preserve the current heritage and invest in services and supply; a process not too difficult for a country internationally recognize as symbol of quality and where the Made in Italy sell themselves.

World	**Volume in 2017**	**% of total value**	**Forecast Volume 2028**	**% of total value**
GDP (Direct Contributin)*	2,570.1bn	3.2%	3,890.0bn	3.6%
GPD(Total contribution)*	8,272.3bn	10.4%	12,450.1bn	11.7%
Employment (Direct contribution)**	18,454,000	3.8%	150,139,000	4.2%
Employment (Total contribution)**	3,221,000	9.9%	413,556,000	11.6%
Visitior exports*	1,494.2bn	6.5%	2,311.4bn	6.9%
Investments*	882.4bn	4.5%	1,408.3bn	5.1%

*Values are considered in USD ** number of jobs

Table 2.1 Contribution of tourism in the world economy

Source: Own elaboration, Data of World Travel&Tourism Council (World) 52

Italy	**Volume 2017**	**% of total value**	**Forecast Volume 2028**	**% of total value**
GDP(Direct Contributin)*	106.8bn	5.5%	131.9bn	6.2%
GPD(Total contribution)*	253.5bn	13.0%	305.2bn	14.3%
Employment (Direct contribution)**	1,490,500	6.5%	1,783,000	7.5%
Employment (Total contribution)**	3,394,500	14.7%	3,924,000	16.5%
Visitior exports*	44.9bn	7.4%	64.5bn	8.5%
Investments*	11.6bn	3.4%	14.4bn	3.8%

*Values are considered in USD ** number of jobs

Table 2.2 Contribution of tourism in the Italian economy

Source: Own elaboration, Data of World Travel&Tourism Council (Italy)

Continuing the analysis on the values of the World Travel & Tourism Council it is also evident how the **productivity** of the Italian tourism sector is not keeping pace with the global trend. While in the world the employment rate in 2017 was 9.9% and in 2028 it will be 11.6%, in Italy the values are respectively 14.7% and 16.5%. The data indicates clear inefficiencies of the Italian system where the total employment exceeds by about two percentage points the incidence on GDP, instead in the world the employment rates move in parallel with those of the percentage of GDP.

This poor efficiency can only be explained by the low quality of tourist training programs; therefore is clear that is necessary a good education at all stages to improve efficiency.

Analyzing the hotels business model in Italy, apart from few structured realities or the big hotel chains, the common most widespread model is the hotel that passes from generation to generation. The problem lies in the fact that the tourism of the florid years and of the fat cows to be milked is finished but the management model has remained on average the same because the new generations did not add any innovation and remain in the immobility, causing an obvious suffering for the system.

These family-run businesses have habitual and pragmatic management models that do not include training programs. Only in medium-sized companies and in general in the big industry, trainings at various levels are implemented because it allows the optimization of management and production processes. In this sector also specialized recruitment and qualification masters need to be carefully considered, and it is important to rely on qualified educational institutions.

In the Italian tourism panorama, training is largely lacking or sporadic compared to other sectors such as Industry, as tourism is not yet fully perceived as an industry. The problem probably derives from the unconsciousness that professional trainings are fundamental to add value. In tourism, especially the destination tourism, being linked to the Public Administration, the biggest lack in the tourism training is the culture of entrepreneurship.

We have moved from a model of rain financing, where the only concern of the directors was how to spend the money without strategy, to a model of financial restriction that led the administrations themselves to create a strategy on how to transform resources in benefits, gaining an income.

This new management model, linked to virtuosity and entrepreneurship, is creating havoc and finds unprepared most of the Italian destinations, now concentrated in understanding how to transform their resources, infrastructures and the territory into products with excellent performs and with an high organizational structure. This is one of the most important aspects in the training field: contributing to the creation of entrepreneurship culture and introducing the organizational mechanisms of gain profits.

2.2.1 Developing of tourism entrepreneurship education

Most Italian entrepreneurs, still do not proceed in this direction perhaps because of the strong legacy that have not yet let them hit rock bottom, but if they wait for this moment then it may be too late to come up. A random consultancy to raise a business is unfortunately not enough.

Structural changes are necessary and the consultancy is necessary not just when comes out a crisis but to implement strategy to improve the quality of the offer following the new tourists trends and being an innovator and not a follower.

A structured training that requires high qualification in all phases at all levels must be implemented. Is necessary also to change the teaching models of the hôtellerie institutes, stimulating the scholars to the culture of entrepreneurship and innovation, allowing them to change the idea of their role in the tourism sector and see themselves not as simple practical performers as waiters or chefs, but also as innovators, then bringing, in everything that they do, the entrepreneurial spirit that allows her/him to understand what to change to keep up when tourism evolves. Certainly if you want to become a chef you must learn to do it well, but together with the practical notions, an innovative spirit must also be transmitted, which allows the chef to search for new solutions and offer a new receipt pushing him to be one step ahead of others anticipating the others over time. By improving the quality the general customers satisfaction will start growing, because the other actors to avoid losing customers will improve their offer starting a chain process that will end with a general improvement in the offer. The solution could be the establishment in high schools and universities of hôtellerie that among the biggest tourist power only in Italy are absent. Today in the world the best tourism schools and universities are in the United States, Switzerland, England, France, Spain, Australia, Malaysia China and UAE (Top Universities 2018). For the master the situation is better as, only few years ago the Bocconi University of Milan and the Luiss Guido Carli of Rome have set up masters of high tourist formations that today reached respectively 1^ and 12^ (Best Masters 2028) place in the ranking of the best tourist master of the world. This shows us how much we can do well, but unfortunately only on the private institution level. It would be necessary to develop the same skills and qualities also in public institutions at both levels: the high school and university level.

2.3 Tourism entrepreneurship opportunities

In the previous chapter we saw that entrepreneurship starts seeking / creating opportunities and exploiting them through innovation.

In the international framework of the tourism industry the economic equilibrium is more and more disturbed by the new emerging economic powers that, as we know from the analysis of PWC, will have a stronger economic weight in the world over the next 40 years and the risk is that can take over even the actual tourism powers also in the tourism sector, and looking the investment and the innovation in Italy the situation is worrying.

How should Italy reaffirm its international importance as a tourist destination?
As we saw in Jeremy C. Short (2010) explanation in the first chapter, it is not enough to be a creative hardworking entrepreneur, because without an opportunity to target you will never succeed. It follows that the answer is simple: to reaffirm the international importance is necessary to enabling the Italian people to seize opportunities, instructing them to entrepreneurship.
In the same chapter we saw also that the literature on entrepreneurship presents two schools of thought one that states that the opportunities are discovered, the other that are created.

Regarding the **opportunities to be discovered,** the tourist analysis must start from the study of the trends and needs of tourists always new and different.
Tourism in recent years is growing more than GDP growth and future prospects see an even greater burden on tourism. Today, in fact, tourism accounts for 3.2% of GDP, but in 2028 its contribution will be 3.6% on GDP. (WTTC 2018) This growth is caused by various factors such as:
-the popularization of tourism, which is increasingly available also for the less well-off;
-the increase in business travel caused by increasing globalization
- the need for the most well-off economic groups to visit more and more places as status symbols.
Inspired by these characteristics, tourism entrepreneurs should begin to understand the specific needs of the new tourists and develop entrepreneurial projects that anticipate trends in order to meet future demand with the best solution, innovative one or not ones.

As for the **opportunities to be created** here, the entrepreneurial ingenuity must be able to think of new types of offer of products, services and experiences creating a need for identification and belonging required by the higher social classes looking for unique experiences that strengthen the their status symbol. To do it, is therefore important to build the new tourism proposals following a differentiation strategy.

2.5 Tourism entrepreneurship innovation

2.5.1 What kind of innovation? Technological or Behavioral ?

In tourism industry is evident the fact that innovation is not necessary a technological change as the earlier scholars believed, but to create a structural change is more important a social change.

To understand how to change a tourism product it is necessary to understand that **tourism is a service industry** and as such, **its product is the process itself**, therefore according to what is claimed by Sundbo *"traditionally speaking innovation in services is not technological"* (Sundbo, 1998).

“Service is social behaviour and the personal interaction between the user and the service provider is the core of the definition of service and, thus, the explanation of service firms’ behaviour” (Grönroos, 1990). This means that is necessary to work on innovation to create a new tourism product, but this tourism product will be a new model of tourism, able to modify the current tourist actors at 360 degrees, first of all **modifying their behavior** and the attitude in working together. So not just an innovation of a physical product, but a new model of experience that must be carried out by various actors public and private working together. This new model to be defined as innovative need to develop a replicable structure, which must satisfy a specific need by creating a value that tourists will pay, a value that today must be sought in the experience-based view. We must therefore be able to develop a model that is revolutionary in the basic idea and in philosophy but which has easily modifiable characteristics according to the contexts in which it will be applied, without ever forgetting the sense of identity that we want to transmit.

Tourism innovation, however, if at the macro level it must be behavioral, it cannot exclude a **technological innovation**. As it has been recognised that *in service industry today is increasing the diffusion of technology, not least information technology* (Miozzo and Soete, 2001), which means that a growing number of service innovations are technological, but this services can be considered secondary because they do not change the structure of the offer, but they can certainly push it and promote it.

Technology can help and also be the promoter of a change and in today's digitized world it cannot be excluded from a radical innovation process, but need a special attention. One of the most important example of the success of a model pushed by the technology can be seen in the revolution of Airbnb, where, thanks to an innovative app, the market of Bed and Breakfast saw an enormous development.

2.5.2 Destructive or Incremental Innovation? Experiential

Nowadays, due to an ever shorter product life cycle, it is necessary to innovate faster and faster to not lag behind the competitors. The product life cycle represent the life of a product or service that will end at a certain point and must be modified when it is no longer suitable for the times.

Considering the tourist industry, *these cycles are becoming shorter due to the new experiential trends and demographic growth* (Weiermair, Walder, Perez 2014). "*And today the trend requires memorable experience as a key to get a competitive advantage*". (Walder 2004).

Tourist companies, especially Italian companies, should therefore develop a broad portfolio of offers with products in different life cycle stages. They should on one hand keep those products always in demand and whose life cycle is long and stable, products that are the core of the Italian offer and allow stable profits to be used for investments and innovations.
Taking a very simple example, we can consider the menu of a renowned Roman restaurant. Being a typical restaurant it will certainly have an offer of traditional dishes such as Carbonara or Cacio e Pepe, but in Rome there are too many restaurants and excellent Roman trattorias to be considered among the best restaurants. The quality is no longer enough it is necessary to differentiate, here comes the ability of the restaurateur and chef to add to the menu some reassessments, to allow the customer to choose an excellent traditional dish but at the same time taste a new flavor and then prefer this restaurant, that on a par with other quality conditions was chosen for the new culinary experience offered. Maybe in the menu the chef could add a Cacio e Pepe with lemon and shrimp, or present the carbonara in a small form of cheese, small changes that create a different experience.
In the tourism industry the innovations can give vent to all the fantasies and is not necessary to choose between a "creative destructive" or "incremental" innovation, it could be a good strategy also the import of a model in a place where it does not yet exist, the **key characteristic of the tourism innovation shall be the proposal of new experiences**.

2.5.3 Institutionalized innovation or single firm Innovation?

Before investing in tourism entrepreneurship with the development of new products and services it is important to understand whether there is an institutionalized innovation process and which are the internal/external and public/private actors involved in this innovative process.
Tourism being linked to the territory has a strong dependency relationship with the latter and it follows that even tourism innovation can be efficient or not based on territorial context.

2.5.3.1 Driving forces of tourist innovation – Porter Diamond Model

To study the characteristics that influence innovation we can consider the **Porter Diamond Model** (Figure 2.3) of 1990 which studies the forces that drive the competitiveness of clusters, regions or nations. According to Porter, the prosperity of a nation must be created within it and only analyzing the characteristics of a cluster of firms belonging to the same region will be possible to adopt an appropriate strategy to win the competition with another territory. Porter in fact in his *"The Competitive Advantage of Nations*" stated that *"the key to the advantage and wealth of a nation is represented by the productivity of companies and workers influenced by the national and regional environment that supports such productivity"*(Porter 1990).

His model is based on four factors in the competitive advantage of a nation, region or cluster. These determinants are:

1) ***Factor conditions***: the endowment of a country with a special concern to factors of production that can be grouped in material resources, infrastructures, materials and capital resources and human resources capabilities, labour skills and knowledge;

2) ***Strategy, Structure and Rivalry***: cultural conditions that regulate the creation, organisation and management of firms and the nature of their internal rivalries;

3) ***Demand conditions***: the characteristics of the internal demand create sophisticated and demanding consumers, stimulates the improvement of quality and the production that will then be appreciated also by foreign consumers;

4***) Related and support industries***: the existence or otherwise of supply sectors and/or related chains that attain international market competitive standards. This determinant incorporates issues related to economies of scale and agglomeration and their effect on competitiveness.

To these attributes, Porter added the **action of government** and the **role of chance** (events beyond the scope of control of companies) and thus he completed the Competitive Diamond.

Governments have a key role in encouraging the development at home and abroad, can provide a range of support service and incentive such as capital, infrastructure or education. The chances are traced to the opportunities that can be find in the own country or aboard.

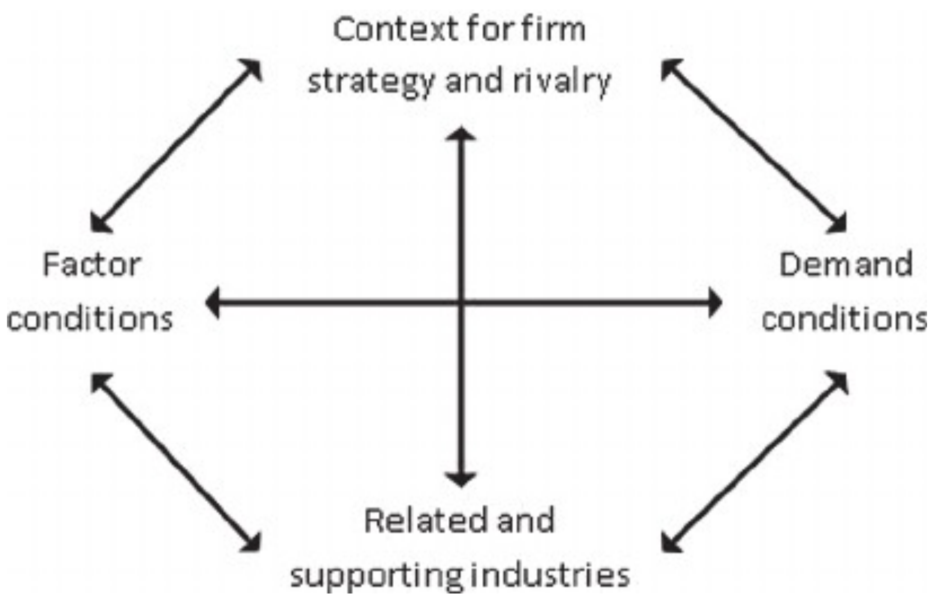

Figure 2.3

Porter Diamond Model

Source: The Competitive Advantage of Nations Porter 1990

The innovative companies, therefore, after becoming aware of the external forces that can influence and push innovations, will then be able to understand where to start the innovative process. It is therefore important to have a full knowledge of the structure of the region or of the cluster in order to achieve internal success, which in turn can also be reflected in an international context, because above all tourism lives both of internal flows but more of foreign flows.

Therefore, through cooperation and synergies, a tourist destination will be able to create a certain type of innovation, making it obtain excellent results on the international competition, and if Italy as a nation will be able to merger all the energies of an individual region or a tourist clusters, would not be difficult to get on the tourism podium.

2.6 The role of competition

Porter also claimed that competition play an important role in innovation, where entrepreneurs, in order to not lose market share try to innovate first, thus succeeding in gaining profit thanks to the acquired competitive advantage. However, looking more closely at the tourism industry, especially the Italian one, it is increasingly evident how the actors of a territory are short-sighted and look only at the short term without thinking of a structural innovation but simply doing a trivial war between internal operators . For example they will start a building renovation in order to be preferred among the pre-existing structures and not because of a real innovation that they introduced. Only by putting together the forces and doing the war to other territories with real innovations of services and experiences all the actors will receive more tourists and in the long term everyone will get many more benefit and return on the investment. The Italian problem lies in the polypolystic competitive model of the tourist offer of today which is based on a large fragmentation with too many operators difficult to coordinate.

2.6.1 Is it necessary to change the competitive model ?

According to the literature regarding competition, is possible to distinguish three main competitive structure systems:

- **Monopoly** (one big supplier), the monopolist alone satisfies the market demand and just this one company can decide the quantity of output as well as the price, maximizing its profits;

- **Oligopoly** (few suppliers) few companies operate in this market, which do not compete but implement joint strategies;

- **Perfect competition** (many small suppliers) the offer in the competitive market is satisfied by a vast number of companies, each of which satisfies a need but cannot impose a price, receiving passively the market price (price taker).

Regarding the innovation, **the incentive in perfect competition is very low** because the innovation is never so radical. A small firm investing alone cannot produce a non-imitation product and a large number of competitor in a very short period of time will imitate it destroying the competitive advantage that the first innovator gained after many investments.

The **monopolist** on the other hand is **not interest** in spending a large quantity on money for innovation because can continue exploit its advantage. He will invest in innovation when another competitor will enter the market starting to erode the market share of the monopolist and destroying the monopoly itself.

Only companies with large R&D departments and with economic availability have the ability to innovate and if in the monopolistic system there is no incentive for innovation and in the competitive / polypolystic market, companies do not have sufficient resources to innovate , as we have seen above, the result is that *" the **innovation activity is probably the highest in a large oligopoly** with up to ten competitor. Only in such a market situation the companies can reach highest profits"* (Weiermair K., Walder B., Perez S. 2004).

Therefore innovation is not strictly correlated with the level of competition, and there is no linear correlation, but as Scherer states: "*As the number of rivals grows and/or the pool itself is shrunk through post-innovation price competition, there arrives a point at which appropriable benefits fall short of expected costs, causing participants to cut back their efforts or drop out altogether. As a first approximation, then, innovative vigor rises initially with increased rivalry but then falls at still higher levels of rivalry. This has come to be called the "inverted U" relationship"* (Figure 2.4). (Scherer 1992)

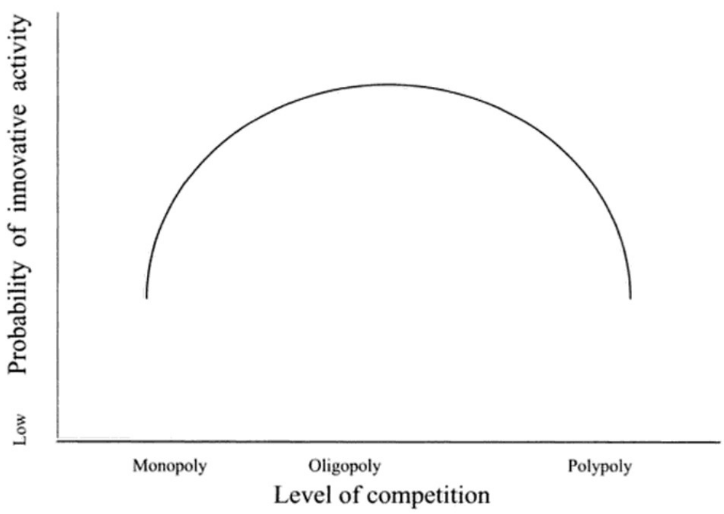

Figure 2.4

Inverted U relationship

Source: Walder 2004 Innovation and Producr Development in tourism 2004

The result is that is not necessary to change the competitive model, maybe eliminating actors and concentrating the offer, but ensuring that the objectives will be unified in order to create macro-economic entities that move in the same direction and that include a vast number of actors. We must neither hope for a monopoly, nor eliminate competition, but we must create an oligopoly of macro-actors.

2.6.2 From competition to coordination

Considering tourism in Italy, there are few destinations that work in an oligopolistic way, the majority of regions operate according to the model of competition with a high fragmentation of services and products sometimes too similar to each other and with a consequent lack of innovation dictated by the fear to not recover the investment due to the easy imitation and the few profits of the first mover. It follows that it is important to create an entity that supports all the territorial actors involved, in order to make the competitive market efficient, especially for the competition with other territories. We need to unify the efforts of many small and medium-sized enterprises so that we can gain a competitive advantage even with scarcity of resources and know-how "*Only cooperation can lead to synergies to overcome these disadvantages"* (Weiermair K., Walder B., Perez S. 2004).

What is important to change to obtain excellent results is to be able to modify the attitudes of small local entrepreneurs and make them go from a "view of rivalry" to cooperation and integration. This will lower the risk of investing in innovation, as well as the cost for market research and investments for product development that will be shared between the different players. In this way, small and medium-sized tourist businesses will stimulate each other without ever losing their independence, as also Porter stated *"due to a better and easier access to markets, they can better master the high levels of competition"* (Porter 1990).

Another important reason to support the cooperation between the tourist actors of a specific destination lies in the internal characteristics of the tourist value chain. In fact, the **tourism product is holistically perceived** by tourists as a set of services like: accommodations, restaurants, tourist guides, transportation services. The tourist's need, therefore, is not the single service but a series of services that together give the perception of a destination and allow to live a complete holiday experience, as also Walder resumed: *"In the past years customers showed multi-optional needs, The demand of highly fragmented products can only be realized by the participation and cooperation of a certain number of tourism enterprises"* (Weiermair K., Walder B., Perez S. 2004).

Unfortunately today, especially in Italy, examples of this synergy are found only in the territorial marketing that promote specific region or single cities with a large Umbrella brand able only to promote the various services present in the territory.
Certainly a strong destination brand is a key to the success but the efforts of the individuals should be coordinated also for the tourist innovation, which should be able to develop a new holistic holiday system with a new core identity, around which we must innovate the services to make them all consistent with the new image that we want to sell.

The services innovation must be developed around this identity, in order to create a new offer coherent with the new holistic image that the territory wants to sell. In Italy is it possible to think about the different trends that are emerging today and then create tourist packages focused for example on fitness or beauty or, especially in the territories of southern Italy, on "slow food".
To make an example we can consider the experience of "Ruta del Vino" in Mendoza region in Argentina, this tourist area is focused on wine and you can breathe the spirit from the airport. There all the activities has as fil rouge the wine, so the hotel offer all the experiences thinkable related to wine, from the basic wine testing to Wine Spa, Wine production course, Cuisine based on wine and Cuisine courses where you can learn how to use wine in almost all the dishes. The whole area lives on this sector and the reason of the success is the strong collaboration among the local stakeholders who created a network to implement the strategies to make the tourist fell the wine experience in everything he will do, drink, eat and breath, the result is the holistic tourist experience of the Argentinian wine.

2.8 Tourism entrepreneurship ecosystem

Today in the world there are different touristic clusters, districts and Regional innovation systems; which can help us to understand the composition and strategies of the tourist actors of a given territory, but we need an awareness on the entrepreneur role and the knowledge of the entrepreneurship process itself, if we want the stakeholders of the various Italian regions to be able to innovate and win international competition. The territorial analysis must therefore necessarily go through the study of the Tourism Entrepreneurial Ecosystem which has its own focus on the role of tourism entrepreneur.

From the previous analysis it is clear how the role of the territory and of an entity connected to it that coordinate is fundamental for a success development. To build an entrepreneurial ecosystem that works, however, it is fundamental to study the basic conditions for the development of a successful innovative strategic plan. We must understand the vision and the roles of the different stakeholders, and how they collaborate, share the risk and manage the governance of the destination. After understanding the functioning processes of the territorial system it is fundamental to analyse how a tourist community is going to face new challenges and what will be the role of public and private actors. In building the strategy for local development tourism has a key role because for its own characteristics is a product that can only be consumed on the spot. Which therefore has its positive and negative aspects.

The development of tourism as an economic driver for the economy, in one hand is positive because it generates *riches, jobs, establishment of new firms and investments*; but on the other hand, it can affect the social and environmental sustainability because of *noise, real estate speculation, pollution* and most important *loss of local identity and culture* (Kindl , Carlos 2005). The success, failure and intensity of the impact of tourism on a territory depend mainly on strategic integration and the common objectives of the local community, as well as cultural and moral standards of life, or the philosophy of environment protection, but it is necessary to find the right balance. Therefore, to measure the tourist impact it is important to understand the physical and abstract needs of the stakeholders operating in that particular territory going beyond their interrelation with physical space, but grasping how local culture preserves these physical, abstract, natural and cultural aspects.

Tourism differs from other industries precisely because the competitive advantage intrinsic in specific destination lies in the environmental and cultural characteristics, so to continue to be considered as a tourist destination must evolve to stay abreast of the times, maintaining at the same time its core characteristics. The ability of the individual actors lies precisely in unifying the efforts not only to innovate but to do so having clear environmental and cultural values to be protected as also Ruschmann affirmed: *"While industry destroys to produce, tourism should preserve to produce. Harmonizing tourism with the environment is a change in the way of thinking, a concept innovation to overcome and opposition that easily happens between destructive tourism and the protection of an environment that must be preserved"* (Ruschmann, 2001, p. 69)

The function of the cluster, the district and the RIS is precisely that of studying and understanding who are the actors of the territory, which values push them and what makes them interdependent and complementary.

But in order to achieve only excellent results, such as creation of jobs, generation of income and improvements in the quality of local life, without ever destroying equilibrium, it is necessary to develop new forms of tourism where the local population can best coexist with tourists. but to do this it is necessary to spread a new entrepreneurial culture that points to a sustainable tourism by acting on all the characteristics of the ecosystem so here it is necessary an analysis of the tourist Ecosystem in an innovative entrepreneurial way; not only from a territorial point of view, like in the district or cluster models but as an Entrepreneurial Ecosystem.

Applying the 6 domains of Isenberg to the study of Italian tourism ecosystem is evident that the situation is not so drastic and with a structured plan the success is assured:

1) **Finance.**

The situation from a financial point of view is not negative, Italy and especially the regions lagging behind are one of the key objectives for Europe, which for the 2014-2020 program has allocated EUR 8 billion of Euro for the ERDF, the **European regional development Fund.** A fund that *"supports the competitiveness, sustainability and quality of tourism at regional and local level"* (European Commission 2014).

With regards to **private** investments in 2018 those relating to real estate tourists only, are around 3 billion and in 2019 they will reach 3.2 billion. (Corriere della sera 2018)

The **Italian Government** has also foreseen a strategic plan for tourism “**Piano Strategico del Turismo 2017-2022”** , activating in January 2018 the “**Patto per il turismo 4.0”** between MiBACT and Intesa San Paolo providing 5 billion for tourist investments. (Invitalia 2016)
From March 2018 the **CIPE** (Interministerial Committee for Economic Planning) also approved an investment plan worth € 740 million to improve urban systems and tourism/cultural promotion systems. (MiBACT 2018)

Also **Invitalia**, the national agency for business development, plays a key role through its incentive programs to entrepreneurial development such as *Resto al Sud, Cultura Crea* or *Italia Turismo* which every year finances hundreds of entrepreneurial projects above all by supporting juvenile and female entrepreneurship, especially in the regions with less economic progress. (Invitalia 2018)

2) **Human capital**

The education is more focused on practical aspects with an entrepreneurship culture almost absent and just few excellences in the university education programs. The Italian tourist entrepreneur have no culture for innovation and continues his activity following the old traditionally model, inherited from generation to generation together with the receptive structures and the various touristic enterprises.

3) Policy and regulation.

In Italy the management of tourism was entrusted from 1959 to 1993 by the Ministero del turismo e dello spettacolo, whose functions then passed for a few years in the hands of the Presidency of the Council of Ministers with the creation of a Department and through the Fund for the redevelopment of the tourist offer. Since 2013, the Minister for Cultural Heritage has received the delegation of tourism, until 2014 when Dario Franceschini was appointed as head of the new Ministero dei Beni e delle Attività Culturali e del Turismo.

As for Italian legislation, the first law on tourism was the **Legge Quadro 217/1983**, where was recognized the tourism subject among the matters of a competitive nature between state and regions. At that time the Italian government had to issue a law to establish the general rules and subsequently the individual regions could issue personalized law with respect to local needs.
After the constitutional amendment of 2001 that modified the roles of power between state and region, the national legislation of tourism was also reformed (G.U. n.22 of 20 April 2001), subsequently replaced by the 2011 Tourism Code (Federturismo 2018)
Because of the Title V of the Constitution, in addition to all the regulations enforced by the Italian State, all the regions have also approved individual laws on tourism, but the big lack is for laws that not only regulate tourism but that are not able to promote tourism entrepreneurship, and above all promote tourism cooperation.

However, the problem does not lie in the individual regions, but it is upstream and must be sought in the governments of the last 20 years which did not recognize the fundamental role of tourism, forgetting about 10% of GDP and the potential, since it goes as far as eliminating the Ministry of tourism. A hope, however, comes from the Minister of agricultural policies Gian Marco Centinaio who in July 2018 proposed the establishment of a **great tourism-agriculture ministry** for the "marketing" of Made in Italy. This new proposal will have excellent results as it would be the first time that the institutions understand the importance of cooperation, a cooperation that must start from the top if we want to reach the smallest territorial entities.

In fact, the minister explained : "*Foreigners come to Italy for its historical, architectural, naturalistic beauties, and for its food and wine". "With tourism and agriculture together this becomes a gigantic dicastery, a dicastery of the management and promotion of the excellence of our country abroad". "The first step concerns the organization of the political structure, the relationship between ministry and Regions on the management of tourism, ministry and private with whom we must work in synergy; the second is to reformulate the promotion of our country abroad" ". " The aim is to immediately establish a table with the Regions and Enit to get the best promotion with the rationalization of costs and communication". "Then there is the fight against illegal accommodation, guides, tourist agencies because it is necessary to affirm professionalism"*. (Marzio Bartoloni - Il sole 24 ore July 2018)

4) **Culture and social norms**

Under the cultural point of view, Italy is facing problems rooted in the culture and in the way of life of the Italian people, too focused on internal competition and not able to understand what could be the advantage of cooperation. We should push the entrepreneurial ambition that is not lacking to our people so that they can innovate keeping in mind the advantages of collaboration.
On the other hand, however, Italy benefits from the intrinsic good predisposition of the Italian people for welcoming within the excellent and strong reputation that "Italy" has worldwide.

5) Supports

Italy being a country of the so-called first world has quite good infrastructures, the only structural problem lies in the strong gap between the north and south in terms of railways, motorway connections and public transport. In South Italy, high speed is practically absent, the motorway system needs a strong maintenance and the public transportation has not enough means of transportation, and the existing one are quite old.
Fortunately, airport and port services work efficiently both in the north and in the south, and also the investments see good results, for example considering the Capodichino airport on Naples, in 2017 it was the airport with the highest growth: 26%. (Il Denaro 2018)
Also with regard to the legal, commercial, promotional and consultancy professions, Italy can boast of a vast number of highly skilled and prepared experts with nothing less than the other countries.

6) Market.

The Italian tourist offer today is made up of many small businesses that compete with each other, this reflecting the Italian culture. Today's strategy is just related to the improvement of the offer to grab the market shares of other entrepreneurs operating in the territory. Instead the right strategy is to invest in increasing the general demand of the offer, and looking for new target customers in an international context, exploiting the advantages of globalization, technological development and the international network.

2.9 The GEM Entrepreneurial Framework Conditions in Italy

As explained in the previous chapter, since 1999 the GEM deals with "understanding the entrepreneurial phenomenon in each country", evaluating the overall impact of the entrepreneurial spirit according to two points of view:

1) One point of view more subjective studied through the Adult Population Survey (APS) which is focus on the entrepreneurial behavior and the attitudes of individuals;

2) And a second more objective point of view that thanks to the National Expert Survey (NES) studies the national context through the Entrepreneurial Framework Conditions and how they impacts entrepreneurship.

Considering therefore closely the Italian entrepreneurial ecosystem, or the conditions that stimulate the "doing business", the GEM presents us a non-positive overall picture, especially comparing it with those countries similar to Italy for the level of economic and entrepreneurial development (Table 2.3). The underlying problem lies in the quantity and quality of entrepreneurial initiatives, which are still too limited.
On the other hand, the assessment for existing companies has better results regarding innovation, the ability to conquer markets and the level of product quality.
Considering the results of the APS 2017 of Italy, summarized in Figure 2.7 (GEM 2017), and analyzing in more detail the specific data, it results that almost all the results are negative compared to international evaluations.

1) **Entreprenurial Behaviour and Attitudes**

Analyzing the entrepreneurial attitudes (Figure 2.7), and specifically *the perception of entrepreneurial opportunities in the area in which they reside, the perception of their capabilities to undertake, the fear of failure and the entrepreneurial intention in a short time*, we have as a result a picture of Italian entrepreneurial culture enough disappointing. Among all the fear of failure and the entrepreneurial intention to undertake are those with more detachment.
The **fear of failure** is dictated by the sense of acceptance that Italians want from the environment in which they operates; failure in fact in Italy is not socially well seen and is often considered synonymous of fraud or incapacity of the entrepreneur, and will weigh in the future in all the stage of founding a new business, from relationships with banks to suppliers. In other countries such as the United States, this value is very low for the acceptance of bankruptcy that is instead perceived as a right: the right to bankruptcy.
The entrepreneurial culture in the United States is in fact based on the concept of *try-and-error* (Crriere della Sera -Danilo Taino 2014), a way of thinking that took shape with the birth of capitalism in America, which produced the idea of failure no longer as a social stigma, no longer as incapacity or guilt, but as a normal stage of the process of growth.

The entrepreneurial intention, being a synthesis of all the other attitudes, sees Italy not only in detachment from the rest of the world, but also in regression compared to the results of 2016.
Considering the TEA (Total early stage Entrepreneurial Activity), a rate that considers all new companies with no more than 3 and a half years of activity, Italy is between the last positions among the major world powers with a value in 2017 of 4.28% of the population engaged in early stage entrepreneurial activities, compared to an overall percentage of 12.46% (Figure 2.7)

As for the new forms of entrepreneurship, the main activities are mainly oriented towards final consumption, such as commercial activities, accommodation facilities, bars / restaurants, Figure 2.5 (GEM Italy 2014); moreover, as regards the regional level, the Italian regions with the highest rate of new enterprises are historically Lombardy, Veneto and the regions of Southern Italy as we can see in the Figure 2.6 (GEM Italy 2014).

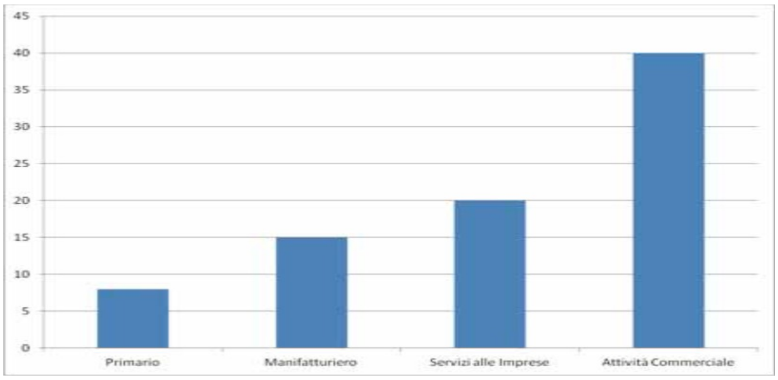

Figure 2.5

Distribution by sector types (absolute values of TEA)

Souce: report GEM Italy 2014

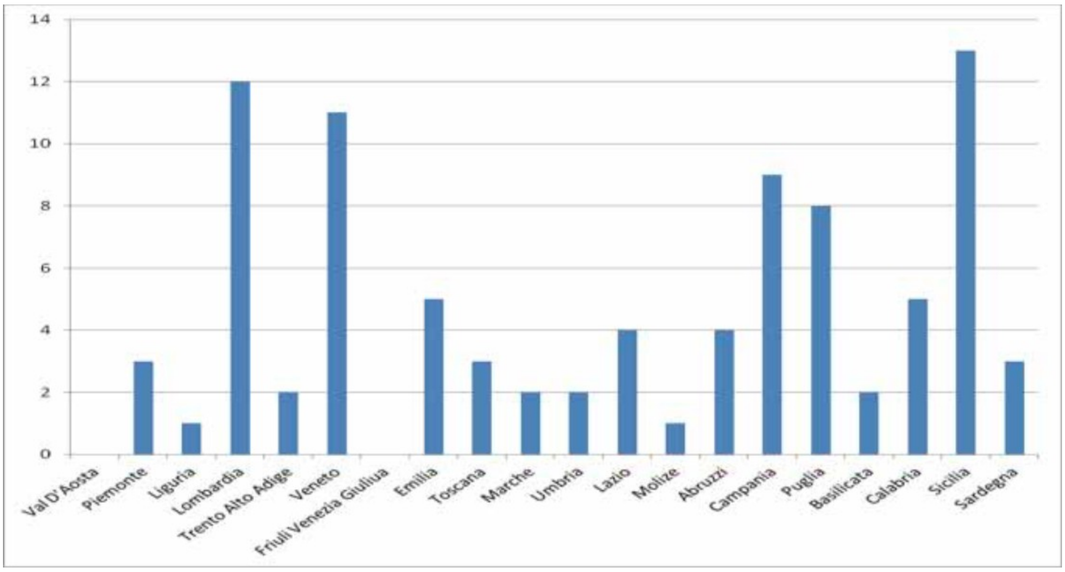

Figure 2.6

Geographical distribution of new entrepreneurial activity (absolute values of TEA by Region)

Souce: report GEM Italy 2014

Also reregarding the Gender Equality, the Italian backwardness is clear. In fact the entrepreneurial figure is linked to the figure of man from centuries. Fortunately the government is developing specific regulation ad incentives to promote the female entrepreneurship and thanks to Invitalia's funding for female entrepreneurship every year a growing number of woman can open a new company with the financial support of non-repayable loans.

The situation improves if is considered the Innovation Rate, where Italy gains a position compared to other countries, but this value, compared to the TEA, confirms the fact that innovation is carried out by big companies and not by new entrepreneurs innovation.

Italy has not so bad results also considering the Social Values and the state of social acceptance of the entrepreneur and entrepreneurship that is seen as a Good career choice; data that show us how the aspiration to become entrepreneurs is a value that is quite present in the Italian character but that is held back by the social economic context in which our entrepreneurs have to work.

Entrepreneurial Behaviour and Attitudes

Most recent data: 2017

Italy 2017 Italy 2016 Global Average Regional Average Economic Development Level Average

Figure 2.7 Entreprenurial Behaviour and Attitudes
Source: GEM Italy 2018

2) Entrepreneuship Framework Conditions

Considering the results of the **National Expert Survey (NES)**, which considers the national factors that influence the economic development, and the innovation and entrepreneurship process is evident that Italy worldwide has a considerable delay.

As in all NESs, 36 were the Italian experts who gave an unfortunately almost unanimously negative opinion on the Italian situation.
The experts assessed the various conditions that have a significant impact on entrepreneurial activity, responding to a set of questions pertaining to the 9 factors enabling the ecosystem around the creation of a new enterprise (Key Entrepreneurial Framework Conditions) and the response has negative feedback under almost all factors. Especially on the "Government Policies: Taxes and Bureaucracy" with a value of 2.48 (Table 2.3) and Cultural and Social Norms with a value of 2.22 (Table 2.3)

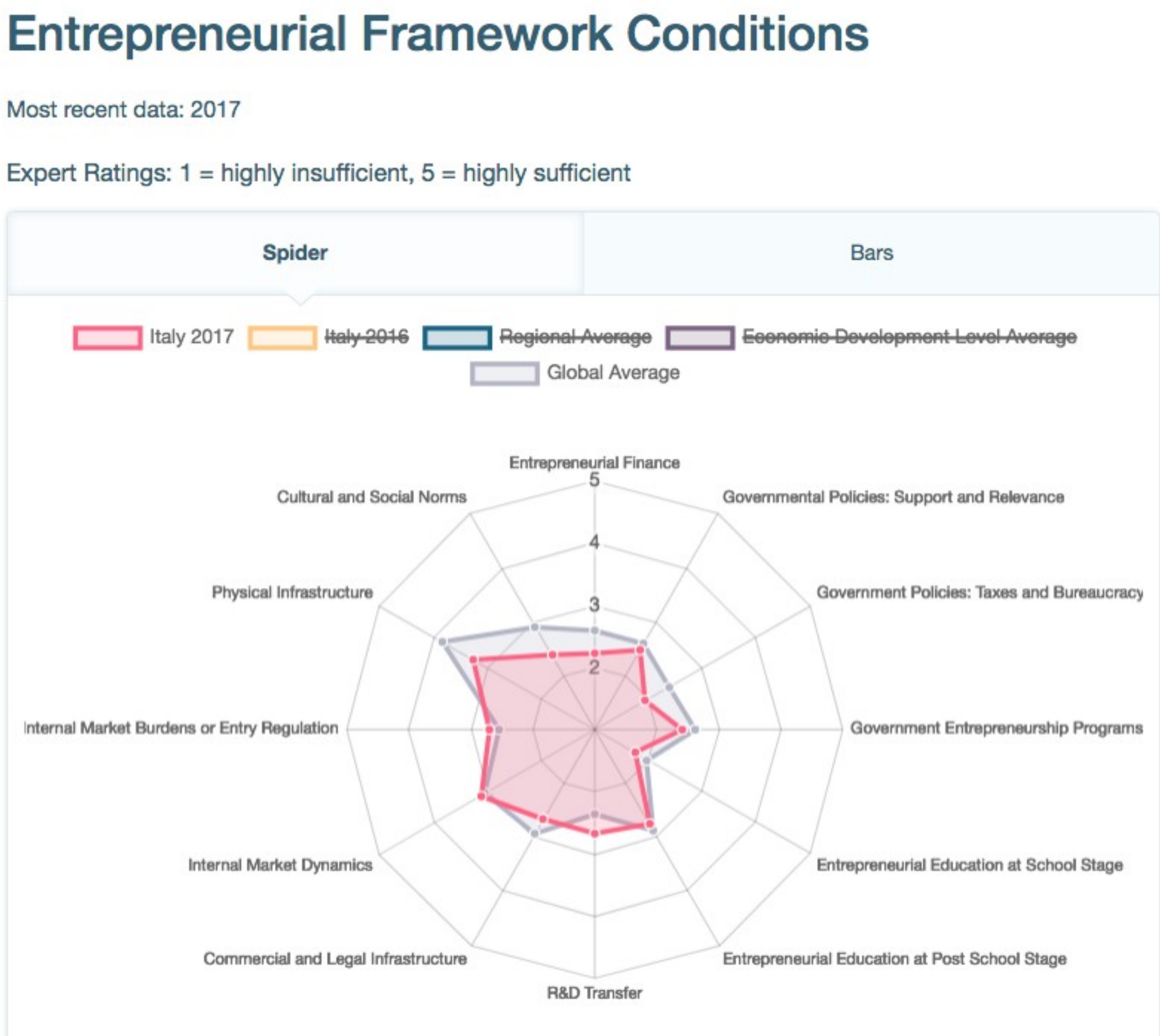

Image 2.8

Spider of Entrepreneurial framework condition in Italy

Source: GEM Italy 2018

The reasons behind these shortcomings are to be found both in the great load of bureaucratic obligations that an entrepreneur must face in founding a new business, both to obtain the necessary permits to change their business model in order to be able to keep up with the changes of the market; in fact *in Italy it is almost impossible to set up a company in a week* (GEM Italy 2014)

Considering the general Italian and International spider (Figure 2.8) it is evident that in all governmental aspects Italy is never in step with the other countries and this in particular for Physical infrastructure, Entrepreneurial Finance, Government entrepreneurship programs, Entrepreneurial Education; is evident that the major interventions must be made at the central level, by the State that must start investing resources, not just economic ones, for the development of entrepreneurship. Only with a good normative base, and with a spread of entrepreneurial culture already in schools, Italy will be able to compete with other world powers. For each of the factors with a very negative evaluation the various experts for years insist on the policies that the Italian government should apply to improve the Italian entrepreneurial ecosystem:

- Government policies and programs
Simplify the bureaucracy and the legal part for companies and at the same time speed up the liquidation of companies that have not been successful.
Review bankruptcy law to annul the stigma of bankruptcy.
Reduce the number of preventive requirements such as authorizations and clearances, and reduce the initial taxes, to replace them with ex post controls and payments after the first receipts
Extend the start-up facilities to all new companies.

-Finance
Establish a public "fund of funds" for the VC
Funding European innovation projects. You give a voucher to the company that can spend it with public or private research centers.
Provide for the entry of public finances in the company capital without being remunerated at the exit but only by recovering the capital.
Increase the presence of foreign venture capitalists in Italy.
Attracting foreign start-ups in sectors of strength in Italy (fashion, architecture, food).

-Entrepreneurship training
Recognize University fees on revenues for licenses or assignment of patents.
Education and training oriented to entrepreneurship. Training and education more focused on the development of entrepreneurial culture already in the School Stage

-Commercial and professional infrastructures
Investments in physical, technological and professional networks.
(GEM Italy 2014)

The evaluations are better for R&D Research, Internal Market Dynamics and Entrepreneurial Education at the Post School Stage, all information that confirm the presence of innovation and entrepreneurship culture as a strength for the Italian business system, but always from the point of view of companies already operating and not new entrepreneurs. The R&D is kept high by the large and medium-sized Italian companies which, in order not to lose market share at international level, are great innovators. The Entrepreneurship Education Post School has a certain weight compared to the international context, thanks above all to the new Masters in Entrepreneurship that are spreading also in public universities and thanks to the Innovation and Entrepreneurship programs of the Italian private universities that have a good position in the international rankings.

The final evaluation that comes from GEM therefore gives us a complete analysis on the entrepreneurial characteristics of the Italian System from a cultural, institutional and socio-economic point of view, but the results have real function and can only be better interpreted when compared internationally , with geographically close countries and similar countries, for cultural or historical characteristics. Therefore, in order to better understand its strengths and weaknesses, it is necessary to compare Italy with the other major European powers as in Table 2.3 which compares all the relevant aspects of the NES between Italy, UK, France and Germany. The result of this confrontation confirms what was previously expressed, demonstrating strong legislative shortcomings and confirming Italian backwardness in entrepreneurial matters, although for some policies are subject to guidelines of Europe.
The data confirm a strong dynamism of entrepreneurship from companies already settled in the economic fabric, through a high value for Market Dynamics and R & D, thus demonstrating that the country's entrepreneurial fabric is vast and recognized, but at the same time there is no entrepreneurial renewal and this will lead to an increasingly uncertain and slow economic growth in the long run.

	Entrepreneurial	Governmental Policies: Support and Relevan	Government Policies: Taxes and Bureaucracy	Government Entrepreneurship Programs	Entrepreneurial Education at School Stage	Entrepreneurial Education at Post School Stage	R&D Tran	Commercial and Legal Infrastructure	Internal Market Dynamics	Internal Market Burdens or Entry Regulation	Physical Infrastructure	Cultural and Social Norms
Italy	2.22	2.48	1.93	2.40	1.75	2.76	2.67	2.67	3.12	2.69	3.25	2.38
France	2.81	3.40	3.03	3.24	1.84	3.33	2.98	3.20	2.64	2.47	4.24	2.63
UK	2.74	2.61	2.74	2.65	1.90	2.69	2.61	3.06	2.68	2.67	3.60	3.28
Germany	2.84	2.68	2.48	3.40	1.56	2.58	2.60	3.43	2.84	2.70	3.96	2.62

Table 2.3

Comparison of NES results among the biggest European economies

Source: Own elaboration with data of GEM France, Germany, Italy and UK)

The entrepreneurial economic fabric is strong thanks to an entrepreneurial tradition that is passed down through the generations along with values such as creativity and flexibility. Strong is also the link with the territory that gives a strong sense of quality related to the brand image of Made in Italy. Thanks to these characteristics and the strong sense of belonging, the large industrial groups have not delocalized the production processes thus saving the economic activity. But bureaucratic, fiscal and legal obstacles, along with the slowness of the legislative system in carrying out the necessary reforms to relaunch innovation will lead to an increasingly slow economic growth that will block the Italian economy by destroying the position of economic power that today possesses.

It is therefore necessary a set of reforms that allow our companies to compete on an equal footing with companies in other countries with a more favorable ecosystem, thus fostering an entrepreneurial renewal capable of creating new companies both in traditional sectors and in expanding sectors, like computer science or technology, putting the Italian economy back on track and keeping it in step with other European countries.
Only with a strategy of incentive for entrepreneurship that starts from the government is possible to avoid relegating Italy from the 12th place of today to the 21st place predicted in 2050 (PWC 2016), considering the ranking of countries by GDP PPP , with this strategy Italy could have a good position in the ranking at least as UK, which should move from 9 to 10, France from 10 should go to 12 and Germany from 5 should go to 9.

CHAPTER 3

"STRUCTURE OF THE ITALIAN ACCOMODATIONS OFFER AND RELATED INNOVATIONS: THE INNOVATION OF THE "ALBERGO DIFFUSO"

The analysis of new non-traditional hospitality models include both reception facilities offered in the absence of a regulated rule and control context, and partially regulated market practices such as official non-hotel structures: landlords, houses and apartments for vacation, B & B

3.1. Structure of the Italian accommodations offer

With regard to the main definitions of the categories of tourist reception activities, the relevant legislation is the **Legge quadro 17 Maggio 1983, n. 217**: the Framework law for tourism and measures to upgrade and qualify tourism ("Legge quadro per il turismo e interventi per il potenziamento e la qualificazione dell'offerta turistica). In particular, articles 6 and 7 frame the different categories of accommodation facilities, explaining characteristics and classification.

-Article 6 defines all the categories of accommodation that can be developed, redefining the classic accommodation facilities, according to the characteristics of non-hotel accommodation not attributable to any hotel types. For each category, the article establishes the basic function and characteristic to be included in that category but still leaves to the regions the freedom to establish and regulate new categories of accommodation according to the specific characteristics and local needs

-Article 7 establishes the classification and the minimum requirements for the hotel category, while it assigns to the regional laws the criteria of size, structure and qualification of the workers for the classification of the different categories of hotel and non-hotel structures.
The classification of the hotel is based on 5 classes , in descending order, by 5, 4, 3, 2 or 1 stars and among the minimum requirements for hotels for classification purposes: accommodation capacity not less than seven rooms; at least one toilet for every ten beds; a sink with hot and cold running water for each room; a room for common use. According to the same criteria, the regional laws provide a classification also of the tourist-hotel residences, marked with 4, 3 and 2

stars, and the tourist villages classification marked with 4, 3 and 2 stars in relation to the service of recreational, cultural and sporting facilities.

Regarding the non hotel-accommodations the regions have complete discretion regarding minimum requirements

The current legislation, however, is not able to manage and to control the new models of non-traditional hospitality, because the new booking methods developed through Internet and the establishment of innovative concepts such as holiday homes, new type of B&B and condohote, are transforming the Italian hospitality offer and the regulations on the matter are still poor and not in step with the times. The legislation fails to keep up with this growing non-hotel, because of the **new types of offer that come out every year**, **as well as the amount of accommodation** which do not allow institutions to be able to control the phenomenon directly.

The ferment of the development of non-hotel activities is evident from the ISTAT statistics of 2018 concerning the number of accommodation facilities, rooms, beds and bathrooms, shown in **Table 3.1**. The table shows how non-hotel structures are growing at a very sustained pace, in fact they increased from 145,283 structures in 2016 to 171,915 units in 2017, with a growth of 18.3%; while hotel facilities decreased from 33,166 units in 2016 to 32.988 in 2017, with a decrease of 0.5%.

The valuation is even more worrying considering **the most common type of hotel: the 3 stars** that represent **46.2%** of the total offer in terms of reception facilities and 43% in terms of rooms. The 4 star hotels instead represent 17.7% of the total and with a percentage that increase considering the number of rooms that has a weight of 34.4%.

The tourist offer of the highest segment, relating to 5-star hotels, represents only 1.5% in terms of facilities and 3.3% in terms of rooms.

	Seleziona periodo	2016				2017			
	Indicatori	numero di esercizi	posti letto	camere	bagni	numero di esercizi	posti letto	camere	bagni
Ateco 2007	Tipologia di esercizio								
alberghi e strutture simili, alloggi per vacanze e altre strutture per brevi soggiorni, aree di campeggio e aree attrezzate per camper e roulotte	totale esercizi ricettivi	178 449	4 942 512	1 091 061	1 097 017	204 903	5 037 798	1 086 910	1 093 588
alberghi e strutture simili	esercizi alberghieri	33 166	2 248 225	1 091 061	1 097 017	32 988	2 239 446	1 086 910	1 093 588
	alberghi di 3 stelle	15 355	944 959	473 348	481 928	15 237	930 834	467 029	475 904
	alberghi di 4 stelle	5 726	769 163	368 172	373 864	5 836	781 303	373 496	379 220
	alberghi di 2 stelle	5 911	187 661	98 956	99 605	5 759	181 349	95 645	96 308
	residenze turistico alberghiere	2 853	206 168	80 679	74 183	2 879	202 618	79 562	73 244
	alberghi di 1 stella	2 861	66 847	36 006	32 214	2 778	65 024	35 159	31 520
	alberghi di 5 stelle e 5 stelle lusso	460	73 427	33 900	35 223	499	78 318	36 019	37 392

alloggi per vacanze e altre strutture per brevi soggiorni, aree di campeggio e aree attrezzate per camper e roulotte	esercizi extra-alberghieri	145 283	2 694 287	..	..	171 915	2 798 352	..	..
	campeggi e villaggi turistici	2 694	1 357 051	..	..	2 643	1 353 895	..	..
	alloggi in affitto gestiti in forma imprenditoriale	81 171	665 937	..	..	104 661	755 631	..	..
	agriturismi	18 686	254 959	..	..	18 771	256 533	..	..
	bed and breakfast	32 367	167 674	..	..	34 202	177 824	..	..
	case per ferie	2 419	133 191	..	..	2 705	134 541	..	..
	altri esercizi ricettivi n.a.c.	6 220	48 015	..	..	7 156	52 068	..	..
	rifugi di montagna	1 090	33 867	..	..	1 128	34 847	..	..
	ostelli per la gioventù	636	33 593	..	..	649	33 013	..	..

Figure 3.1

Accommodation facilities, rooms, beds and bathrooms for hotel and extra-hotel structure

Source: Istat 2018

The data relating to the quality of the offer are even more drastic when compared to the review of "Il sole 24 ore” that reworks the data of the report of **REAG** (Real Estate Advisory Group) ,the department of Duff & Phelps Corporation, one of the leading company in valuation and corporate finance advice. The report confirms the strong shortcomings on the supply side, in fact the analysis shows that Italy has "*inadequate structures from the point of view of structural and dimensional standards, energy endowments and services offered compared to the European average, for which only a slow adjustment process has been initiated in recent years. Demand and supply expectations remain distant, the scarcity of quality and income products, in addition to the high impact of property taxes, discourage investments in the Italian hotel sector by institutional operators "* (Evelina Marchesini 2016)

The same REAG report, however, presents also good hopes as it presents from the demand side a fairly positive trend for Italy which results in a *favorable conjuncture* from the point of view of arrivals *also caused by international insecurity*.

In addition to this trend, for some years now the value of investments in hospitality facilities is increasing so much that according to Scenari Immobiliari, an independent Institute of Studies and Research which analyzes the real estate markets, and in general the local economy in Italy and in Europe, in 2017 investments have reached 3 billion euros and at the end of 2018 will reach 3.2 billion (Scenari Immobiliari 2017)

Fortunately, investments have been growing in recent years, and at the same time hotel positioning is improving, but the road to increase the quality of accommodation is still long and transforming the many 3 stars into 4 and 5 stars is not an immediate process.

From the REAG report, it is also clear that Italy is the European country with the largest number of hotel rooms, the fourth in the world after the US, Japan and China. This fact, however, is not encouraging for tourist entrepreneurs who, due to the high offer, have rates of profitability that do not always repay the real estate investment.

Considering two world powers similar to Italy as France or Germany, we see that the profitability from the touristic real estate assets is around *6-6.5%*. In Italy, on the other hand, the situation is very different, with different gross yields depending on the type of real estate: *trophy assets 5.0% -5.5%; "Prime location" in the city centers of Rome, Milan, Venice and Florence 5.5% -6.5%; semi-center and periphery of the "prime locations" and secondary cities 6.5% -7.5%; tourist real estate in seaside, mountain and lakes 6.5% -8.5%* (Evelina Marchesini 2016).

The reason for the low performance of the trophy segment lies in the fact that this type of property in Italy has the highest market value, and a high possible yield, but the services that are implanted within the structures are often not up to date and therefore they do not generate a worthy return. This despite the trophy assets should be the leading segment in Italy consisting of those buildings with excellent location and high architectural level and finishes, a type of real estate unique in the world that is increasingly sought after by today's international tourism.
From this analysis follows a necessary intervention by the Italian State to contain the number of accommodation facilities, especially if these lower the overall quality of the offer.
The problem is not therefore to reduce the number of hotel activities, but simply to improve the quality, only in this way returns can increase, for the trophy segment and for real estate investments in the major Italian tourist centers. It is therefore necessary to regularize to increase the quality.

With regard to the regularization of the system since September 2018, the Minister of Tourism Centinaio, began a negotiation for a possible **agreement between AirBnb and the Government** for the establishment of an identification code for all accommodation facilities, including houses rented online, under penalty of fines 100 thousand euros. As reporterted in “Il Sole 24 ore” the Minister of Tourism Centinaio would like to set up a model which provides that *"who will work legally will have the identification code and then can promote and sell their facilities on online sites, who instead will not have the identification code will be considered an abusive "* (Marzio Bartoloni September 2018).

The objectives of this guideline are two:

-The first one is to **bring out the submerged revenues** and make everyone pay taxes. The current legislation in fact provides that those who rent a house through online platforms should pay a tax of 21%, the Cedolare Secca. The Italian law establish that the intermediary has to collect this percentage and subsequently transfer it to the Revenue Agency; today, however, the fulfillment has not been respected by all operators, and the same Airbnb refuse to be a substitute for taxes. And as stated by the same Minister Centinaio *"It will be difficult to make room-by-room search, but the goal is to work to ensure that illegality in tourism fails. Italy in fact is the country in the world that has more illegality in this sector "*. (Marzio Bartoloni 2018).

-The second objective is to **create light barriers to entry** through a more structured regulation able to block those hoteliers who offer a low price as the only competitive advantage. This type of accommodation in fact, has only negative implications as it only increases the flow of hit and run tourism lowering the quality, and going completely in the opposite direction compared to what foreign tourists expect when visiting our country.

3.2 The bed and breakfast revolution led by the innovation of Airbnb. The gentrification problem

Why is it necessary to regulate the new models of hospitality? The problem of gentrification

The answer comes from the consideration of the impact on the real estate and social dynamics after the evolution of hospitality forms, which are modifying the existing rules system for operators and investors without any guideline, thus highlighting the legislative gaps to be filled and which must be taken into consideration with the advent of new innovative forms of hospitality.
Fortunately, the new types of hospitality are among the most frequent topics of jurists and experts in the field of environmental regulation, to preserve the existing tourism system and at the same time adapt to new unstoppable trends. It follows therefore a greater attention to**: the planning and regulation of urbanism** from the tourism point of view, as well as a change in the role of real estate funds in the hotel investment market, the progress of studies on the regulatory framework of short-term leases and relationships between the world of hospitality, online agencies and the ecosystem that will welcome tourists.
The urban ecosystem is precisely the key problem of the new business models, which through a process of massification and uncontrolled enlargement of the offer, facilitated by new online

rental platforms, is definitely changing the face of the most tourist cities in the world making them become theme parks and no more cities lived by their citizens.
Among all the innovations of recent years that which are driving the market in this direction, perhaps **Airbnb** got the lead role, being able to radically change the face of many city following the trend of bed and breakfast, and to channel online, before others ,the new needs of tourists and landlords. On the tourists' side, because the new trend went in the direction of independence, making the tourist feeling part urban context as a local citizen; from the point of view of property owners, Airbnb *has created a new category of rental housing, the short-term rentals, eliminating the lacuna between traditional residential housing and hotel accommodation (*Wachsmuth David, Weisler Alexander 2018), and at the same time allowing many small real estate owners to round off their salary. The other side of the coin, however, present a phenomenon quite out of control and that is not positively changing the structure of the cities and of the social composition.

The opposition to this phenomenon stems principally from tenant associations, legal hotel accommodations and regional governments. the problem raised by these actors is related to the **effect of short-term rentals on the house rental market**, particularly in cities and neighbourhoods with high tourist demand; where, because the rents are higher for short term rentals than long-term rental and the landlord prefer to cut the offer for residential rental, causing a consequent surge in rents.
To confirm this, we can consider the study of Roy Samann, *Short-Term Rentals and L.A.'s Lost Housing for Laane*, where he discovered that the model of "sharing" eliminates each day 11 apartments from the local rental market (Roy Samaan 2015).
Remaining in the United States, in the same year, on the other side of the country the "*New York Communities for Change and Real Affordability for All*" demonstrated that *"Airbnb took approximately 20% of houses off the market in certain area of Manhattan and Brooklyn, and up to 28% in the East Village; moreover, in the 20 most requested districts on Airbnb, it has subtracted at least 10% of the houses available on the market"* (Roy Samaan 2015)

The study then goes into more detail analyzing the social composition of the hosts and the results show six times greater damage for black residents. The results states that in the Stuyvesant Heights neighborhood in Brooklyn, for example, *the reservations of whites were 1012 times greater than those of blacks*. The study also includes data from the anti-Airbnb activist Murray Cox who for years has been studying how Airbnb is having a "disruptive" effect not only on the hotel system, but above all on *"disrupting housing and communities"*. According to Cox in the

72 neighborhood of Manhattan 74% of the hosts are white, and the same in the black districts have earned 159.3 million dollars while the blacks only 48.3 million. For Cox in the black majority neighborhoods where Airbnb is spread, the process that is taking place is *"racial gentrification",* while the economic benefits are collected by new white residents who buy low-cost homes from the local population who can no longer stay in step with a general increase in prices due to this tourism transformation of their neighborhood.
So if an increase in the value of real estate should be considered positively, the other hand makes us reflect on the fact that the majority of black residents suffer instead from the housing emergency and the loss of houses, which can no longer buy or take for rent because the number of apartments has decreased, and because of the high cost of the rent.
The consequence of this process is that citizens abandon their own neighborhood, leaving a distorted context where the local identity is lost every day more and more. Without a regulatory plan, it will trigger changes in the ecosystem, which in the long run will destroy the same. In fact, *"the quality of life is also a concern for residents who have seen their neighbourhoods transformed into de facto hotel districts"* (Cócola Gant 2016). What is the consequence of all this? **Gentrification.**

The gentrification, according to the Cambridge Dictionary is *"the process by which a place, especially part of a city, changes from being a poor area to a richer one, where people from a higher social class live"* (Cambridge Dictionary 2018) with a consequent change in social composition and housing prices. This process causes the destruction of the identity of the ecosystem and if the town or the neighborhood that has undergone this process does not have great perennial attractors, with the loss of identity even tourists will also start to stop arriving as they will have lost interest. Meanwhile, however, the local population has been forced to displacement in peripheral areas with fewer services, lowering even more their quality of life.

3.2.1 What is the situation in Italy ?

Things are not better in Italy, actually this phenomenon of gentrification or we could better say of disneynalization is very serious in some cities such as Venice or Rome and it is becoming so in others like Florence or Naples. To analyze the phenomenon we can consider the number of accommodation facilities that prolife in the major Italian cities and for the majority illegally.
Unfortunately, in Italy the number of non-regular structures in some cities is at least ten times greater than regular ones, and taking into consideration the data in **Table 3.1**, which compares the number of declared accommodation facilities ,hotels and non-hotels (Istat 2018), with the

number of accommodation facilities on Airbnb (InsideAirbnb 2018) it shows a great disparity between legal and illegal activities.

	Rome	**Milan**	**Florence**	**Naples**	**Venice**
Announces on Airbnb (InsideAirbnb)	25,275	17,986	10,842	6,532	7,546
High availabilities*	23,113 (91.4%)	13,136 (73%)	9,125 (84.2%)	6,161 (94.3%)	6,507 (86.2%)
Total of accommodations declared (ISTAT)**	14,137	1,778	1,421	715	6,441

*Availability of more than 60 days per years

**The number consider hotel and extra-hotel accommodation

Table 3.1

Overview of declared and undeclared accommodation facilities

Source: Own elaboration from data of InsideAirbnb and Istat

The table consider the actors which declared the beginning of the activity to the region tourism department, a communication that is compulsory in Italy, with the data of InsideAirbnb, an *independent, non-commercial set of tools and data that allows you to explore how Airbnb is being used in cities around the world*. (www.insideairbnb.com)

We must also say that the disparity is actually even greater because on Airbnb many hotels are not present, but if we add the number of these the difference between the two values increase.

The table also takes into account data on the availability of days per year, an availability that is considered high if greater than 60 days per year, and that represents that share of entire apartments where the owner is not present in the structure and so they could be illegal housing bought exclusively for profit, with the most important consequence of remove the residents from the neighborhood.

3.2.1.1 The Neapolitan situation

Naples is perhaps the most endangered city, as today it is one of the few big cities in Europe that preserves its social and cultural heterogeneity, but the prospects of wild tourism risk transforming the historic center in a fair amusement park for tourists and not a city with its own inhabitants. The other Italian cities like Venice and Florence still manage to resist this process of gentrification for two reasons, the first is a greater widespread wealth with healthiest suburbs, and a smaller population, all elements that allow citizens who leave the center to find however, not too bad solutions in the immediate vicinity of the center.
In Naples, however, the context of the historic center is a very fragile context from a social point of view and the problems are arising not only because of the considerably increase in the cost of rents, but the daily livability has been affected as many small shops have had to close to leave space for restaurants and tourist shops. Moreover, some suburbs of Naples, where real estates prices could still be accessible, present serious social problems and organized crime that would only be increased by a new wave of poor people.

Secondly, the biggest European cities are mainly chosen for tourist attractors; while Naples isloved not only because of the monuments but for its hanging clothes, for the Bassi and for the folk culture, all identifying characteristics that with the gentrification will destroy the soul of the city that probably would not be so attractive as today.
Leaving the focus on Naples we see how the number of accommodations on Airbnb has increased more than in all other Italian cities, with an average growth rate from 2016 to the present of 65%. In 2017 there were about 4500 apartments on Airbnb, today we are at 6532 (Eduardo Improta 2018). The situation if on the one hand is leading to excellent results from the point of view of tourism and the image of the city is facing a recovery now clear to all Italians with a worldwidw repositioning of the brand Naples, on the other hand we need to control the phenomenon to avoid getting out of hand, and contain this high growth of apartments for tourists to avoid permanent destruction of and ecosystem unique in the world, the Neapolitan one.

3.2.1.2 Southern Europe against Turistification Movement against Gentrification

To counter this phenomenon also Naples has joined the **SET (Southern Europe against Turistification)**, a movement of rebellion to the touristification that is spreading in recent years in southern Europe. The objective of the SET is a collective mobilization so that the historical centers do not lose their identity and do not become the hunting ground for speculation, in order to leave the city a place of meeting and cohabitation in which to is possible to create relationships that improve the lives of those who live in, as it is was for centuries.

Figure 3.2

Manifesto of the SET against the gentrification of Naples

Source: Eduardo Improta 2018

The goal of this movement is to block mass tourism favored by new innovations in the tourism offer, driven mainly by online platforms and promoting a more *aware, slow, diffused, curious* and authentic tourism (Elena Mazzoni Wagneron 2018). Developing innovative tourism models that do not kill the local livability of citizens and preserve culture through collective territorial networks. The movement if on one side is trying to limit the mass tourist flow by focusing on quality, it seeks also to move mass flows even to neighboring cities where cultural heritage and identity are still 100% preserved and could meet the same needs that the already turistized cities offer. These cities are often not even known due to both bad territorial marketing and because of the lack of curiosity of tourists who prefer to visit the cities "top 10 of Europe" "top 10 of 2018" and so on. The movement also wants to promote the so-called "territorial networks" asking for the creation of a body able to coordinate the main city with those nearby, a coordination that must have a vision of the entire area, starting from the means of transport. In this sense, fortunately, the legislation has established metropolitan cities that are still struggling to have a

common enterprise vision. The objective, therefore, according to the movement should be to promote tourism in the suburbs of the city with a strong tourist vocation and promote tourism in smaller towns and villages by revitalizing the rural economies, an economy increasingly in crisis and which is fleeing more and more young people with few growth prospects.
Hence, it is necessary to start developing a new intelligent tourism model where the new entrepreneur knows how to manage a sustainable tourism able to integrate the tourist into the social fabric of the city and allow the local population to only take the benefits of this more conscious tourism. It is therefore necessary to educate a new figure of an entrepreneur who knows how to coordinate and that he can establish relations with the various public and private territorial stakeholders.
The most important innovation that these innovative platforms have introduced, and that the SET wants to change is the role of the tourist entrepreneur, who does not stand out for having chosen a specific target or having focused its competitive advantage on quality and differentiation, but he only offers low-cost accommodation enforcing the segment of massidied tourism.
This small entrepreneur, is part of the middle class and has as its goal to pay the mortgage payments or round the salary, **not a real entrepreneurial scope**. He also pushes his sons and daughters to undertake this activity rather than maybe start a real career. Unfortunately, the vision of these owners is very short-sighted because he is not really becoming rich, without something truly innovative or a serious differentiation, he can never have the economic strength to make other investments and grow as an entrepreneur, he can only maintain his economic situation.
The evidence comes from the fact that, the middle class population, now in these touristic cities, municipalities or tourist villages, choose not only to make income from the house in which they live, but in most cases borrowing from credit institution to invest in rented accommodation for occasional tourists. The spread of these short rents thence, has the double effect of determining, on one hand: the expulsion of the weaker classes from their neighborhoods of historical settlement, as in the example of the historic center of Naples; on the other to encourage the indebtedness of the middle class.
Therefore, online platforms have been innovative as they have allowed homeowners to have a monetary return either directly, through rent, or indirectly, thanks to a revaluation of the property caused by the increased attractiveness on the market of sales. But the problem lies in the fact that the entrepreneurial figure that is emerging is not really a valid figure for the ecosystem as the entrepreneur of the short rent is not a real innovator and is not creating or finding an opportunity, he is simply following a flow, but without knowing where this flow is coming from and when it will stop and without understanding what could be the damage of a momentary bubble. We need

a new entrepreneur who knows how :to meet the demand of the owners of the apartments to earn some euros, to meet the needs of tourists who want independence and want to be part of a social context; but at the same time know how to ensure quality and not destroy the urban ecosystem. The solution should be therefore, to encourage a type of entrepreneurship that is able to bring all these needs together, creating a new tourist model that really knows how to integrate the tourist in the city context without distorting the identity itself.

The best solution then as suggested by the SET is to create a territorial network where various stakeholders from the same territory cooperate to transfer the tourist flow also in the suburbs and in other villages not yet touristic; on the practical level of property management, however, **the "Albergo Diffuso" could be the best solution** because it is the only innovation that satisfy the interests of all the stakeholders of the ecosystem. First of all he will satisfy the interests of the new entrepreneur, an owner of the property or a tenant, who must be able to coordinate different apartments and services, offering a quality service and therefore taking a richer target certainly more profitable, if he has success he can expand his brand in the same city or export it in others; the ecosystem interests will not be distorted as there will be more regulation and will not remove apartments for long-term rent, but empty ones will be exploited, maximizing the filling percentage of existing ones; the owners instead who would like to round up the salary could do so by renting the property to the entrepreneur who has decided to synergistically manage different services to propose a new quality offer, the latter could take a percentage on the receipt and have the economic return they hoped for round the salary. Likewise, even the tourist will benefit from it because it will really feel part of that city even if only for a few days and we will satisfy its need for experience, especially if is a high class tourist.

Airbnb in fact opens up also a question related to the quality of tourists attracted by the new tourism model. Unfortunately, the low cost model attracts a type of tourist who in the long run will tend to drive away high-end tourist that prefer to live an authentic and exclusive experience and for which they are willing to pay more. So the solution does not have to be a simple introduction of barriers to access, but responding to the market with market rules, always respecting the urban context and the regulations. The regulations must be reasonable, for example since few years has been introduced a restriction of the distance of the apartments from the center facilities, a measure that does not fully support the ecosystem as it does not favor the exploitation of those unused properties, but pushes towards the development of just one specific area.

This is why an "Albergo Diffuso" model that can modify its characteristics depending on the single village or city where it is applied seems to be the best option to avoid a radical change in the ecosystem, by ensuring a peacefully coexistence.

But let's see in detail what a diffused hotel is.

3.3 A respectful innovation in the tourist offer: The “Albergo Diffuso”

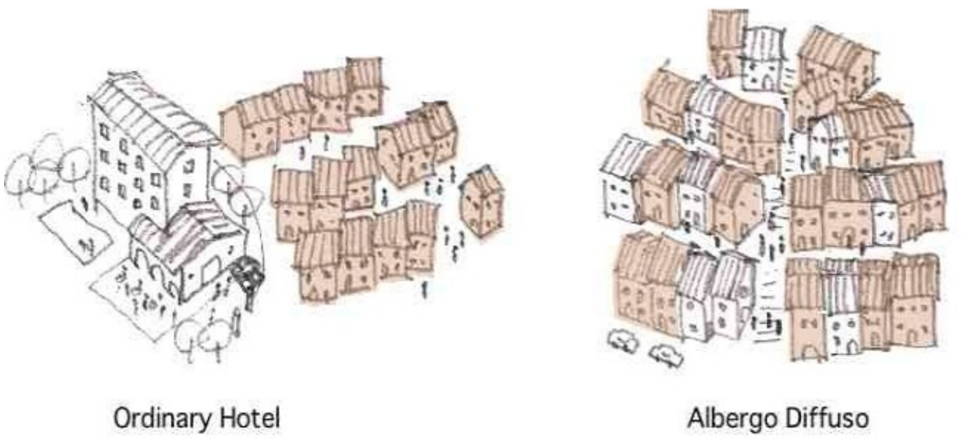

Figure 3.3
Map that represent the differences between an Ordinary Hotel and the Albergo Diffuso model
Source : www.albergodiffuso.it

The concept of the "Albergo Diffuso” , also called AD, was born in Carnia in 1982, following the project "Progetto Pilota Comeglians" of the writer Leonardo Zainer who led a group of local stakeholders whose idea was a recovery of the village after the earthquake of the 1976. The key advice for the development of the model came from **Giancarlo Dell'Ara**, a tourism marketing professor who can be considered the founder of this model of hospitality. The first model provided a central body where the basic services of the hotel were located, while the rooms were widespread
within various apartments in close proximity to the central body and were often simply second homes renovated but not used (Albergo diffuso Comeglians 2018) .
The project had a certain success because the philosophy was spread in the right way, especially in Germany, were tourists are interested in staying in prestigious historical urban context, living

in close contact with the residents and feeling part of that village only for a few days, benefiting at the same time of normal hotel services.
Today the model is still under definition and we can not perfectly frame all the examples created until today within a specific model, but we can say that in order to be called “Albergo Diffuso”, they must have the characteristic of a diffusion of the various housing units inside in a not too wide radius. In fact, according to Dall'Ara, this diffusion represented the evolutionary path of the typical Italian family. In fact according to what Giancarlo Dall’Ara stated in his “*Manuale dell’albergo diffuso. L’idea, la gestione, il marketing dell’ospitalità diffusa”* the identification manual of the AD and al the model realted, *“Quando la famiglia si allargava per il matrimonio di un figlio, che continuava ad abitare con la famiglia originaria, si “espandeva” anche la casa, con ampliamenti, di norma di carattere orizzontale, che tendevano a trasformare case isolate in piccoli borghi “(*When the family expanded for the marriage of a son, who continued to live with the original family, the house was also" expanded ", usually in an horizontal way, which tended to transform isolated houses into small villages) (Gianfranco Dall’Ara, 2015, 24).

In the early years spreading the model, however, not everyone has been successful, since there was not yet a developed framework with precise rules and the focus was only the re-use of the apartments without offering any new experience, only trying to meet the demand passively.
“Il focus iniziale era soprattutto sul prodotto, poiché ci si concentrava su come valorizzare turisticamente un determinato sito rurale, invece che costruire un’offerta partendo dalle esigenze della domanda, interessata sempre più all’esperienzialità e all’autenticità dei borghi.” (The initial focus was mainly on the product, since we focused on how to enhance a particular rural site, instead of building an offer starting from the needs of the demand, more and more interested in the experience and authenticity of the villages.)(Di Bernardo 2015)
Thus, after the first unsuccessful attempts, in 1989 Giancarlo Dall'Ara framed better the type of services asked by this tourist interested in living a new experience. With the development of the AD of San Leone in Montefeltro, the minimum requirements have been established, unifying the focus on the widespread apartments with the standards of the classic hotel:

- A **unified management** of the structure;

-**The offer of hotel services**, and relative comfort for all the guests accommodated in the different buildings that compose it (from the restaurant service to the breakfast in the room);

- An **"authentic" environment** made up of prestigious, renovated and furnished homes not "for tourists", but for residents, even if temporary;

-A small village, with a few hundred inhabitants, but alive, lived, animated, with all the basic working services (from the newsstand to the pharmacy, to the shops, to the church). (Giancarlo Dall'Ara 2015, 25)

A few years later in Sardinia the model begins to take shape and demonstrate the high possibilities of employment, was abandoned the simple joint management of housing units scattered, thanks to the" *Piano di Sviluppo Turistico della Comunità Montana Marghine Planargia"* of 1995 in the province of Nuoro , where some entrepreneurs settled the model in Bosa and then in Santulussurgiu. This project can be considered the key turning point since a few years later, in 1998, the phenomenon was regularized with a specific regional regulation the LR 27/1998 from which the AD was defined for the first time also by the law as a model that fully reflect the traditional hotel model but with rooms no longer in a single structure.
Giancarlo Dall'Ara then adds other fundamental characteristics for the definition of "Albergo diffuso" valid still today and here translated from the official web page of the AD:

*-The AD needs an **entrepreneurial and professional management**; a non-standard management, not similar to that which characterizes most of the hotels that are part of hotel chains, nor similar to the rigid one of the big "Ritz" style hotels, but consistent with the proposal of authenticity of the experience, and with the roots in the territory,*
*-The AD must offer its guests **common areas** like any other standard hotel, the common areas must guarantee a "warm" atmosphere that facilitates personalized relationships within all the actors involved (manager, guests, local inhabitants).*
*-The AD must have **two halls**: an internal one to make the idea of reception typical of the hotels and external to let the guest live also the typical neighborhood experience of those who live in a village.*
*-The AD must have its **own style**, recognizable in all the rooms of the structure, so it is not just a matter of restructuring abandoned houses but of **respecting the identity of the place** as much as possible.*
*-All apartments / rooms of the AD must be placed at a reasonable distance of **maximum 200 meters** from the reception and other buildings, to guarantee guests the same services.* (www.albergodiffuso.com)

3.3.1. Definition of "Albergo Diffuso"

Through the various definitions and the various models that followed over time, today the definition revolves around the two key words, the Italian word for Hotel "Albergo", as it must be a tourist accommodation fully-fledged, it must be managed in an entrepreneurial way and have all the requirements and the facilities of a hotel.

The word "Diffuso" instead encapsulates that meaning of conviviality between tourists and citizens of the village and the structures must provide a redevelopment in line with the territory and a development in a horizontal form (then with buildings scattered in several structures) and not in vertical shape.

The actual definition given to us by the designer of the concept is : *"Assumono la denominazione di "albergo diffuso" gli alberghi che forniscono alloggio e altri servizi in camere dislocate in più stabili separati, esistenti, ubicati in un centro storico integrati tra loro dalla centralizzazione in un unico stabile dell'ufficio ricevimento, nello stesso o in altro stabile delle sale di uso comune ed, eventualmente, degli altri servizi offerti. Le unità abitative, distanti non più di 200 metri effettivi dallo stabile nel quale è ubicato il servizio di ricevimento, sono caratterizzate da uno stile riconoscibile, uniforme e rispettoso dell'identità del luogo e sono dotate di arredi, attrezzature e servizi tra loro omogenei".* (The hotels that provide accommodation and other services in rooms located in several separate, existing buildings, located in a historical center integrated between them by centralization in a single building of the reception office, and room of common use, assume the name of"Albergo Diffuso". The housing units, no more than 200 meters away from the building where the reception service is located, are characterized by a recognizable style, uniform and respectful of the identity of the place and are equipped with homogeneous furniture, equipment and services) (Giancarlo Dall'Ara 2015, 100)

Being therefore qualified as a hotel must provide **a minimum of 7 rooms** according to the *" Legge quadro sul turismo 217/1983"* , and carry out a continuous activity even if there is no obligation of restaurant service. The AD differs therefore from a form of hospitality in which many B & B are managed together as the owner of the house does not live inside, but in the diffused hotel the rooms proposed are in uninhabited houses. The number of rooms represent another considerable difference as a B & B can offer from 3 to 4 rooms, while an AD a minimum of 7.

Perhaps the main difference lies in the role of the entrepreneur who is absent in the B & B, being the activity only an integrative entry for the family budget, as seen above, in the AD the key role revolves around the entrepreneur who has to transmit his philosophy and identity of the village and of his offer from the restructuring phase and will then have to maintain the same quality standards in receiving customers.

The AD, however, differs from the classic hotel for its horizontal and not vertical development of the classic hotel that is spread over several rooms, but the focal point is that the AD offers not a "room" but sells a new experience: *to make the tourist feel like a temporary inhabitant*. (Giancarlo Dall'Ara 2015)

Giancarlo Dall'Ara in defining the AD insists on not translating the word into other languages because the model must convey its character of Italian authenticity. The model must in fact be able to transmit that message of “warm reception” typical of our country, a reception made of relationships that should give to the tourist the perception of becoming part of a new family, thus giving more prominence to the quality of this model of 'hospitality that goes in the opposite direction to the "hit and run" model that is typical of large city hotels, where there is no emotional involvement with the structure. According to Dall'Ara, in fact, the quality of "Made in Italy" must already be transmitted from the early stages and most of all when we read about this new type of offer for the first time. Only presenting the concept in its Italian form starts a different positioning to the structure as it begins to convey that quality message linked to the Italian lifestyle.

3.3.2 The “Albergo Diffuso” Regulations

Today, in Italy there is no common legislation that regulates the "Albergo Diffuso" in its basic characteristics, but in all the regions there is a different regulation even if for some there is just a simple mention. The southern regions have the best legislation with a specific law for this type of hotel, and among all stands out that one of the Campania region with the "*Legge Regionale 2001 n17"* which has introduced the AD among the accommodation categories. In the north, however, the regulations are more incomplete and not specifically designed for the AD, in some cases even not distinguishing between a type of activity: hotel or non-hotel. The Campania region in article 8 of the aforementioned regional law 17/2001 establishes an exhaustive regulation through several articles that specify the disposition of the housing units, the dimensional and qualitative criteria, as well as the minimum number (10 families) and maximum (10000) of inhabitants of the village.

On the point of view of legislative coordination, Italy is therefore still far behind and a warning to the unification of the regulations with the creation of a statute of AD comes not only from the creator of the model but also from Francesco Morandi, councilor for tourism of the Sardinia region , which states that: *"Si tratta di ripensare, almeno in parte, la tipologia di struttura ricettiva, sviluppando i tratti uniformi che emergono dalla disciplina regionale, per fonderli con gli elementi che fin dall'origine hanno caratterizzato l'espressione del modello."* (It is about rethinking, at least in part, the type of accommodation structure, developing the uniform features that emerge from the regional discipline, to merge them with the elements that have characterized the expression of the model right from the beginning) (Morandi 2015)
According to Morandi, only through a unitary definition of the concept by the State, the model could take shape and have a better diffusion as it would clearly differentiate this type of activity from the others existing today and above all stand out the its role as an hotel and not a non-hotel activity. Through a common legislation could be defined a classification as for the hotels, it would be possible to create public financing plans for the specific economic recovery of some territories and it could encouraged the global widespread of a touristic model completely "Made in Italy".
However, it remains clear that it is necessary to leave discretionary to the individual regions on some territorial aspects to be studied on the basis of the ecosystem.

3.3.3 How many types of "Albergo Diffuso"? The freedom of application: "Ospitalità Diffusa"

As we saw in the previous paragraphs, as the model was outlined, according to the needs of the local context, and can come different type of AD that were not perfectly in line with the first hypothesized model of many apartments widespread in a small village; in fact today, as we can see from the official web page of the Alberghi Diffusi, there are more types of AD such as: AD DOC, AD of the countryside and Ospitalità Diffusa(OD). Dall'Ara in fact left the possibilities for the model to adapt to various contexts through the definition of the concept of **"Ospitalità Diffusa":** "Sono forme di ospitalità diffusa le strutture ricettive a gestione imprenditoriale, che non si costruiscono e che offrono alloggio e servizi di accoglienza e assistenza, in una rete di case preesistenti." (The Ospitalità Diffusa is a form of hospitality where the accommodations and the services are managed in an entrepreneurial way, in buildings that previously exist and that offer accommodations, reception and assistance services, in a network of pre-existing homes.) (Dall'Ara 2015, 31)

Among the models postulated by Dall'Ara we have models that have already been implemented as the country one, but also others that are currently only hypothesized and the possibility that others could come out are not excluded and will depends on some territorial needs. Here the different models of Ospitalità Diffusa:

-The "**Albergo Diffuso di Campagna"** can be compared to the model of hospitality of the rural tourism where the contact with the agricultural sector is very strong, but while the rural tourism according to Italian legislation is considered as an non-hotel activity in which the entrepreneur is a farmer which starts the business as a supplementary economic source, in the AD di Campagna the focus is on the entrepreneur who must be considered an entrepreneur in the non-hotel hospitality sector who run the business as a primary activity.

- "**Residence Diffuso"** offers accommodations widespread in big area where the only activity that is coordinate is the reception and it is more similar to non-hotel activities.

- **"Paese Albergo"** whose strength is only the centrality of the bookings and has been defined by Dall'Ara at the Convegno deli Alberghi diffusi as: Appartenente alla famiglia dell'Albergo Diffuso, il Paese albergo presenta una proposta che coinvolge un intero paese o un centro storico abitato, attraverso una rete di offerte ospitali (camere, case, bar, ristoranti), servizi di accoglienza e spazi comuni per gli ospiti. Non è un albergo, bensì una "rete ospitale", che centralizza alcuni servizi lasciando gli operatori indipendenti." (Belonging to the Albergo Diffuso family, the Paese albergo presents a proposal that involves an entire town or an inhabited historical center, through a network of hospitable offers (rooms, houses, bars, restaurants), reception services and common areas for guests . It is not a hotel, but a "**hospitality network**", which centralizes some services, leaving the operators independent). (Maggiore, G. e Becheri, E. 2013).

-The **"Villaggio Albergo**" represents those villages completely abandoned that are taken up by tourist entrepreneurs who create many activities inside to give new life to the abandoned village.

- **"Case Albergo"** represents a type of hospitality in home similar to that of the B & B but which involves more families in the same village.

Dall'Ara has also created a network of these structures that is the **Associazione degli Alberghi Diffusi** that is composed by 72 AD, 9 models of Ospitalità Diffusa, and 6 AD di Campagna. Those are not the only example of AD, because there are many hotels which are not part of the association but use the concept of AD and every year new models come out with the most different frameworks. Most of the time the "Paese Albergo" decide not to be part of this circuit because they prefer to differentiate their offer more like a unique high class Relais and not specifically a village, as we will see later in the Castel Porrona interview.

3.3.4 The competitive advantage of the “Albergo Diffuso”

The competitive advantage of the AD is the change in the offer that is no more selling a room but making the tourist live a new experience through a series of strategies:

1) **Temporary Resident**: In the AD the tourist is not simply seen as a passing person able to fill the rooms just to have an economic return, but becomes a temporary resident of the village being welcomed not only by the hotel staff but by the whole context, which allows the tourist to live a new lifestyle: the lifestyle of the village.

2) **The culture of hospitality and contact with Human Heritage**: This process of cultural immersion, to be so strong for the tourist, can only take place if the staff of the structure belongs to the territory and by loving their territory they can transmit to the tourist the local values. In Italy, fortunately, the citizens are generally quite proud of their land, and it is natural for us to have high relational and emotional skills that makes us able to convey a warm and familiar atmosphere. Through this approach, according to Fabrizio Guglielmini and Michela Proietti it is possible to reach the high target of tourists who are looking for a truly new experience that goes beyond the visit to a simple village or of a medieval castle that they have certainly already experienced : “Vivere un luogo con un residente trasforma il viaggio in un’esperienza fatta di incontri e conoscenze altrimenti lontane dai circuiti del turismo, e apre nuovi scenari nel travel business: più dei monumenti e dei paesaggi ad attrarre i viaggiatori che «hanno già visto tutto» adesso è lo Human Heritage, il patrimonio fatto di persone con le loro usanze e abitudini, quelle

che possono aprire una porta «culturale» lontano dagli itinerari più frequentati”("Living a place with a resident turns the trip into an experience made of meetings and knowledge otherwise far from the tourism circuits, and opens up new scenarios in the travel business: more than monuments and landscapes to attract travellers who "have already seen everything” now it's the Human Heritage, the heritage made up of people with their customs and habits, those that can open a« cultural »door far from the most frequented itineraries) (Guglielmini F., Proietti, F. 2015)

3) **The territory**: The tourist of the AD chooses that place as he wants to come into contact with a type of territory that has not yet seen and so, for example, maybe he will choose the village of Scicli to experience the culture of Sicilian baroque, so sleep in 17th century buildings, stroll through the streets and live a blast from the past of 400 years; or they can choose a castle in the Chianti to live closely the wine experience of the area and experience life as an agricultural producer. It is therefore essential to link the AD with the territory and its identity, an identity that must shine from the details, big and small ones. All the structures of the AD must respect the same canons in harmony with the context, within the internal and external architecture, the furnishings and the rhythms.

4)Authenticity: the ecosystem that tourist will experience is an ecosystem formed by tangible and non – tangible characteristics that will make the experience unique. The tourist can feel like a temporary citizen in different Italian ecosystems, each with unique characteristics that are firstly enclosed in the territory, then in the architecture, the materials, the local manufacturing products, local food products and typical cuisine. The characteristics, however, that give even more uniqueness and that can never be copied or transferred abroad are represented by the cultural ones that give the real contribution to the experience. Nowhere in the world will it be possible to build the human bonds that time has created among the local population and this will be the true message of authenticity.

3.3.5 Relationship between the AD and the entrepreneurial ecosystem

As we saw in the second chapter, if Italy wants to get on the podium of the most visited countries in the world and increase revenues from tourism, the stakeholders of a specific region or a single tourist cluster must work all together to push a new figure of entrepreneur, able to meet the new experiential needs of tourists by selling the Italian quality preserving at the same time the regional contest in which she/he operates. Moving the focus on entrepreneurship and adapting it to the AD model, we see how this model could be an excellent solution to the backwardness of the Italian tourism system.

In the second chapter, we saw that what makes the difference for an entrepreneur is the ecosystem in which she/he operates, because if most of the factors support positively the beginning of new project and there is awareness for the entrepreneurial process, more and more motivated people will try to be entrepreneur. We saw also that in the entrepreneurial ecosystem the role of the entrepreneur is fundamental to drive the change, and of course it will be easier start from a small village than from a cig city where is need the intervention of a large number of stakeholders.

The role of the AD entrepreneur so, states in the helping a small ecosystem to survive avoiding lose the local authenticity. It would be also easy to restore the economy of certain territory starting from the touristic point of view because as we saw previously, tourism differs from other industries because the competitive advantage is intrinsic in the specific destination and lies in the environmental and cultural characteristics, that is where Italy is still globally considered as one the most important power; and among all the tourist models, the AD one could be the best one as it will consider any authentic place as tourist destination, making it evolve over time, but maintaining at the same time its historical characteristics that will be the core of the project.

In considering the 6 Isenberg domains that express the pillars of the Entrepreneurial Ecosystem, and applying them to the Italian tourist situation we have seen that the potential is very high, but what would be those of the entrepreneurial ecosystem within the Albergo diffuso model?

1) **Finance.**

From the financial point of view, there are not yet specific funds for the development of AD, but all the various tourism development financing plans could be applied also to the AD, especially for the AD di Campagna which can also count on various non-repayable loans for the recovery of rural agricultural economy.

2) Human Capital

From the point of view of human capital, the attention of the AD must be focused on two main aspects, the first relating to the citizens of the village, the second relating to hotel staff. For and AD, in order to be successful it is essential that the **citizens** are willing to accept tourists and are willing to welcome and integrate them, only in this way the village will represent a strength and will feed that competitive advantage of Human Heritage. From the point of view of the **staff** of the hotel, in the first instance as Dall'Ara states, the entrepreneur must fully know the values of the territory to be able to transmit it, so it should preferably be a local entrepreneur or a great connoisseur of the territory , but in all cases it is necessary that is a person educated for this new type of entrepreneurship. As for the employees, they must be people who are profoundly aware of the ecosystem so that their actions can be a confirmation of the local values.

3) Policy and Regulation.

As seen in the previous paragraphs in Italy is absent a single regulation for the definition of AD and consequently there is no particular regulatory attention on the entrepreneurial figure as a developer of an AD, the warning is therefore to create a clear legislation regarding the AD, but at the same time not to forget the key role of the AD entrepreneur who must represent the distinctive element with respect to the many categories of non-hotel activities.

4) Culture and social norms

Fortunately, Italian people do not lack culture for hospitality, which must be the strong point to convey to the tourist the experience of entering a great "family". However, the culture of coordination and the awareness, of the Italian entrepreneurs, on the high potential that Italian villages have, have a big lack. It is necessary to start to spread a new image of the villages, not as ghost small cities inhabited by old people, but as places with an high growth potential, learning from those places that are the last bastion of many traditions and values that have made the Italy what it is today.

5) Supports

Italy being a relatively small country in territorial extension does not need particular attention from the infrastructural point of view. As Italy is a country with a high population density but fortunately not grouped in a few individual areas, the most isolated villages on the mountains are generally at a maximum distance of one hour from larger population centers that are always connected to highways, motorways and railways. Compared to the analysis of Italy in general made in the second chapter, then the interventions to be done for the development of the AD model, are the same basic interventions desired previously and aimed at eliminating the North-South gap, with no need for specific intervention for the development of the AD in the villages.

6) Market

The market is perhaps the only factor that does not need any intervention, it is just necessary to create a strategy to let the possible tourist know that there is a model that can satisfy his needs and that allows him to experience the Italian authenticity. According to the Tripadvisor report, the TripBarometer of 2014 that has studied the preferences of tourists all over the world, it shows that Italy together with Australia is the first country as *"Dream destination"* with a percentage of preferences of 32% as you can see in Figure 3.4.

This result, compared with the data of the incoming flows, shows us how wide the market is and how much there is to invest, in order to reach a market that already exists and that already knows the value of Italy, but that does not find an offer adapted to its needs.

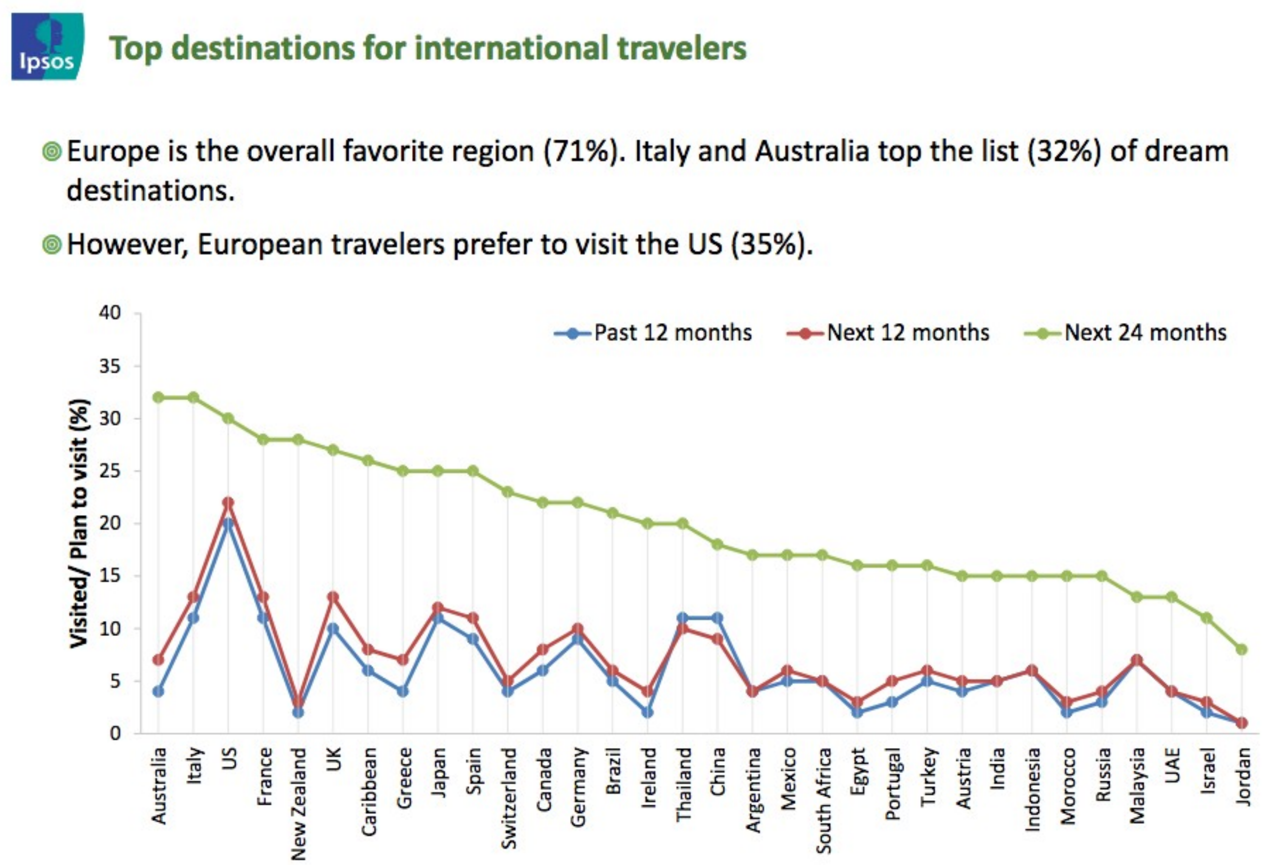

Figure 3. 4

Top dream destinations for international travelers

Source : TripBarometer of TripAdvisor 2014

The TripBarometer report then goes into the details of the preferences and allows us to have a clear idea about what are the possible targets. In fact, it appears from the report that the main reason for choosing a certain type of holiday is *"Expreience the autentic culture of the destination" and" Involve visits to historical buildings, museums and/or galleries"* (Figure 3.5) which are the key points of the offer of the AD model. The research encourages even more Italians if we consider that Italy is the country preferred by Americans (49%), Brazilians (45%), Mexicans (41%), Russian (30%). All countries with a very large population and above all with very high growth rates of wealth and population. China, on the other hand, does not consider Italy as one of the first destinations because 29% of Chinese prefer to stay in China and among other favorite destinations, neighboring countries are preferred (TripAdvisor 2014)

These data confirm the very high potential of the Italian market, but at the same time they clearly express how the new tourist entrepreneurs must be able to change their offer promoting an authentic experience with high quality services and facilities.

The segment, in fact ,that would like to experience this kind of experience, as shown by the TripBarometer, comes from countries where the wealth is very badly divided and the people who travel in general are wealthy people that certainly would be disappointed by a simple service of widespread B&B. It is therefore important to educate the new entrepreneurial figure of the AD so that he can develop high quality services to satisfy the luxury segment, perhaps taking as an example successes such as the Sexstantio, Il Borro or Castel Porrona.

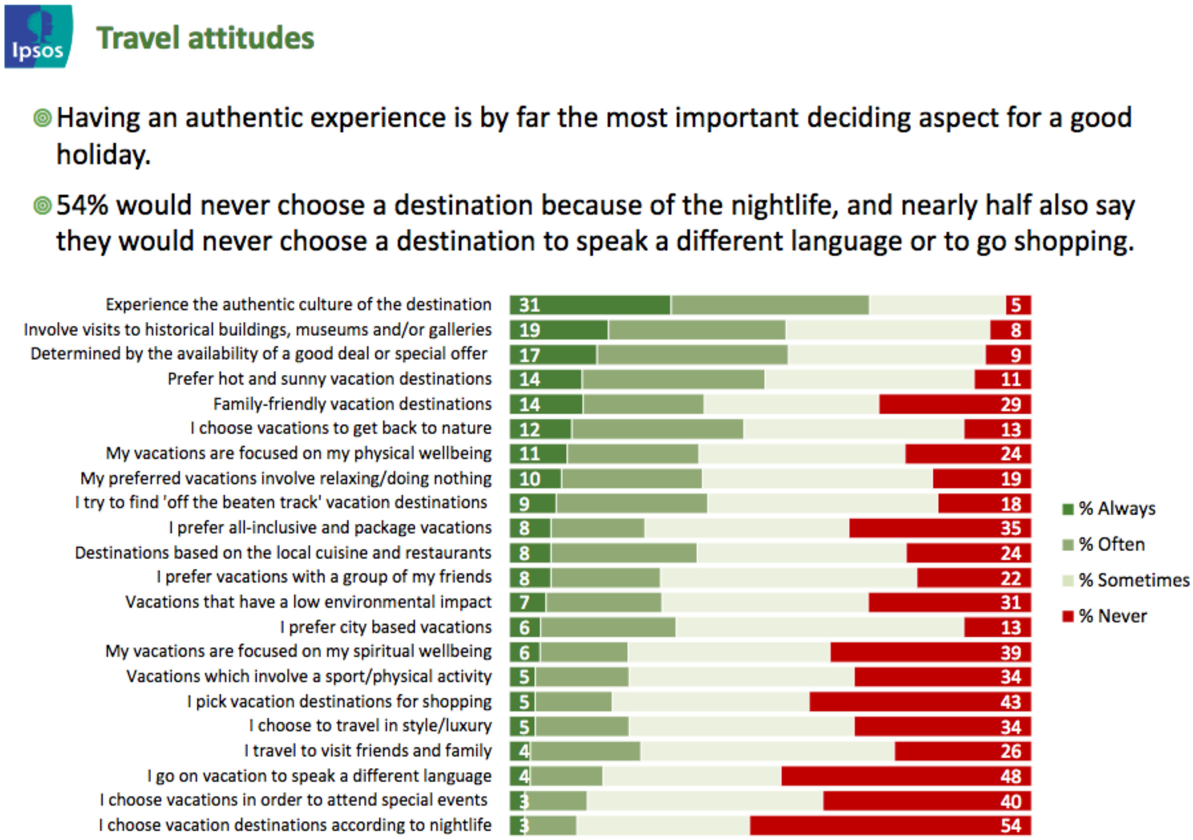

Figure 3.5

Travel attitudes and scope of the vacation

Source : TripBarometer of TripAdvisor 2014

However, we must not forget that all the targets must be met, so in addition to considering the different segments for the economic social status, for the perfect segmentation and the creation of different types of Alberghi Diffusi, it is necessary to analyze other characteristics of the tourist who would like to come to Italy and the type of holiday he wants to experience.

It turns out that Italy is the first dream destination for the Millennials and for the Retirees and the second for the Families as it is possible to see from Figure 3.6.

Therefore, based on the type of target you want to focus on, you need to think about a different type of services and experiences. Today, in fact, the majority of AD have a focus most of all on the Families / Couples and Retirees segment and there is still no offer that targets the younger target, as is also confirmed from the interviews in next chapter. Today, in fact, the only AD that has developed some experiences for young people is the "Le Costellazioni" in Pietrapetrosa, in the Lucanian Dolomites, which offers not only naturalistic trekking routes and local folklore, but also experiences like " the flight of the angel "which consists in launch from one wall of a mountain to another on two steel cables that connect the villages of Pietrapertosa and

Castelmezzano and you must be very brave to be able to launch a hundred kilometers an hour at five hundred meters of height!

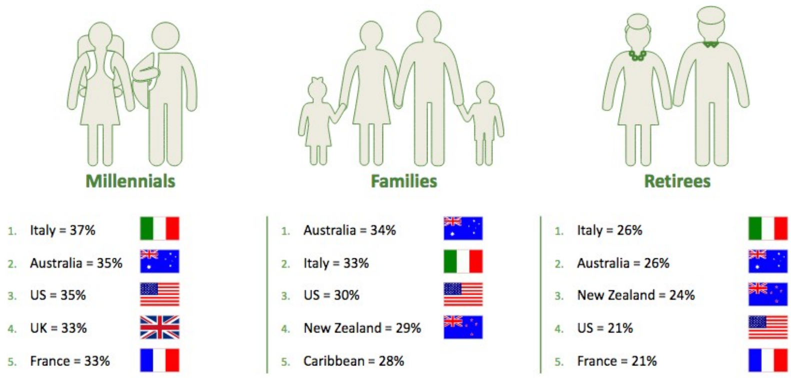

Figure 3.6

Where The country who travellers from different life stages would love to visit in the next 24 months

Source : TripBarometer of TripAdvisor 2014

To choose where to establish these hotels must then consider the results of the type of holiday that is preferred and the TripBarometer comes another time in helping us to understand the trends, it turns out that the “*Beach Holiday”* is preferred by *36%* of respondents, while “*Culture”* is the reason travel for *32%*, and at the third place on the podium we have "*A trip where I learn something new"* by *28%*. All preferences that Italy could certainly satisfy with high success.

It must also be said that perhaps, offering a series of summer services it could be possible to cover the summer demand that is the most requested one, but offering a set of different experiences such as offering a holiday where you can learn something you could not only lengthen the average stay, but above all to **de-seasonalise** the demand, just as was done in the case of the Scicli model, as we will see later, where to increase the winter demand, learning paths on local culture had been included. The AD of Scicli in fact offer for examples Italian language and cooking courses for which even in November they get reservations. Other proposals could perhaps be the cultivation of olives or vine and then offer the relative experience of pressing to get oil or the harvest process; today a type of offer quite common in Tuscany, Marche or Umbria, but we could also develop an offer on different types of cultures that cover all seasons.

The non-seasonality is in fact one of the characteristics of the AD , that being the heart of a village should participate in its life throughout the year, not only for a few months, then leaving the citizens in the most difficult months in solitude.

3.3.6 Which target is addressed and how is it achieved? The different types of marketing in the AD

From the results of the TripBarometer we know that there is an high potential tourism demand in Italy, and that are different targets and different social groups, but is it possible to transmit to the potential tourists a message that can make them understand that what they are looking for and would like to experience exists ?
The solution is a marketing strategy that does not simply offer a product but that can express the qualities of the new entrepreneur who is able to offer personalized experiences based on the needs of the client and thus transmit an authentic holiday experience.
It is therefore fundamental for the AD manager to listen to the consumer needs because only knowing them it will be possible to structure a marketing campaign able to reach potential customers. The campaign must therefore be able to propose the aspects that the tourists liked the most and change or remove those that did not have success. Involving the tourist, including him in the process of improvement of the experience, we will satisfying him to the point of creating in him loyalty and pushing him to return and recommend the structure to others. It is therefore necessary to satisfy and invest in the staff in order to train them in **Relational Marketing** and after make them stay in the company. In this way the creation of a relationship between customers and staff will increase years by year. The staff is so important because has a key role in bringing the tourist closer to the local culture, making him even close to the native inhabitants.

Among the various methods to transmit this set of values and relationships, the objective can be achieved through **Narrative Marketing**, as the latter, telling a story, will make the tourist live journey in his mind and after he probably wants to try the experience, believing in the promise that has been told to him, he will choose the AD which created more emotion in his hearth. According to Dall'Ara, the entrepreneur of an AD must be able to tell a true story that tourists must imagine before arriving and that will involve them even more in the moment of arrival where they will put themselves from the same perspective of the locals. Dall'Ara, in fact, stated that to be innovative in building an extremely personalized offer is importat to start from The story of the placesm, whose surplus comes out with: a structure, a plot, characters, a common thread, a story; a guide, an information officer who becomes a "storyteller of places" (Gianfranco Dall'Ara 2010).

The tourist will then expect to live a certain type of experience that if he finds truly authentic he will want to experiment at 360 degrees and it is therefore necessary a deep knowledge of the local culture by the entrepreneur to avoid creating false expectations. It will then be his task to show the soul of the village in every detail: in the reception, in the buildings that must be restructured according to the canons, in the furnishings, in the kitchen and in the same language of the hotel that must avoid foreign terminologies, to strengthen that quality image of Made in Italy. All these characteristics will form the idea of uniqueness in the tourist's mind and consequently increasing the loyalty by lowering the sensitivity to the price. The tourist will return and will recommend the structure to his friends only if the experience that will live will remain strongly impressed in the memories and in the heart. With the new tourist trends, because of the new focus on the experience rather than the basic tourism product, the AD sells itself easily because the concept of experience and the application of an **Experiential marketing** strategy are intrinsic in the value proposition. It will be enough to make the clients perceive the values on which the culture of the village is based to express the authenticity of the experience that tourists will live. It will therefore be necessary to stimulate feelings through: a certain type of tourist route, craftsmanship, typical dish, music or special events. All elements that will set the memories and will push the tourist to choose that structure following his feeling and his need to relive that experience to tell. The experience then, going to touch the strings of the memories will stimulate the **marketing of the memory** that according to Dall'Ara represents: "the proposal not only of the hotel service, but of a story", a story that must also be revealed by the smallest details, so during the meals should be explained the origin of a plate, or the meaning of a fresco or a particular picture, as well as the welcome should take place with an explanation of the story of the whole structure, of the life of the old inhabitants of the castel or that simple family which lived in the small stone house. "Telling stories that have to do with the place and that" touch us ", means making all truer, stronger and more compelling. The story of the places must be seen as an innovative way of construction of an extremely personalized offer." (Gianfranco Dall'Ara 2006). Dall'Ara continued his explanation on the marketing strategy also in his Manuale dell'Albergo Diffuso explains the path of memory building that goes through 6 phases.

1) *Constitution of memory*: Begin in the first moment when tourists set foot in the structure, perhaps with a special gesture of welcome in the room and a written thought.

2) *Initiation of memory*: represents the phase in which the entrepreneur of the AD begins to propose the services of the structure telling for each of them a particular story that binds them to the territory. Those must be experiences and symbolic places that will be so authentic that the guest will want to photograph and then post on social media, thus beginning that process of word of mouth.

3) *Extension of memory*: in this phase the ability of all the staff of the AD lies in creating a bond with the guest. So could be a nice idea to donate a photo or a souvenir that are able to bring back in mind the experience lived and once back home the tourist will still feel part of that place just looking at the souvenir.

4) *Rekindling the memory*: represents the phase in which after a period of secondment, the contact restart with some proposals for discounts, offers and promotions, or sending newsletters or postcards.

5) *Contagion of memory*: once the experience has been positively fixed in the mind, tourists will start a word of mouth among friends and relatives who may be curious about the experience and want to try it.

6) *Recovery of lost customers*: today it is the real discipline of online marketing represented by web reputation, where they try to manage all the complaints and negative reviews trying to understand what were the mistakes and then improve them in the future.

However, taking up the data of the TripBarometer we have seen that the markets to which the AD offer could turn is very wide and the targets are different, but the possible tourists are mostly lumped together by the fact of wanting to know and touch a new culture. These targets, however, should be deepened more specifically until it is possible to obtain **market niches** in which positioning can be even easier. Focusing on the targets, in fact, it will easier the deseasonalization as tourists do not choose an AD as an alternative for their summer vacation but they choose it because they want to live that type of experience that fits their preferences and they will do so at any time of the year, without waiting for the summer holiday.

In order to reach the niches, however, it is not enough to offer a service of accommodation with normal hotel services, but it is necessary to propose specific events, to be organized in collaboration with other local actors, such as meetings, parties and conferences, like the events, that we will see in the next chapter, that the AD La Locanda del prete Saragano does. Once the niche has been identified and the offer structured, for the promotion it is necessary a specific focus on those advertising channels related to that particular segment and perhaps the entrepreneur could decide to affiliate to certain circuits or to certain magazines.

All these marketing strategies are not mutually exclusive but must be applied synergistically, having as its common thread the differential positioning that the concept of "Albergo Diffuso" transmits, and the story and experience that transmit. The AD in fact, in the first instance, just being a new type of model represent a differentiation; secondly, if we consider the fact that for the nature of the hotel the ADs are located in unique places as medieval villages or historic farms we have another element of differentiation, which is strengthened by all the details that we have seen in previous paragraphs as necessary factors to give identity to the structure.

CHAPTER 4

INTERVIEWS WITH SOME SUCCESFUL MODELS OF OSPITALITÀ DIFFUSA TO VALIDATE THE MODEL

4.1 In what direction do Italian entrepreneurs move in the field of the Ospitalità Diffusa?

To validate the thesis that the AD model could be a perfect solution to solve the Italian problem of the quality of the offer and the gentrification it was decided to interview some successful models to understand the reasons for success and the applicability in different contexts.

The operators were chosen in different regions and oriented to different targets to understand what are the determinants that pushed the entrepreneur to start the AD business, how he/she managed to succeed and how the AD impact on the ecosystem and vice versa. The various directors and / or owners interviewed through their experience give us a clear picture of what should be the mistakes to avoid in order to succeed and instead how to strengthen the complete advantage; showing us that when the model is well applied and the values of Italian authenticity are transmitted in the right way, tourists arrive, especially foreign ones as we can see from table 4.1, were the percentage of foreigners compared to Italians reaches can reach also 98% points.

From the analysis, therefore, it is clear how fundamental it is to become aware of the high potential of this model for all the stakeholders of the Italian tourism sector. The "Ospitalità Diffusa" model in fact, today could represent the only model capable of recovering the great Italian architectural and cultural heritage of towns and rural contexts, preserving at the same time the local people. With a strategy of diffusion of the AD model, Italy would move in the opposite direction to the rest of the world, aiming at authenticity and experience, will propose a model in opposition to the process of globalization which today wants the hotels all alike in all over the world.

The type of interview that was chosen was a qualitative interview with a series of open questions related to 9 different Topic to better gather data on the behavior of different entrepreneurs. The topics around which the questions have been asked are: The role of the entrepreneur, how the idea went out, the impact on the territory, the internal organization, the competitive advantage, competition, future perspectives, marketing politics and a quantitative balance of the composition of the arrivals.

The interviews had some standard questions to compare the data but depending on the type of offer, some questions could be more specific than others, but the common thread was always the figure of the entrepreneur, his role and all the processes and the strategy that led him to success.
The AD were chosen in different regions and of different positioning, in order to have a general overview of the model's potential and to demonstrate the applicability in each context and for each target. For the selection, an online search was made first on the official website of the National Association of AD and emails were sent to about 80% of the AD present, excluding those that did not present truly unique characteristics.
In the National Association, however, some structures of the extra-luxury segment were missing, so searching online had been found many others 5-star AD and Relais & Chateaux Diffusi and all were contacted, but we were lucky just with Castel Porrona.

4.2 Interviews

4.2.1 Interview with Ezio Occhipinti of Scicli Albergo Diffuso and Sicilia Ospitalità Diffusa

Figure 4.1 Woman of Scicli preparing a typical sauce
Source: www.siciliaospitalitàdiffusa.it

The interview with "Scicli Albergo Diffuso" and "Sicilia Ospitalità Diffusa" was made to Ezio Occhipinti, the entrepreneur who created this model of hospitality that is perhaps one of the most successful in Italy. Managing today 80 accommodation solutions throughout the valley of the Sicilian baroque. Mr.Occhipinti explained that his idea was born in 2011 after seeing a similar model applied in a village in the province of Agrigento and he decided to start a similar project in his city(Table 4.1), a place until then with not too much fame but with a high potential. So without a regulation of the phenomenon of AD, Ezio established the standards based on the model of Dall'Ara and decides to rent several apartments in the city center unifying the management from an entrepreneurial point of view. So after the first successes in the town of Scicli he decided to enlarge the model both in the village of departure, but also in the nearby villages creating a sort of Franchising. Things were going so well and the results were so obvious to the community that the owners of the properties proposed their locations to Mr. Occhipinti, but not all had the characteristics to be able to become part of the AD, because they did not had the established parameters of Ezio; but despite this in a few years the number of accommodations of the AD increased rapidly.

The franchising project, however, was unsuccessful because the local managers came from previous experiences in the real estate sector and had a focus rather than selling the experience on the sale of the rooms per se, thus going to lose that character of authenticity that instead Mr. Occhipinti wanted to transmit. These autonomous managers were not even satisfying the needs of the owners of the apartments who started asking to remove their apartment from the circuit to manage it independently. The problem was in the fact that the value proposition of these managers did not belong to the values on which the concept of Ezio Occhipinti based his model. In fact, Ezio as an innovative tourist entrepreneur managed to canalize the local culture into a tourist offer based on three pillars: **Authenticity, Character, and Culture**. Values that for him had to be transmitted in the way of relating, in transparency, in the way of proposing experiences and in type of the activities, to allow a full immersion in Sicilian culture.

The initial mission, “initially” because it is still under development, of its concept of AD, envisaged an expansion of the Scicli model, but with independent local people, to whom he passed his know-how, the brand but after they had to manage autonomously the project. On the economic level, however, the first projects did not have much economic feedback not for a problem of the territory but for how the offer was proposed. Mr.Occhipinti presented us the example of the experience in Donnalucata, a district of Scicli on the sea. After having established a collaborative relationship with some real estate agents, the latter begin to manage the model in Donnalucata, but the results were so poor that the managers themselves decide to retire. According to Ezio, however, the potential was high so he decided to change the contracts with the owners of the buildings, eliminate the old organization and manage with its organization and its employees also the model of Donnalucata, and the results come. This example was for Mr.Occhipinti a confirmation that **the key to success was in the entrepreneur** who had to be able to transmit the experience of the OD model, and look at the needs of tourists and the territory. The real estate agents, on the other hand, managed the model by not choosing the structures following precise rules and selling the structure as a mere huddle of rooms, without focusing too much on quality and authenticity, and the relational method was influenced by the

old work because they changed behave depending on customers, simply trying to "fill" and not "sell the experience".
Differently from the AD of Scicli, however, Mr.Occhipinti did not sell it as a hotel because was not possible to centralize services such as the reception because the apartments were so distant from each other. So it was then managed as a model of Ospitalità Diffusa (OD).

Mr.Occhipinti after this experiments establishes two criteria of action, distinguishing the two models: "Scicli Albergo Diffuso" and "Sicilia Ospitalità Diffusa".

4.2.1.1 Scicli Albergo Diffuso

The Scicli AD now has 29 accomdations with a capacity ranging from 2 to 17 people. This model presents all the typical characteristics of AD established by Dall'Ara, so we see a centralized business management with a reception open 12h a day but with the possibility of chech-in and chech-out at any time and availability 24h. The AD has 3 permanent employees over the owner and 7 other indirect employees and there is no outsourcing of the hotel's own services such as marketing, cleaning and maintenance. For what concerns the accessory services such as F&B or the experiential paths, thus are managed directly by the own owners who participants in the network of the OD. The breakfast instead, that generally is included, is served in a bar very close to the reception where an area has been created for the tourists of the AD to appreciate the typical Sicilian breakfast.

4.2.1.2 Sicilia Albergo Diffuso

To complete this model and for an easy management and diffusion of the values established with the AD of Scicli, the "Sicilia Ospitalità Diffusa" brand was developed, which manages and promotes a total of about 80 accommodation solutions between apartments, villas and B&Bs in 12 towns or villages in historical centers, in the countryside and on the sea. The model of OD, not falling into the category of hotel does not provide a necessary centrality of services, so there is no reception and there is no breakfast service as it is not developed in a historic center where the various facilities are easily reachable walking, but it is established in a very wide territory, the reception therefore is managed by the single owners in a welcome point. The model, however, is still under development , and learning from mistakes, as in the example of Donnalucata, and listening to tourists and the needs of the ecosystem it is gradually taking shape as a great project.

The real innovation that Mr. Occhipinti has introduced lies in having created one of the first reception circuits in Italy, consisting of a **network of houses and producers of experiences** that all together try to make the tourist live a unique experience.
For Ezio Ospitalità Diffusa is an "**authentic and unconventional experience that involves travelers in the true essence of Sicilian life**, just "as if they had always lived here."

In fact, Mr. Occhipinti's model promotes not only its accommodations but all the activities that have joined the idea and so we find many restaurants, bars, ice cream parlors, farms, vineyards, artisans, oil mills, garden centers, museums, spas, jewelry stores, travel agencies, hairdressers, and others shops. All these stakeholders have benefited so much from the influx of tourists who populate the territory more and more each year and so they spontaneously decided to join the brand by paying an annual fee. The goal of the model is to involve local companies in the cultural promotion of Sicilian values, to "*enhance, preserve and pass on the many small stories that make the history of a place great*." (www.siciliaospitalitadiffusa.com)
According to his model it is essential that the tourist comes into contact with all these realities to transform his experience from a simple tourist to a **Sicilian citizen for a few days: here lies the competitive advantage of Sicily Ospitlità Diffusa**. In fact, the tourist who arrives at Ezio's facilities is a tourist who wants to know the place and does it through the experiences. Moreover, due to the wide variety of experiences, so for the different types of structures available, the target audience is very broad and ranges from a medium range target to a high-end target.
Ezio before letting any activity into his circuit test personally it and where he sees that a symbiosis can arise between those who propose the experience and the tourist, he decides to let them enter the circuit. To unify all these services and demonstrate to individual actors the impact that its initiative has, Ezio has introduced a truly unique innovation, its "**OD Sicily Passport**", this passport is a pass for tourists that allows them to have discounts and facilitations but above all, it is a memory that the customers take with them, creating that fundamental link, which we have seen is at the base of the **marketing of memory**. The passport has also a "real" passport function as every time you access one of the system's services you will receive a stamp and upon reaching 20 stamps you will receive a discount voucher of 100 € for the next holiday in any destination of Sicily OD.

The experience of the tourist of Scicli who is a guest of the OD circuit is still very authentic even if it does not come into contact with all citizens of the town, as perhaps in the example of the AD "La Locanda del Prete Saragato". Here it would be impossible to relate to all the inhabitants because it is not a small village but a real town, of 26000 inhabitants. The experience is still authentic as the tourist will personally engage with the local culture by taking classes of cooking and pastry, language courses, will learn how to cultivate plants, but also visiting the coast with a boat, or produce wine and he will experience all this with local people who love their land and their work and then will naturally transmit the characteristics of Sicilian hospitality. Many of these experiences arise however from the needs of tourists. Ezio, for example, explained the story of the language courses, that started when an Italian language teacher went on holiday in the village, then she felt in love with it and talking with his students they decided too to live this Italian full immersion. The main advantage for Ezio is that those students comes in low season periods such as November and December, helping him in maintaining the AD opened the whole year. The excellent success of the Ezio project is seen in its ability to de-seasonalize the offer, one of the main objective of the Dall'Ara model that did not want a village that was animated only few month, leaving the local citizens alone in the low season. However, the percentage of filling lowers around 30% in the low season but not having too many fixed costs, he can maintain the hotel open the whole year. The advantage for him is having just few fixed employees that in low season can work on the promotion, instead if he had to maintain all the restaurants and the services the activity wouldn’t be sustainable also during the low season.

Regarding the promotion, taking up some of Dall'Ara's suggestions, Ezio tries to convey his message of authenticity of places and experiences already in marketing policies, which can transmit the value of a unitary business management of the different experiences of a territory as unique as the Ragusa area. A territory that is part of the Sicilian Baroque valley, protected by UNESCO. Through this network the tourist can savor the local culture and after he is encouraged to advise the experience to his friends, working on the word of mouth, a form of marketing that is certainly effective and very economical. The result is assured because the whole model of hospitality is based on the 4 values of **Respect, Transparency, Sustainability and Well-being** that are transmitted through all the channels: magazines, social networks, own web page and through online platforms invaded by all the tourist reviews where they talk about their full immersion in Sicilian culture.

4.2.2 Interview with Valeria Magnanini of “La Locanda del Prete Saragano”

Figure 4.2
La Locanda del Prete Saragano AD
Source : www.lalocandadelpretesaragano.it

Valeria, director of the AD **La Locanda del Prete Saragano**, explains that the idea of the hotel is not born from a market study but from the love that one of the actual owners had for his hometown (Table 4.1). A medieval village nestled between the beautiful Umbrian hills in the province of Perugia. The owner loved too much the village where her grandmother used to live that she decided to start buying all those little abandoned houses that were collapsing to save the entire village. So along with other foreign partners begins a total recovery of the village that has been refurbished in all, not only in the individual properties which they bought, but also throughout a **complete renovation** of the electricity grid and the flooring. This renovation made the citizens so happy about the project that today they integrate tourist with pleasure. Today the hotel occupies 50% of the village and in the future if other houses remain uninhabited the hotel will buy them, as was done recently with a building in the center where the next year they will open 9 new rooms. The owners, however, would not mind letting the inhabitants continue to live in the village because today one of the strong points of the structure is the symbiosis between citizens and tourists, but the current inhabitants are only 30 and the average age is 60 years old. Tourists are fascinated because they do not sleep in a cold hotel room, but they sleep in a house that has a story to tell that is that of the families who lived there for centuries. In this hotel is clear the application of that **narrative marketing** of the AD that Dall'Ara established as one of the cornerstones of the promotion strategy.

Valeria also explains that the renovation was done philologically, for the buildings respecting both the materials and the architectural styles; for the furnishings, respecting the typical style of rural / medieval Umbria, but choosing everything with a particular attention to details, choosing high quality texture and material in order to create a luxurious environment. Today the property consists of 10 apartments for a maximum capacity of of 40 people. In addition, the owners have also taken over the bar of the center that was ready to close, turning it into the Cigar Bar, even the church has been renovated and it is possible to celebrate weddings, thus offering a complete service for ceremonies. Among the other services of the AD they offer also a swimming pool, the Spa and an excellent typical restaurant. All these elements give a fairly high positioning to the structure and in fact the target is the medium-high end. The typical tourist chooses the structure to relax and to enjoy the quality of the offers, so he participates in cooking classes or Pilates activities, many others come specifically for the wellness and for the family target the pool and the kitchen is essential. Many remain a week in the village and love to talk with the local people who often give fresh produce grown when they leave. The structure also collaborates with many local companies and if the tourist has specific requests through the concierge service they try to satisfy all requests and so they recommend to tourists a riding school or a golf club.

Two other strength are the restaurant with its cooking classes and the **Cigar Bar**, one of the first in Italy, with about 3000-4000 cigars from around the world that can be bought and savored along with rum. Valeria also explains that in summer every Saturday a **musical evening** is organized with an orchestra conductor offering a different program for each event. This events have a great success among tourists, but also in the local population that allows the restaurant to have all the tables booked in this evenings. The restaurant also for the high quality often is chosen for some ceremonies and meetings, mainly of people who have stayed in the village and decide to return to celebrate their party.

As for the competition, Valeria tells us that it is not a negative competition because their offer is unique, and sometimes there is collaboration, most of all for the promotion of local events that are able to attract a large number of tourists in the whole area. Unfortunately, for the moment, they cannot keep the structure open all year because they need 10 employees and the costs necessary to maintain high quality standards, and to manage hotel, restaurant and spa do not currently allow an annual opening, as the filling rate ranges from 20% to 35% in the first opening period from March to June.

The quality, however, is perceived and the storytelling and the bond that is here formed between tourist and citizen, and between tourist and employee is so good that the tourist segment that returns is the highest one, around 60% (Table 4.1). In fact, many tourists come back because here they have really enjoyed a dip in the past and they want to go back to travel with their mind and listen to other stories of local people about those walls where they stay and of the products that they taste. The tourist is integrated with the community so much that the gifts received by the latter, like fruit boxes, make him appreciate the quality of human values, values and gestures that especially in some foreign countries are not so habitual and that imprint the remember not so much in the mind as in the heart

4.2.3 Interview with Alessia Bagnoli and Valeria Cacace of Castel Porrona

Figure 4. 3
Castel Porrona Relais & Spa AD
Source www.castelporrona.it

The Castel Porrona is a 5-star Hotel and Relais in the countryside of Grosseto, in a strategic position being halfway between the mayor art cities of Tuscany such as Florence, Siena or Montalcino and the famous seaside destinations such as Punta Ala and Castiglion of Pescaia. Even this village as the village of Saragano dates back to medieval times but compared to the previous one it has the particularity of the presence of a castle that for centuries has been the residence of important aristocratic families. Regarding the interview, the first part was with Alessia Bagnoli of the reception department who explained how the AD works, the interview then continued with Valeria Cacace, director of the structure, who presented the key points on which competitive advantage and future strategies are based.
From the interview it emerged that the building had been bought by the current owner as a private estate in 1990, and the entire property included not only the castle but also the stables and the farm. In those years a careful conservative restoration was carried out to leave the medieval character to the structure, then it was transformed into a hotel and then given on concession until 2012, when the owner decided to take back the management and carry out a deep **restoration**, it was done **philologically**, but also the context was restored by recovering the church, opening an excellent restaurant in the cloister and building a swimming pool and the Spa just outside the walls. Moreover, here the competitive advantage was not only the village itself, but also the castle which,

having been an important historical residence, the impression that they desired to release with the restructuring was that of an aristocratic castle / palace, this is why the materials, details, services and quality creating a luxury positioning. Even today the castle can also be rent entirely having then available 14 bedrooms. Around the Castle the various facilities have been restructured like the farm and the abandoned houses, leaving the village alive and avoiding eradicating the inhabitants, even if only in 20 families, they allow the tourist to perceive the diversity of the offer. In fact, the structure has a very high end positioning and like many others in the area offers spa, restaurant and high quality services, but differs from the others as it runs in a village alive and inhabited by people who tell of a past full of adventures related to the village. All this gives authenticity, that is what the tourist who has already tried everything wants to discover in AD.

In this case, therefore, the Castel Porrona proposal is in line with the strengths of the AD and with the concept of hospitality culture desired by Guglielmini and Proietti that we have seen in the previous chapter, as the employees are all local people able to transmit the values of the Tuscan tradition, but also the inhabitants of the village collaborate with the hotel, for example by cultivating with the chef the products of the garden.

Valeria then explains that among the characteristics of the competitive advantage today the life of the village is a really important as tourists seem to take a dip in the past, but despite this in the future the idea would be to buy the whole village and make everything independent, then basing the competitive advantage not on the experience of the tourist in close contact with the citizens of the village, but recreate the life of the village among tourists and employees, focusing on quality and relax in order to satisfy a higher segment. In fact, closing the structure they can raise the standards of privacy and quality of services and will then be able to lease the entire village for private events of a certain thickness. This fact could be one of the reasons why the hotel is not part of the national circuit of AD, and in the future if they could complete the acquisition, the hotel should then be framed in one of the other models proposed by Dall'Ara, and would be no longer an AD but a "Villaggio Albergo".

Valeria also explains that today tourists are a medium-high target an that the price is another competitive advantage because there were no hotels in the area with prices around € 300, but the competitors moved from 100 of a rural hotel to 500 of the other Relais in Chianti.

The fundamental characteristics of the AD such as authenticity, respect for local culture have all been respected, and here as in the previous examples in addition to the classical standards of hotels, which in this case must be the standard of 5-star hotels, the Castel Porrona is distinguished by its experiences, typical cooking classes made with wine tasting of the cellar, as well as the customization of the details that is it possible to see with wines and champagne that

are served with the label of the castle, going to reinforce in the tourist's mind the image of high quality and personalization. Moreover, through the efficient concierge service, a multitude of other experiences and services are recommended, none of them managed directly.
For the future, then in addition to enlarging throughout the village, the Castel Porrona would also like to invest in a Michelin star restaurant to go even further to increase the positioning. And the next year they are going to open their own winery. As for the seasonal adjustment, there are currently no strategies as Valeria explains that the winter is too cold and the costs of maintaining a structure with this level of standard would not allow to recover the costs. But employees do not mind working hard 8 months and resting 4 and every year are happy to come back working in the castle. For the promotion instead, in line with the directions of Dall'Ara, the hotel through magazines, fairs and promotions or through circuits like CondeNast tries to convey the experience of life of the village, where its tourists / citizens can enjoy both the experience of living in the walls of a village but also live the life of the castle.

4.2.4 Interview with Marisa Raggi of Al Vecchio Convento Albergo Diffuso

Figure 3.4
Al Vecchio Convento Albergo Diffuso
Source: www.airbnb.com

The AD "Al Vecchio Convento" was born from the love of Mrs. Marisa and her husband Gianni for their homeland, in fact after a few years lived away in 1975 they decided to take over an inn in the village of Portico di Romagna and later when they had the possibility of buying the entire manor house where the tavern was located, they decided to open a 3-star hotel. The idea then develops without any idea of what the AD was, but the project grown slowly, after the 9 rooms obtained from the first building, the family also bought another building where was possible to open another 6 rooms and leases 3 apartments of people who do not use them anymore, having a total offer today of 15 rooms and 3 apartments. Marisa then decides to become part of the AD circuit when she was contacted by Dall'Ara who told her that in Emilia Romagna, her activity could be the first AD. The village today has 250 people in the historic center and 700 in the whole municipality, the average age is around 70 years, but the inhabitants love the village and takes care of it, all citizens try to embellish for example with some flowers and the PRO LOCO does an excellent job for the territorial promotion with festivals and events. Among these, on the initiative of the hotel that is however assisted by the other local actors, for some years the **international chefs festival** has been organized. Thanks to this event, the number of tourists increases in whole area, but it creates a movement in the village that pleases the citizens and attract a large number of customers for the restaurant. The festival is not the only event organized buy the Marisa and her staff, but every Wednesday there are particular parties with buffet and orchestra.

As for the renovation, all the architectural canons have been respected and the furniture of the rooms has not been changed, as together with the buildings the owners have also purchased all the furniture inside that reflects the classic style of a historic building of the nineteenth century. Besides the excellent reception and the renowned restaurant, **the competitive advantage lies in the many experiences offered** by the hotel, experiences that allow tourists to generally stay a week. The structure indeed offer gastronomic experiences such as: cooking classes; truffle hunting; excursions to wine cellars, oil mills, dairies, and tastings in the Emilia hills. It also offers cultural visits to the most beautiful cities of the region and nature trails, but above all it offers **Italian language courses** for which around 120 people arrive each year, staying one or two weeks.

The real strength is the **personal guide** that they offer for all this activity, he is an hotel employee who accompanies tourists all around with a van, he start explaining the experience since tourists leave the hotel, giving way to the storytelling that will take tourists to a complete full-immersion. Thanks to this offer the tourists who receive are for 98%(Table 4.1) foreign tourists who even arriving by plane still have the opportunity to move around but if they choose to stay in the town they have the opportunity to learn about the authentic Italian culture that in Portico di Romagna it is preserved without the excessive influences of today's modernity. Foreign success is due to a word of mouth that has been going on for over 40 years and that allows them to receive 60% of bookings directly(Table 4.1), but at the beginning it was enforced by foreign agencies promotion and collaborations with the many Italian language institutes abroad like the Dante Alighieri. The experience is lived so deeply that many tourists come back and many also to celebrate some events but in any case it is not yet sustainable an annual opening as tourism in winter is so little and the management costs of the restaurant and all the various experiences too high that is not sustainable for few tourists.

4.2.5 Interview to Cecilia Cecchini Bisoni of Castello di Proceno Albergo Diffuso

Figure 3.5
Proceno Village
Source : www.castellodiproceno.it

The history of this castle and of this village is inextricably linked to the family that since 1600 has this castle and the surrounding structures, the same family that today manage the hotel.
The idea, to open the hotel started 30 years ago when Mrs. Cecilia and her husband decided to renovate the buildings inherited from the family to create an activity to which they could dedicate themselves when they retired. The restructuring then started from a fort where they started with rural accommodations, then over the years they renovates all the buildings they own, including their manor house and the castle which they have decided to not transform into an hotel, but turning it into a museum. The recovery of the buildings was the only real investment, also because it was done according to the rules of the Soprintendenza (peripheral offices of the Ministry of Cultural Heritage, which is responsible, among other things, for the protection of the cultural heritage of Italy), who imposed several architectural rules, since all the structures are protected, but for the furnishings they were lucky since all of them belonged to the family for many years.
Cecilia explained also that the position of the village has many advantages because also being in the province of Viterbo is on the border with Umbria and Tuscany and tourists can easily move by car in the three regions. The structure is also located on the Via Francigena and often many

pilgrims make a stop thanks to the facilities of the hotel such as the stables for horses where the pilgrims can leave the horses at rest. The structure over the years has been equipped with a swimming pool, two restaurants, one in the cellar open all year and another at the pool, two meeting rooms.

But the real strength is a **warm and familiar climate** that owners and employees transmit to customers. When they arrive in fact, it is shown to everybody the castle and also the family home where it is possible to appreciate the collection of Etruscan artifacts that the grandfather of the current owner found in the land of the property, the tour then continues through the various streets of the village where the 7 apartments and the 3 rooms meander. Cecilia explains that this warm welcome is their competitive advantage compared to other structures in the area that perhaps offer only an accommodation service, and sometimes few experiences. In their AD instead, the tourist feels pampered as if he were at home, but at the same time is experiencing being part of a secular family. These values are transmitted not only by the love and passion of the owners and employees, but by the attention to details which, through that storytelling path, make the tourist descend into the experience. To reinforce these values, the family decided to leave at least one **fireplace** in all the rooms that in total are 21, all working and in winter equipped with wood and firelight to allow tourists to turn them on. This peculiarity is very popular with Italian tourists who, even if they constitute the smallest group of customers, are able to fill the structure even in periods such as October and March. The family spirit is so strong that the **marketing of the memory** comes naturally because the tourists are so happy with the experience that love to maintain a relationship with the owners through social networks.

The services **experiential offer** includes cooking classes, wine testing in the cellar, painting courses, a library where you can also buy books, all this experiences together with the services such as the pool and the high quality restaurant give to the hotel a medium-high positioning. Unfortunately, even in this case the deseasonalization is not feasible due to the high running costs, but the activity closes only 3 weeks and in November and from the epiphany until the end of February.

Another strength of the hotel are the musical concerts organized in summer, where also 150 people can participate. Thanks to this event they manage to have a lot of visibility, the tourists of the structure are extremely satisfied and the inhabitants of the village are happy to see their village revive. The latter are generally pleased for the opening of the hotel as their city was dying and recently even the last bakery and the last butcher had closed; without the project of the Cecchini Bisoni family perhaps all that cultural heritage would have been lost.

	Scicli Albergo	Castel	La locanda	Al Vecchio	Castello di

	Diffuso (Sicily)	Porrona (Tuscany)	del prete Saragano (Umbria)	convento (Emilia Romagna)	Procena (Lazio)
Did you know the model before opening your AD?	Yes	NO	No	No	No
Are you the owner of all the facilities?	NO, just one apartment	Yes	Yes	Most of them, were rent just 3 apartments	Yes
Was the renovation done respecting the standards of authenticity ?	When the structures had some particular features they tried to maintain them	Yes, with a philological recovery, which is reflected in the materials, the furniture and all the details; not only in the rooms but most of all in the entire village	Yes, with a philological recovery, which is reflected in the materials, the furniture and all the details; not only in the rooms but most of all in the entire village	Yes, we bought the building with all the old furniture and readapted them in the renovation	Yes, but the buildings were not so crumbling, and the furniture have always been part of the facilities
Are you a member of Associazione AD	Yes	No	Yes	Yes	Yes
Why you started this project?	I was interested in the model that I saw before in Agrigento	The owner bought the first building as a private	For the love that the owner had for its	We wanted to come back in our village and we start with	we wanted to do something relaxing during our

		property and after decided to turn into an AD	mother-village, who made the investor renovate the whole village	the restaurant, when the building of the restaurant was on sale, we bought it and we start the hotel	retirement
Did you find untapped opportunity or you created it?	The opportunity was in the territory but there were was no I create the market)	In the area close by there were no other luxury hotels, but the concept in Tuscany is quite spread	There was not a specific study on the d	I felt very well in my village and I was sure that tourists would have loved it too	We didn't any study related to the number of possible arrivals
Where is the staff from ?	Local people	Most of the staff is from the area close by	All the staff is from the area close by	All from the same village, except for the few intern that we accept from European programs	All from the area close by, except for the few intern that we accept from European programs
There is entrepreneurial spirit among the staff	Yes, everyone was instructed to understand the need in order to improve the service	Yes, everyone was instructed to understand the need in order to improve the service	Yes, everyone was instructed to understand the need in order to improve the service	Just in the owners	Yes, I get angry if an employee tells me: "I had thought about it but I did not tell you".
How often are there strategic reunions?	The reunions follow the arrivals, the more we have the more we	Before every event with most of the staff	Before every event with the directors of the departments	When there is a specific need	With not a specific regularity

	meet				
Are the local people satisfied with the project?	Yes, a lot	Yes, just during the events there are few disappointments	Yes, a lot	Yes, a lot	Yes, a lot
What is the benefit for the community	The whole city has benefited, directly by the rents of the many buildings previously vacant, and the revenues of the associated services; indirectly because of all the money that the tourists release in the other activities and in the nearby villages	the castle and the village were going to ruin, and without a recovery Italy would have lost a thousand year heritage	The village before the renovation was very crumbling with several collapsed structures, the central bar was ready to close. Without this project it would have been a ghost village.	The village was disappearing, thanks to our project it has revived, in addition other owners of apartments have been stimulated to renovate their home and offer it to tourists	The village is not dying, thanks to us there is still a restaurant and the heritage will not disappear if we continue working with the project, the citizen are also very happy because they have the possibility to meet people from all over the world
What is your competitive advantage?	Our client fells part of the village	The quality of the services and the history of the village	Our client fells part of the village and want to come back for the experience	The experiences that we propose, the life in the village and our services	The family spirit, the fireplace and the atmosphere
Is there an expansion	Yes	Yes	Yes	Yes	NO

planned?					
In the village or outside?	Both but within the same region	We want to buy the whole village, but there is an expansion also in another region.	Only in the village	We bought 10 years ago an ancient mill, but we can't invest more money now	/
What is your target?	Middle class of all life stage	High class	Middle and high class	Middle and high class of retirees life stage	Middle and high class, honeymoon, family and retirees
Nationality of the customers?	Italian 65% Foreign 35%	Italian 55% Foreign 45%	Italian 43% Foreign57%	Italian 2% Foreign 98%	Italian 30% Foreign 70%
The AD has a seasonal close?	No	Yes	Yes	Yes	Yes
What are the sales channels?	Online platforms 40% Direct 40% Tour operator 20%	Online platforms 50% Direct 30% Tour operator 20%	Online platforms 34% Direct 55% Tour operator 11%	Online platform 20% Direct 60% Tour operator 20%	Online platforms 15% Direct 50% Tour operator 35%
Returning customers	7%	Only 30 people	60% and they come back also to so some events or meetings	20%, and they come back to continue the course of Italian and for events	15%

Table 4.1

Source: Own elaboration of the answers from respondents

4.3 Comparison between the answers of the interviews and validation of the “Ospitalità Diffusa” model

These 5 interviews confirm that a strategy based on a new type of offer focused on the experiences can be the right strategy to eliminate the gap in Italian tourism offer and thus increase the the international positioning of Italy as a tourist destination, and have an assured success, but it is important to adapt the philosophy correctly understating the real soul of the territory. The AD model could indeed satisfy the need for luxury and authenticity that international tourists would like to find when they arrive in Italy and that unfortunately also due to recent innovations like Airbnb, are ruining the image of Italian offer in the world . These innovations, in fact, as we have seen with the analysis of gentrification in the previous chapter, alienate people from contexts in which they have centuries-old roots, but with this loss of identity, Italy will begin to like less and less, and not providing on the other hand an high quality offer, Italy will not arrive but on the podium of the most visited country in the world. The problem stems from the fact that the competition of Italian hoteliers is based more and more on price rather than quality, offering a type of room that has nothing related to the Italian authenticity, but that is year by year more similar to the medium hotels of all over the world, of course increasingly distorting that image of quality that Made in Italy and Italianity have in the world.

With a strategy of diffusion of the AD model, Italy would move in the opposite direction to the rest of the world, aiming at authenticity and experience, will propose a model in opposition to the process of globalization which today wants the hotels all alike in all over the world.

And it is easy for Italian entrepreneurs move against the globalization as the AD's proposal is the establishment in small villages and small historical centers that are witnesses of a culture that is about to be dissolved and can be preserved only through a careful renovation, which goes beyond the landscape aspect, as it is necessary to carry out a philological restoration paying attention to the materials and the details to not violate the identity. All the interviewees have indeed confirmed that, driven by respect that they nourish for the territory they tried to perform a careful philological restoration keeping the soul of the territory, as shown in Table 4.1.

The restoration and the care of the real estate assets are not the only parameter to confirm how the model has excellent results on the ecosystem because *“The best-known models for measuring this impact are those that evaluate the local economic impact on jobs and revenues,*

but very few evaluate the positive or negative influence that tourism has on an area and its population and their economic, social-cultural and environmental aspects in a systemic way. The characteristics of tourism activity, besides being strongly linked to physical space (territory) and abstract space (interactions among local and social actors) is closely linked to culture and the preservation of nature, since it should be used without being destroyed". (Kindl Sieglinde; João Carlos 2005)
And the real key difference around which the idea of AD runs, is this preservation of the ecosystem, not only naturally but most of all from a cultural point of view.
Respecting the context in which it will be decided to implant the AD, it would be easy to preserve that cultural ecosystem that foreign tourists love when they visit Italy, as it will allow them to perceive the true Italian essence, a the essence that in the gentrified cities is now lost and where the Italian character has been so turistified that often is artificially recreated. With this immersion in the local culture, in structures with a centuries-old history, it will be possible to reach the target of tourists who, according to Tripadvisor, would like to come to Italy for *"Experience the authentic culture of the destination*"(Figure3.5)

The experience of Italian living will constitute the competitive advantage going to position the AD in a range of luxury targets not so much for the service "with white gloves" but for the experience itself. In fact, today the concept of luxury is often considered negatively as a synonym of excess and opulence. The consideration stems from the fact that in the past luxury was synonymous with pomp, a glimpse, clear for example in the Italian baroque or in the opulent style of Louis XIV's France, where precious fabrics, precious materials, foods and exotic animals framed the pleasures even more eccentric physicists. In ancient times, the pomp in fact represented its social status and possessing a luxury item demonstrated belonging to a social class.
Returning to today's times, and precisely from the nineties, there has been a change in society, as Andrea Tarquini (1996) explained, reworking the analisisys Enzensberger.
According to Enzensberger, luxury has taken on new values: it is a luxury to have free time, to take care of themselves and to humanity, to live in harmony with the environment and to live in safety. Therefore, the new luxury that tourists would like to taste in Italy prefers the moment and the experience rather than the material product to be consumed. Therefore luxury in a sector like tourism is increasingly linked to the concept of authentic experience. The new tourist wants to live a new experience, wants to enjoy a new way of living things, which makes him live for some time a new kind of life without renouncing the basic services of a hotel. In this sense the

idea of the AD fits perfectly with the new requirements as it offers the possibility for the tourist to no longer be a passing visitor but will allow him to be a **'temporary resident'.**

The tourist will then have the opportunity to fully live an ecosystem made of authentic relationships with roots in the same place for centuries, roots and ties that cannot be artificially reproduced or copied to other places and therefore will constitute an authentic and exclusive competitive advantage, just what new tourists are looking for.

From Table 4.1 we can also note that to the question: “What is your competitive advantage?”, all the interviewees answered that making the tourist feel a 'temporary resident' together with a varied range of experiences is the real strength. For example, the Ezio experience allows tourists to feel like **Sicilian citizen for a few days;** to the (La locanda del prete Saragano) the tourist return to the medieval life; in the AD Castel Proceno instead the tourist feels part of a family thanks to the 21 fireplace and the reception of the owners and the staff that transmits a "warm and familiar climate"

With this strategy Italy would be able to go against the standardization produced by globalization and gain positions thanks to a competitive advantage that can not be reproduced anywhere else in the world. The luxury of the AD is therefore not so much in the precious materials or in a typology of personnel with very high qualifications, but in the authentic experience itself, a confirmation comes also from this Miriam Murphy, journalist of the National Geographic reposting the words of the co-owner of the "Grotte della Civita AD", which claimed that “We envisioned a luxury hospitality that broke with the usual concept of very luxurious settings”, because they focused the experience on a story, with them hospitality passes through a novel, that tells the story of a culture. “Guests are brought into the story temporarily so they can better understand the way of life.” Is not this the true authenticity and exclusivity of luxury? (Miriam Murphy 2011).

In the third chapter we have also seen how the trend of recent years is favoring non-hotel hospitality accommodations with a number of structures according to ISTAT data (Figure 3.1) equal to 145.283 against 33,166 hotels, a gap that reflects the needs of independence and more space for tourists and the need for property owners to gain from their homes. The AD model would be perfect because it will satisfy all these needs but without distorting the context and offering tourists more advantages and services. If therefore the advantages for the tourist and the satisfaction are clear, for the owners of the buildings it will be positive too. In the example of Sicily OD there are 79 owners who are satisfying their needs because on 80 properties 79 are rented, or in the case of the "Al Vecchio Convento" 3 apartments that some citizens had abandoned have been rented and recovered, with a consequent return for those owners who had little hope for a rent in a village that was disappearing. The benefits in small contexts are also for those who sell because, those owners had lost hope in finding a buyer for the house they had inherited, and instead, with the installation of an AD they could recover a certain sum of money. Today these benefit of the model are evident not only in Italy, but also in other Mediterranean countries. Today in fact the **model is expanding** in Croatia, Spain and Switzerland, and even if abroad, the model is always sold as a product of Italian Made in Italy, but obviously, everyone respects the canons of the foreign country where they are implanted. The concept it's spreading as if is an highly adaptable international hotel chain, which respect the original atmosphere and the strong territorial values of Croatia, Spain and Switzerland, but having as a guideline the basis of a true authenticity experience. The Made in Italy in this foreign expansion therefore should not be seen as a diffusion of the Italian lifestyle abroad, as this process should destroy both the image of Italy and would be a denaturalization of the basic concepts of the AD, we are not talking about an offer of the Italian experience itself, but the offer of quality that an Italian tourism model can bring out in any authentic ecosystem. Returning to the consideration of the model of the “Albergo Diffuso” in Italy, which can be considered a **driving project for the entire Italian tourism system**, it is necessary to understand that the start-up of a new AD does not happen without criteria, and could not be applied whenever there is a village abandoned and someone who wants to recover it; at the same time the management of the AD does not have to acquire static characteristics as perhaps in some hotel chain proposals. To be successful, the model must be implanted in a context with an authentic culture and must take shape through some essential principles:

- *the principle of adaptability, which establishes that every form of Ospitalità Diffusa must be consistent with the local cultural and urban context;*
- *the principle of managerial unity, for which every AD is able to offer the services of a hotel;*
- *the principle of integration, for which the AD is successful if it complements the proposals present in the territory and can propose itself as an element of animation of the same*. (Vergaglia Giuseppe 2008)

And these values are just those that all the AD interviewed used to be successful.

From the comparison of the responses of the 5 structures interviewed, it turned out that Dall'Ara's philosophy was respected by adapting it to the characteristics of the ecosystems.

-When it concerns the principle of adaptability, we therefore find several applications as with Ezio where in addition to an AD to Scicli he has also developed a model of Ospitalità Diffusa, which could fall into the category of "Paese Albergo" analyzed in the third chapter, The " Paese Albergo" that Dall'Ara had hypothesized was a “**hospitality network**", which centralizes some services, leaving the operators independent. Ezio, however, had the brilliant idea to create not only a network but to manage a network of services around his different models of AD, in fact the real innovation that Mr. Occhipinti has introduced lies in having created one of the first reception circuits in Italy, consisting of a **network of houses and producers of experiences** that all together try to make the tourist live a unique experience. This type of offer was possible because the town was already big enough and there was no need to open another restaurant or develop independent services, but there was a need instead of allowing the restaurateurs present to have more income to push them to do not close. In the case instead of the smaller villages like the Saragano or Portico di Romagna (Al Vecchio Convento) the opening of services like the restaurant was a must because there were no other places to offer this service. Considering instead the Castel Porrona instead, even if today is located in a context inhabited by local citizens, in perspective it would like to expand in all the village, thus being able to offer a service of greater quality and privacy. The Castel Porrona therefore aims to transform into "Villaggio Albergo".

As for the reasons that have driven the various entrepreneurs to start these projects we see from Table 4.1 that for everyone was the love for that particular territory that sometimes was the love for their land as in the case of the AD "Al Vecchio Convento" and " Castle Proceno", or love for the land of origin of the grandparents as in the case of the" Locanda del Prete Saragano", for the " Castel Porrona" instead was the passion of the entrepreneur for the territory that although not originally from Tuscany, he appreciated it from all points of view; in the case of 'OD in Sicily, Ezio, loving his land has decided to invest in order to change things, but without a legacy to put to use, so he thought as an entrepreneur, an entrepreneur however as what we need in Italy, respectful of the ecosystem, of the current balance and able to listen to the needs of tourists.

So everyone started this project because of the relationship that they have with the territory and this was essential to adapt the needs of tourists with those of the city context, In fact, **only knowing and loving the territory will be possible to find the right strategy for preserve it**.

-With regard to the principle of management unity, the latter must be seen by reconnecting to the principle of adaptability as different management strategies have been implemented according to the context. Indeed, the management of the rooms is all managed directly by a central AD, for services, it has not been so. In fact, we find examples such as the AD "Al Vecchio Convento" where both the hotel service and the experiences are managed directly with: a personal guide for tourists who accompanies them to discover the territory, or a language teacher who is a direct employee of the structure as well as catering and transfers all managed by the owners or the employee. In the examples, instead of Castel Porrona, Il Saragano or Castello di Procena, on the

other hand, only the services connected to the AD are managed directly, while all the various accessory experiences are only recommended thanks to an excellent concierge service.
Particular attention deserves the models of Mr. Ezio Occhipinti where, in the AD of Scicli the management of the rooms is centralized, but all the ancillary experiences are coordinated and promoted by the Sicily OD model but at the operational level the management is independent.

- As for the **integration**, as seen before, for everyone it represents a competitive advantage, but the contact with local people change depending of the ecosystem. In fact, in the model of Scicli for example, it would be impossible to relate to all the inhabitants because it is not a small village but a real town, of 26000 inhabitants. The experience of integration with the local culture therefore is still offered because all the experiences are lived with local people who love their land and their work and then will naturally transmit the characteristics of Sicilian hospitality. But, at La Locanda del Prete Saragano, for example, as it is a very small village, the integration is quite easy and tourists often return home with a basket of fresh fruit harvested by the inhabitants.

The result of all this process of authenticity and territorial integration confirms the hypothesis that the model of the AD can satisfy a high-class tourist segment. All respondents confirmed that their average tourist is medium-high (Table 4.1), but depending on the accessory services, the target could also reach an extreme luxury segment. Starting from the model of Sicily OD we see how thanks to 80 accommodation solutions between apartments, villas and B&Bs in 12 towns or villages in historical centers, in the countryside and on the sea, it is possible to satisfy all types of targets, both in different economic bands and different needs, so for families with children it can offer a villa with swimming pool, for lovers of the ancient, historical residences in the city center, and maybe for guys on tour for Sicily a small apartment with kitchen. As for the other interviewees, the segmentation remains that of the medium-high end but the typical tourist becomes the family, the couples or the elderly. This is because services like, swimming pool, the Spa and excellent typical restaurant give a fairly high positioning to the structure and the typical tourist chooses the structure to relax and to enjoy the quality of the offers, so he participates in cooking classes, sport activities, many others come for the wellness.
Among other experiences that increase the attractiveness of a certain type of tourist there are musical events that almost all the interviewed organize, real concerts that give so much visibility to the structure making also the locals entertained and allowing the restaurants of the hotels to have complete coverage.

Remaining in terms of targets, from Table 4.1 it appears that in the small villages the target is mainly composed of foreign tourists, with 98% points in the AD "Al Vecchio Convento", the percentage here is so high because of the offer of a guide that can accompany tourists to discover the territory, for those arriving, there is no obligation to take the car and therefore this AD becomes a perfect solution for complete relaxation even for those who come from afar. Castel Porrona instead has a target almost equivalent of Italians and Foreign as the segment to which it is addressed is a segment of very high end that visits the structure more for relaxation than for the true experience of the village that still constitutes a plus, in fact as Alessia Bagnoli explained, tourists who visit the hotel for 2-3 days of wellness path can be also Italians as they choose an hotel where with a few hours driving can enjoy a great weekend between spa and excellent cuisine.
The Sicilian model, on the other hand, offers such a wide range of services and experiences, not only related to the experience of the village itself, it is also oriented to internal tourist that don’t have as their first objective the knowledge of Italian culture, which is already known, but maybe he is intrigued by some aspects of Sicilian culture.
These results confirm us that foreign tourists from Italy want a unique experience of immersion in Italian authenticity, approaching the Italian lifestyle at 360 degrees.

With respect to the **marketing** strategies, all the hotels interviewed confirmed what was hypothesized by Dall'Ara, all use policies oriented to marketing of memory, as in the Sicilian example where, thanks to the "OD Sicily Passport", a positive memory is created in the tourist's mind. With this small paper the tourist can remember all the experiences he has lived. Along with the memory all of them also use the strategy of narrative marketing and storytelling to allow foreigners to savor the Italian spirit even before arriving in the AD.

Regarding the **competition**, thanks to the competitive advantages seen so far, all the structures do not suffer from any strong competition because they manage to satisfy particular market niches that are more experience oriented rather than price oriented. Only on the online platforms where there is a simple commodities competition they suffer a certain competition as tourists who book on these platforms, mainly make a comparison between service / quality / price. In fact, online platforms transmitting only a service without perceiving the type of experience that tourists will experience, are sales channels with little success compared to direct bookings. In fact, the average percentage of online bookings between 5 AD is 31.8%, while the average percentage of direct bookings is 47%(average value from Table 4.1).

The competition for all the interviewees is positive, as everyone has confirmed to us that is more a cooperation than a competition, especially in the smallest contexts, a recovery of the village and the surrounding area is only good for the territory, as the whole ecosystem is embellished, the only type of competition instead which causes some problem is that of the abusers. Ezio tells in fact, that the abusers offer the price as a competitive advantage, thus lowering the overall image of the city's quality standards, according to Ezio, these operators do not have particular administrative obligations and standard or categories to respect, so they offer a service that often leaves disgruntled tourists. This is what was explained in chapter 3, where was found a necessary intervention of the legislation in order to regulate the phenomenon of abusive apartments, driven by innovations like Airbnb, as it goes to ruin the image of quality of Made in Italy.

Among the various aspects of the AD model proposed by Dall'Ara, as a pilar there is also the **de-seasonalization**, which unfortunately it is not yes possible for the mayority. From the results of the interviews (Table 4.1) it is possible to see that only The Sicilian model has succeeded in implementing a de-seasonalization strategy. The reason for the lack of deseasonalization, for all lies in the high running costs of the structure in such small contexts. In fact, maintaining high quality standards, as well as a permanent staff for spa and restaurants is too expensive to sustain in periods where the filling rate falls below the 30% share The Saragano hotel, for example, in the early opening and closing periods, has a filling rate of 20% -35%, a value that in the periods when it closes would lower even more, thus causing economic losses if the hotel is maintained open. The excellent success of the Ezio project od the Ospitalità Diffusa rather than the Albergo Diffuso, shows even more possible adaptation to the concepts and better results starting from the de-seasonalization. The advantage for him is having just few fixed employees that in low season can work on the promotion, instead if he had to maintain all the restaurants and the services the activity wouldn’t be sustainable also during the low season.

The conclusion that comes from the comparison of these hospitalities models can only encourage Italian entrepreneurs to a rediscovery first of their role, secondly the many cultural contexts close to them that could be saved from abandonment and produce wealth for a country that every year loses positions in the international economic panorama.

The **new Italian entrepreneur** who will be trained on this new model of entrepreneurship should therefore begin to understand, in addition to the great potential of our villages, also his role as an innovator, and promoter of that Made in Italy that must also be applied to tourism. He will therefore have to start investing, but the government will have to do it with him, directly through specific financing plans, and indirectly through a promotion of the role of entrepreneurship in all phases of the academic path, trying to spread the potential of a tourist offer model with multiple applicative capacities, aiming at that tourist segment more and more looking for unique and authentic experiences. Only with a similar offer, it will be possible to satisfy the expectations of foreign tourists, of all the targets. So it is necessary to study the characteristic of a specific area before any implementation of the model because depending on the final target it would be necessary to offer certain services but in the model of the AD is not possible to build new facilities. For example, if you want to satisfy the extra-luxury segment you will need to adapt the AD model to a context where it is possible an high customization, where there are rooms with a big surface, and where there are unique characteristics such as a castle or an historical palace, and together with the experience of the village it would be necessary also to offer the typical 5-star hotel services. Fortunately, the Italian contexts in which this model could be applied are not lacking and thanks to the adaptability pillar it is possible to almost develop any content that needs a similar intervention and where the population wants it.

The situation is favourable because the trend of tourism is positive and there are also many funds, and if there are not yet specific ones for the AD, tourism will continue to play an important role in the planned ERDF investments, as well as in related investments, in conservation, protection, promotion and development of the natural and cultural heritage, also the conscience of the central government as we have seen is changing and the minister of tourism is trying to start a collaboration with the ministries of agriculture, infrastructure, and education. The Minister "Centinaio" , in fact, among the first issues he is facing, is the establishment of a tourism academy, post-diploma, *"for the training and specialization of hotel manager, of a tourist village hall, so as there are in other countries* ". (Marzio Bartoloni July 2018).

Only with a legislative cooperation that can promote entrepreneurship that is attentive to the needs of tourists and especially of the ecosystem it will be possible to counteract that increasing phenomenon of “hit-and-run” tourism. Italy, in fact, although it remains one of the most attractive countries for tourists, has recorded a decrease in the average tourist permanence as seen in chapter 2, that has gone from 5 nights of the nineties to 4.2 nights in the five-year period 2010-2015. *To counteract this dynamic, as stated by the Minister of Cultural Heritage, it is necessary to rethink the model of Italian tourist offer by placing the concept of quality at the centre and, at the same time, enhancing the immense and tangible material and immaterial heritage that our country can offer.* (MiBACT 2017). This choice will not only increase the permanence but also the average spending of tourists in Italy, reposition the image of the Italian tourist offer and raising the whole economy starting from those poorer contests. In this contest the Ospitalità Diffusa models with their adaptability, quality and respect for the ecosystems seems to be a perfect solution.

CHAPTER 5

APPLICATION OF THE MODELS OF THE ALBERGO DIFFUSO AND THE OSPITALITÀ DIFFUSA TO THE VESUVIO COAST

The confirmation by some hoteliers on the actual potential of the model of "Ospitalità Diffusa" gives us the chance to start thinking about other applications of this model in other contexts, taking advantage of the great adaptability of the model. Taking up the statement by the SET that Naples is one of the last major European cities to preserve its identity, the villages in the metropolitan city of Naples seems an excellent starting point for the implementation of the project.

5.1 Introduction to the territory and the environment.

The Vesuvian coast indicates that stretch of coast of the Gulf of Naples, bordered to the north by the homonymous province and to the south by the Sorrento Peninsula; a coastal strip no more than 4 kilometers wide, among the rare beaches of black volcanic sand and the "*Sterminator Vesevo*".

It has always been one of the most evocative and attractive territories of the European continent: the first settlements date back to the Greeks, but the most important testimonies begin with the Romans. The Vesuvian territory, despite the epochal destruction, like that of 79 AD, which gave us the excavations of Pompeii and Herculaneum, has always been repopulated and with an ever-increasing flow. The reason were the eruptions, which made these lands the most fertile of world then known, the so-called *Campania Felix*, so beautiful also for the presence, is such a small territory, of a mountain, sea, salubrious air that was chosen as a summer residence of the many noble families of the Kingdom of the Two Sicilies, including the kings, that here have built the Ville Vesuviane.

5.1.2 Socio-Economic and administrative overview

The territory of the Vesuvian coast covers an area of 124.66 km²(Gistat 2018) and includes those municipalities, on the slopes of Vesuvius which overlook the Tyrrhenian coast, and which can be considered similar, for social, cultural and geomorphological characteristics. The municipalities constituting the Vesuvio Coast(VC) are eleven: Boscoreale, Boscotrecase, Castellammare di Stabia, Ercolano, Pompeii, Portici, San Giorgio a Cremano, San Sebastiano al Vesuvio, Torre del Greco, Torre Annunziata and Trecase (Figure 5.1).

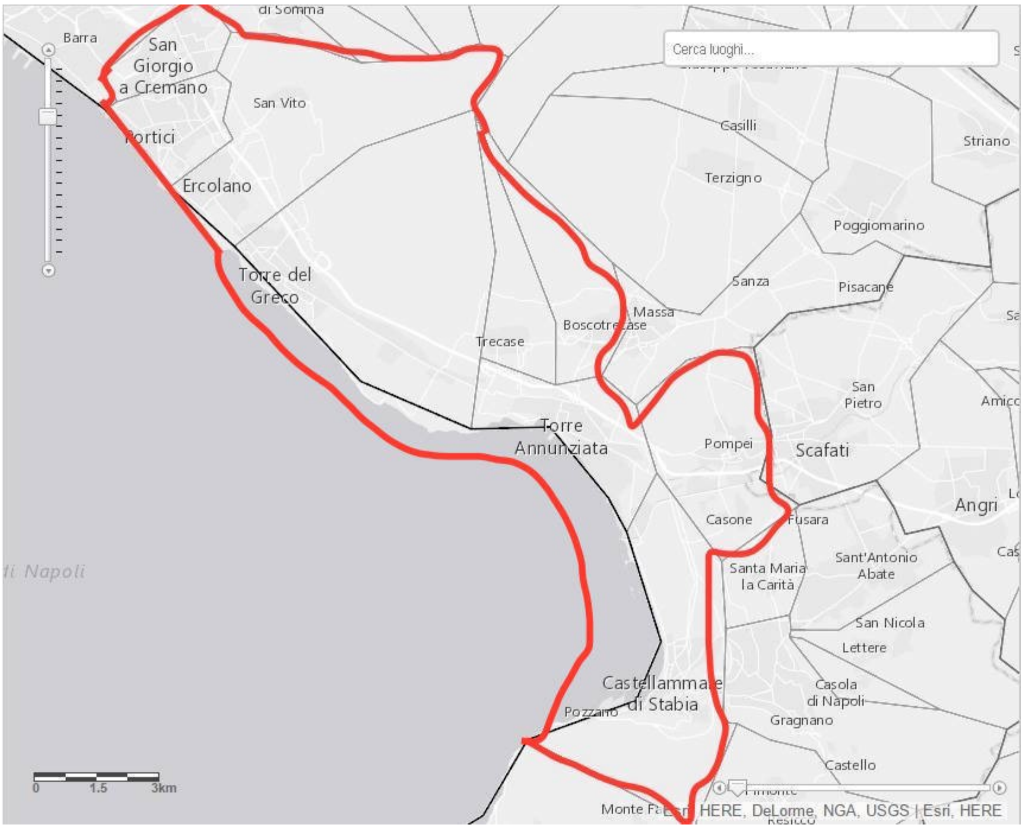

Figura 5.1 Map of the Vesuvio Coast

Source: Own elaboration of GISTAT maps

All the municipalities of the province of Naples, from an administrative point of view, following the reform made with Law n. 56 of 7 April 2014, have become part of the Metropolitan City of Naples from 1 January 2015, and therefore also the 11 municipalities of the Vesuvian area fall under that common management, whose purpose is to manage synergistically the problems of Naples city, whose boundaries have grown beyond the political border. The goal therefore is unify the strategies in subjects such as environment, mobility or health. Even if, being at a primordial stage, the results of coordination are not yet appreciable, it is a good start point for the that process of coordination to which we aspire and that we have seen to be one of the strategic points that Italy should implement to be able to counteract the turistification of the most touristic and historical centers. According to Istat data (2018), the 11 municipalities are inhabited by a total of **427.529 people** (Table 5.1), making it one of the most densely populated areas in Italy, like the metropolitan city of Naples itself, which has the highest population density of Italy. The area has also another record, as two of his municipalities are on the podium of the most densely populated city in Italy with the 2nd and 3rd place, respectively Portici and San Giorgio a Cremano, with a density equal to the Chinese cities. The result is a territory swarming with people and activities; a territory, however, that also from a geographical point of view sees continuity between all the various towns, but at the same time has a life that spreads among small districts where the communities are at the same time so integrated between each other but independent form the other districts, making the territory look like a group of many small villages. Historically the aggregator of this districts was the main church, the social community in fact has always revolved around the ecclesiastical community already from the early stages of life through the oratories and summer camps, the primary schools also contributed because each district has its own schools, here the children were forging ties of friendship for life with their "neighbors" going to strengthen the bond of the community from the childhood. Today these ties between the young are becoming increasingly weaker as the population consider themselves more and more citizens of the entire city, or of the Metropolitan City of Naples and no more belonging to the district of origin. This change is evident in the new generation where the schools are no longer the one that was reached on foot but can also be from a neighboring town. In the city of Torre del Greco, for example, there are 7 macro fractions that live autonomously. The phenomenon is a characteristic of the identity of the Neapolitan culture and in the city of Naples is so strong that is evident also in negative phenomena such as the Camorra where the clans are divided around their "Rioni".

The Vesuvian cities, as well as **Naples and its population** therefore, as we have seen in the 3^ chapter are **one of the last bastions in Europe of authenticity**, a model of simple life so loved by tourists who really enjoy to see the ladies cooking in the “Bassi” and hang out the washing from one building to another. In a strictly economic key, such a population density should be seen positively, if we start to consider the inhabitants themselves the first users of tourist services, for example, redeveloping a center with beautiful streets, many new beautiful shops and gardens, the inhabitants instead of moving to nearby locations, such as Naples or Sorrento, they would prefer to stay on site, increasing the wealth of their city. The result is a spiral process that leads to a general increase in income, first for all for the entrepreneurs who believed in the potential of the area, secondly for the whole population which could be incentivized to open other business, hire more staff, with benefits for the entire community.

Considering the ISTAT statistics (2018) on unemployment, it appears that all the 11 municipalities have a value between 15.53% and 42.18%, the highest level of unemployment in Italy. The situations is very bad also for what concerns per capita GDP PPP, in fact, according to the latest Istat analysis on the wealth(2012), the average value of the PPA GDP of the 11 municipalities was around 16.682€ (Table 5.1), so despite this liveliness, it remains a fairly poor territory.

Village/City	*Population*	*Area*	*Population Density*	*GDP PPP*
Boscoreale	27927	11,35 km²	2 460,52 inh./km²	13.192€
Boscotrecase	10247	7,53 km²	1 360,82 inh./km²	14.626€
Castellammare di Stabia	65922	17,81 km²	3701,40 inh./km²	16.745€
Ercolano	52763	19,89 km²	2 6527,41 inh./km²	15.868€
Pompei	25207	12,42 km²	2 029,54 inh./km²	15.696€
Portici	54577	4,52 km²	12 074,55 inh./km²	19.190€
San Giorgio a Cremano	45122	4,11 km²	10 978,58 inh./km²	18.192€
San Sebastiano al Vesuvio	9057	2,65 km²	3 417,73 inh./km²	20.025€
Torre del Greco	85332	30,63km²	2 785,89 ainh./km²	16.568€
Torre Annunziata	42406	7,54 km²	5 624,13 ainh./km²	16.410€
Trecase	8969	6,21 km²	1 444,28 inh./km²	16.933€
Total	427529	124,66km²	3429,56 inh./km²	16.682€

Table 5.1

Socio-Economic data of the Vesuvio Coast Area

Source : Own elaboration of Istat data on wealth (2012) and Gistat data on Area (2018)

5.1.3 The tourism sector today and the stakeholders

With regard to the tourism sector, Istat, or individual municipalities, have not provided detailed information on the flow of tourists, but the trend of municipalities follows that of the region one. Considering therefore the Istat statistics, relating to the tourist flows of the Italian regions, we see that in economic terms the tourist GDP for the regional Campania is 3.5 billion euro, equal to **3.7% of** the total regional **GDP** (98.1 billion euro) according to the last Report of "Studi e Ricerche per il Mezzogiorno" in collaboration with Banco di Napoli (SRM 2015); data that, compared to 13% of the percentage of Italian tourist GDP (WTTC 2018), highlights the substantial structural problems of the tourism sector in Campania.

As for the data relating to the demand, always considering the trend of the metropolitan city, which includes the VC, we can see from Figure 5.2 the that since 2009 there has been a general recovery of tourism, which at the last data of 2016 presents a record of presences never seen before (Flapane Naples 2018). Even with regard to the spending of foreign tourists(Figure 5.3), the data are very reassuring, with an average increase of the revenues. The tourism sector, therefore, is in a positive period, but perhaps the territory is not yet ready for the reception.

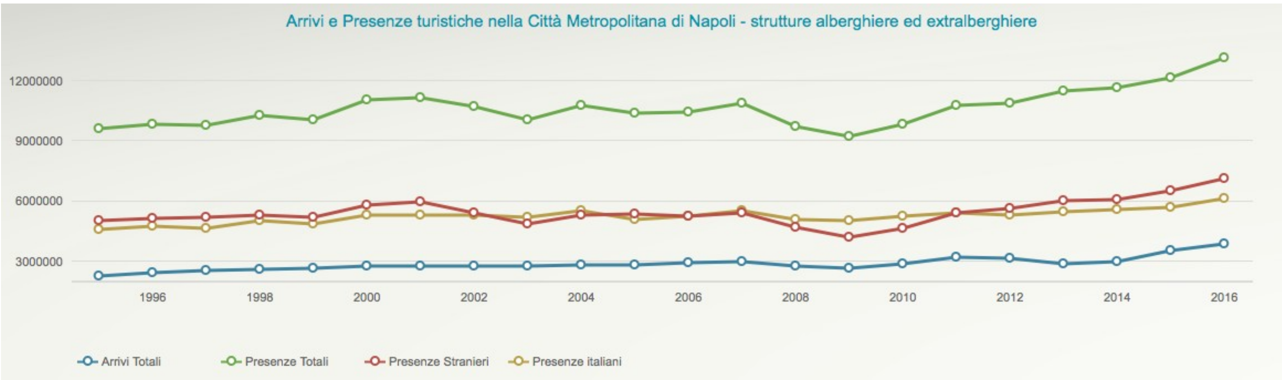

Figure 5.2

Arrivals and tourist presences in the Metropolitan City of Naples - hotel and extra-hotel accommodations

Source : (www.flapane.com 2017)

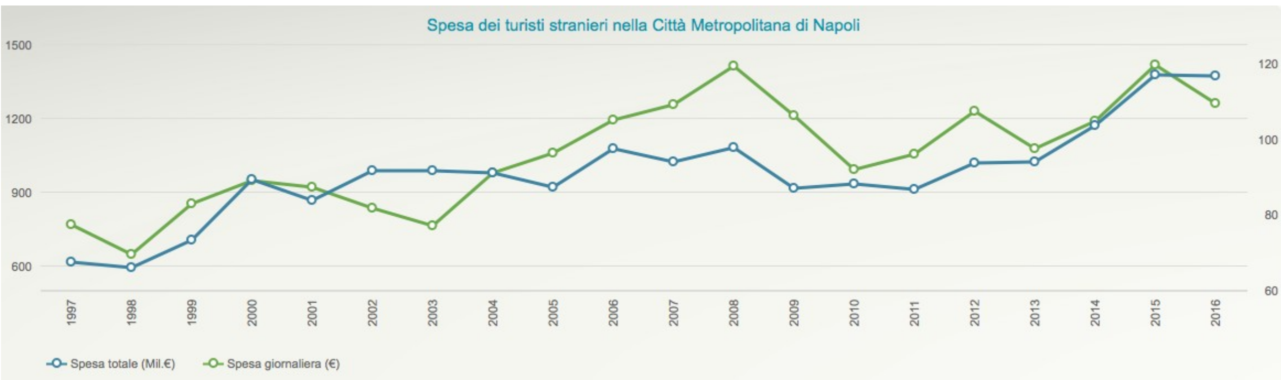

Figure 5.3

Expenditure of foreign tourists in the Metropolitan City of Naples

Source : (www.flapane.com 2017)

To analyze more closely the tourism sector of the eleven municipalities of the Vesuvio Coast, we can consider the data in Table 5.2, which contains information from the major tourism web portal, Booking.com . The web page provides us not only the number of accommodation facilities, but also the filling rates depending on the reference period. The results are reassuring as and the filling rate for a medium season period, the first week of October (calculated at the end of September), shows a filling rate of even 90% in the municipality of Torre del Greco. Table 5.2 is even more positive id we consider the comparison between the data of the same municipalities in 2016 (Booking 2016) which shows that in just two years the accommodations have increased by 174.9%, going from 218 with an average filling rate in high season (August calculated at the edn of july), to 609 structures with a filling rate of 76.75% compared to a previous rate in 2016 of 53.5%.

The increase, however, was not an increase caused by a study or a particular program of the Campania region, but saw a passive entrepreneurial figure who simply invested to cover the general increase in demand regardless of the quality of the service but aimed simply to increase the general supply going towards that process of massification and turistification that before was absent there.

Village/City	*N^of accomodations August 2016*	*N^of accomodations September 2018*	*% Occupation end of July 2016*	*% Occupation beginning of october 2018*
Boscoreale	6	18	N.D.	N.D.
Boscotrecase	5	15	N.D.	N.D.
Castellammare di Stabia	31	143	76%	73%
Ercolano	32	76	52%	71%
Pompei	91	225	36%	73%
Portici	12	28	N.D.	N.D.
San Giorgio a Cremano	5	14	N.D.	N.D.
San Sebastiano al Vesuvio	2	2	N.D.	N.D.
Torre del Greco	17	42	46%	90%
Torre Annunziata	7	31	N.D.	N.D.
Trecase	10	15	N.D.	N.D.
Total	218	609	52,5%	76,75%

Table 5.2 Comparison of the accomodations offer and occupancy in the Vesuvio Coast between 2016 and 2018

Source: Own elaboration of Booking.com data (2016-2018)

With respect to the number of restaurants, on TripAdvisor, it was possible to extrapolate data only for the municipalities of: Castellammare di Stabia 219 units, Pompeii 234 units, Portici 105 units and Torre del greco 153 units. The most widespread category of restaurant are pizzerias and seafood restaurants, but there are also pubs, sushi and restaurants for all tastes, from vegans to celiacs.The figure is not at all negative, and the catering and ceremonies sector could be considered a key sector for tourism, thanks to the Neapolitan cuisine which is among the most varied and renowned in the world.

5.2 Attractors

5.2.1 Cultural attractors

As mentioned previously, the area had been chosen by the nobles of the Two Sicily Kingdom as a place to build their summer residences and today about 400 of those summer estates surveyed among which stand out Villa Campolieto, Villa Ruggiero, Villa Favorita, Villa delle Ginestre, Villa Signorini, Villa Vannucchi, Villa De Cillis Carafa D'Andria and the two important royal palaces, the Royal Palace of Portici and the Royal Palace of Quisisana.

To promote this heritage could be possible to organize cultural tours, but with some touristic trail and events to let the tourists appreciate them in a more authentic way, then maybe organizing a dance with ancient clothes, or trails related to local craftsmanship to touch with your hand.

Today the only event that in summer manages to move a large number of people and that is very successful among tourists and citizens is the "Festival delle Ville Vesuviane" (Figure 5.4), a series of concerts and musical performances in some of the villas that at every event it's all booked. This event is one of the success of the "Fondazione Ente Ville Vesuviane" a foundation that is suppose to protect this heritage but that is able to protect just 3-4 villas not having enough money to operates.

Figure 5.4

Concert for the Festival delle Ville Vesuviane in Villa Campolieto

Source : www.culturaspettacolo.it

The cultural offer, however, does not stop as there we can find some of the symbols of Italy in the world: the lost cities of Pompeii, Ercolano, Oplonti (Torre Annunziata) and Stabie (Castellammare di Stabia). In 2017, these five sites recorded a total of 4,023,900 (www.pompeiisites.org 2018) visitors and the excavations of Pompeii, alone, with 3,418,733 visitors, was the second most visited archaeological site / museum of Italy, after the Colosseum (MiBAC 2018). The other sites instead, have had a total attendance of:

- Herculaneum 487.540
- Oplonti 55.784
- Boscoreale 9.959
- Stabiae 51.884

This big numbers are very **encouraging** for an entrepreneur that is thinking about a **possible investment** in the area, as the presences increase every year and on average at a rate of 8-10% from 2014, demonstrating the excellent trend of the Campania region.

The Chamber of Commerce of Naples and the Industrial Union, recently, have understood how big is the lost opportunity and are studying what has even become "a manual case studied in the business schools of half world " (Maria Cristina Napolitano 2014), or Pompeii Paradox. Paradox, which is precisely in the fact that a site, of this tourist influx, has almost irrelevant economic evidence on the territory.

Here, too, some experiential initiatives are proving and with excellent results, such as night visits to excavations, an event that is held every Saturday from May 7 to October 1, open to all and this as the Festival dele Ville Vesuviane has a lot of participation not only among the tourists but also among the local population.

5.2.2 Natural attractors

Without doubts the natural attractors are the most important in fact in the word itself of the tourist destination "Vesuvio Coast" refers to the famous volcano, the “Vesuvio” and to the sea "Coast". Vesuvius is obviously the main attractor, the common thread around which the whole route of the tourist that comes in the "Vesuvio Coast" moves. Today it is protected by the “**Parco Nazionale del Vesuvio**”, which keeps the volcano under control not only from a tourist point of view, but also from a scientific one.

The routes to appreciate the Vesuvius are many, even if the most famous is that of the cone visit that in 2016 received **700 thousand visitors** (Francesco Gavetti 2017). Among the other routes there are 9 routes that can be made in large part also by bike and on horseback but that unfortunately does not have much following among tourists as there are not many organizations that promote the routes or specialized tour on a this segment. In addition to the Vesuvius, the VC can also count on the beautiful Mount Faito reachable from Castellammare di Stabia.

The other key element of the area is the is the coastline, which is characteristic because in the area closer to the cone there are the particular beaches of **volcanic black sand**, one of the few examples in the world along with Tenerife, Bali, Santorini, Hawaii and the Aeolian Islands.

The particular color could indeed constitute a competitive advantage because could be proposed as a different experience to live, an unique beach of its kind. Unfortunately, only recently common conscience is trying to restore the fame of these beaches as some municipalities have started the reclamation processes of the purification plants that for years have made the coast not bathing.

Unfortunately, here is evident the lack of coordination as the remediation plan is not implemented by all the actors of the territory and, for example, this year the municipality of Portici even if he had implemented an excellent purification plant this summer could not grant the bathing due to the discharges of nearby cities such as Naples itself. Unfortunately, the sea could be the metaphor of coordination where a limpid drop of a single municipality cannot do anything against those polluted by others, which unfortunately will still be mixed with healthy drops.

The territory then for lovers of crystalline and pebble beachs can offer to Castellammare several high class bathing facilities like the Scrajo.

5.2.3 Culinary attractors and routes of taste

Vesuvius with its eruption over the years has enriched the land so much to make it for centuries one of the most productive territories in the world, so as to be called Campania Felix. Thanks to these characteristics over the years have been developed various production of Vesuvian specialties all with the designation IGP and DOC, as with the wines: Lacryma Cristhi, Falanghina or Aglianico; or the pasta, an excellent recognized worldwide held by the city of Torre Annunziata and today maintained by the ancient Setaro pasta factory, and by the modern pasta industries of the nearby Gragnano; the Pomodoro del Piennolo; the many varieties of apricots, in the Neapolitan dialect "crisommole", or the flowers of Torre del Greco.
Among all these authentic products, however, we should not forget the Neapolitan cuisine, home of pizza and globally recognized as one of the most influential of the world.
During the study of the various models of AD and OD we saw that each interviewed structure proposed **cooking classes** related to the local products and cuisine. In the "Vesuvio Coast" no accommodation offers this type of experience but all tourists who enjoy a good pizza, a scialatiello with seafood or a Neapolitan Pastiera would like to try to prepare them with his own hands.
Unfortunately, local entrepreneurs are not interested in offering these services as they see the tourist as just a means of filling their rooms without transmitting the typical values of Vesuvian culture.

5.2.4 Local crafts: Made in Vesuvio Coast

The Vesuvian territory boasts centuries-old manufacturing traditions, planted and developed by the various Bourbon kings who over the centuries in these territories have given rise to highly specialized schools that still resist on an industrial and artisanal level:
- **Shipbuilding**, planted in origin in Castellammare di Stabia, through a royal company from which the Fincantieri was born, today this shipyards are still operating in the same place and have the same function even if reduced. This ability during the years was widespread also in all ports of the area as well as in Torre Annunziata and Torre del Greco where today the tradition is strong also regarding the construction of small wooden boats, the so-called gozzi, loved by tourists and one of the symbols of the nearby Amalfi Coast.

-Real School of the Coral and the **Cameo of Torre del Greco**, a school / workshop where the local artisans were gathered, in order to create an exchange of knowledge to refine the art and to pass it through generations.. The school is still open today, and every year prepares many young students for the traditional coral and cameo production sold all over the world. Thanks to this strong secular tradition and to the skill of the entrepreneurs of Torre del Greco, today this city is known throughout the world as the "City of the Coral". Here the success of the **collaboration** is evident because the entrepreneurs of this sector over the years have been able to work together creating the AssoCoral association, which aim is to strength the international recognition of this product and do promotion in all over the world.
Today this tradition should open up to tourists not only by selling the single object, but trying to welcome tourists in the shops and to see closely how these craftsmen still work fine pieces of jewelry as they have been working for 300 years.

Figure 5.5
Craftsmanship of the cameo
Source : (www.preziosamagazine.com)

- Among the other productions that the Bourbons established, we cannot forget the Neapolitan tailoring, the productions of Neapolitan majolica and riggiole, the crib art and the art of furniture restoration, an art that is still very flourishing today in Torre del Greco , a city full of second-hand dealers of international importance such as Palazzo Torlo, a 3000 square meter showroom where the many antique furniture restored by local artisans are exhibited.

5.3 Application of the Ospitalità Diffusa Model to the Vesuvio Coast

In the fourth chapter we saw closely how Mr. Ezio Occhipinti was able to get a large number of tourists to Scicli as well as in all 12 municipalities where he managed to spread his idea of hospitality. As we saw earlier Mr. Ezio had developed two models of hospitality: the Albergo Diffuso of Scicli and the "Sicilia Ospitalità Diffusa".

With the Scicli AD model, today, in the town of Scicli alone, there are 29 accommodation facilities managed according to the AD rules established by Dall'Ara, so tourists do not miss the typical hotel services such as Reception and Breakfast. But the real innovation of Mr. Ezio is in the model of Ospitalità Diffusa, a project that allows him to offer to his customers no longer a simple hotel service but a full immersion in the Sicilian culture providing a set of experiences and services that remain etched in the mind of the tourist an excellent memory and every year bring a growing flow of tourists, that come thanks to the word of mouth.

In the Vesuvio Coast a similar model should be applied, in the same way with the two models, **many AD and an OD that work synergistically**. On one hand a series of ADs should be opened in the various centers, not only in the centers of individual cities, but in that multitude of districts that as we have seen previously live independently as if they were autonomous villages. Considering the territory as a set of small villages and not as a sum of large cities, the concept of AD is more applicable. The model established by Dall'Ara involves setting up the structure in a small context with a maximum of 10,000 people in order to create a family atmosphere for the tourist, that is not possible to recreate in larger contexts. In this are fortunately, as these fractions revolve around a square and live independently, there is a lot of integration between local citizens and the **family atmosphere** is preserved, in fact today it still is possible to see the elderly who may play cards or chat and would be intrigued by tourists who might even invite to play cards.

The task of a model such as that of Ezio Occhipinti applied in the province of Ragusa, could easily be implemented in the Vesuvian area as the attractors are many, many more than those of Ragusa, in addition the various historical centers are all very characteristic and authentic, still today is possible to buy everything in historical markets, and famous are the fish markets or the vintage market Pugliano, the biggest and most famous market of this type in the world. All the centres present the typical street paved with ancient Vesuvian stone, and all the citizens still hang out the washes between their houses, this famous image that belong to Naples, here is even more authentic as the progress of **gentrification is still zero**. All these historic centers together with Vesuvius are so characteristic that UNESCO has defined them as a biosphere heritage of humanity. the reason for this name lies in the fact that the territory is so rich in historical buildings, has unique flora and fauna, but at the same time is densely populated and while before the man with his hand modeled the territory without destroying its equilibrium, but enriching it with residences such as the Vesuvian Villas of the Miglio D'Oro, today the situation is changing and the humans are every year less conscious of the richness that they have around.

Therefore, the **goal of the Vesuvio Coast Ospitalità Diffusa should** be to promote the territories but to do it respecting the culture and the whole ecosystem trying to **achieve a balance** between man and nature, which lasts over time, preserving biological diversity, safeguarding the cultural values and the ecosystem and at the same time promoting the economic development of the territory. It would therefore be useful to apply a strategy such as that of Ezio and **create an AD in the different historical center** and in the various centers of the districts, independent and with their own reception and services, but at the same time create a model of OD that is capable to promote a multitude of services and experiences experiences to make the tourist live the authentic Vesuvian spirit

Taking into consideration the city of Torre del Greco and analyzing the distribution of the population around the most characteristic centers we could hypothesize the creation of an "AD Torre del Greco center" "AD Leopardi" "AD Borgo Mortelle" "AD Cappella Bianchi", each one with specific quality standards for real estate and for the services, and as Mr.Occhipinti did, it would be necessary to find a suitable place for reception and start a collaboration with one of the many excellent local breakfast bars / bakeries, providing the opportunity to stay in an apartment and be independent and be immersed in a cultural context still authentic but providing at the same time the opportunity to take advantage of the typical services of a hotel, meeting the mission of the AD assumed by Dall'Ara.

But we have seen that the structural problem of supply side is not in the number of accommodations, that is growing exponentially, but in the quality of the services. Today no structure offers additional services except for a room and sometimes the breakfast and the increase of the accommodations, according to the Booking.com data see an increase only in apartments and B & B rather than hotels. Taking an example, and remaining in the city of Torre del Greco, in two years from 2016 to today the structures passed from 17 to 42 with a hotel offer that has remained of 5 hotels.

It is therefore necessary to form a **new entrepreneurial class able to understand the needs of the environment and of the tourists** in order to propose a new tourism product able to make the difference using the high potential to bring out this area from years of economic crisis.

Through a model of "Vesuvio Coast Ospitalità Diffusa" it would then be possible to coordinate all the ADs of the 11 municipalities, promoting them together but above all it will be possible to provide a wide range of experiences for tourists of all segment.

In addition to the various accommodations, restaurants and various experiences proposed during the study of the attractors, the "VC OD" could also integrate minor attractors such as:

-the Virtual Archaeological Museum (MAV), the first museum in Europe to use virtual and interactive systems to reconstruct a lost city, Herculaneum,

- the Railway museum of Pietrarsa in Portici,
- the Botanical Garden of the Royal Palace of Portici.

- the National Institute of Geophysics and Volcanology at the Vesuvius Observatory, now open to the public as a museum, which exhibits scientific objects used by scientists and researchers from its foundation until today.
-The Baths of Torre Annunziata and those of Castellammare, ancient baths already used at the time of the Romans, whose tanks dug two thousand years ago, are still usable. The main feature of these spas is the healthiness of the water used, which purified at very high temperatures in the bowels of Vesuvius, comes up rich natural purifying elements, useful for the treatment of various pathologies or for purely aesthetic scopes.
-The water park and the adventure park Valle dell' Orso in Torre del Greco,
-The many pools complexes such as Poseidon, Quattro Venti, Torre di Bassano or Villa Balke.
- the Castle of Castellammare, a medieval fortress where events of various kinds are often organized.

5.4 What is the entrepreneurial ecosystem for the Vesuvio Coast OD entrepreneur ?

To be able to implement such a project, it would be necessary to start spread a different entrepreneurial culture and make today's entrepreneurs understand that the offer they propose will never allow them to have the success they should really have.
The problem of course states in the structural Italian general situation that we saw in the second chapter, during the analysis of the Italian entrepreneurial ecosystem, but the VC has even more problems despite the high potential as we can see from the analysis of the local entrepreneurial ecosystem:

1) **Finance.**

The territory is unfortunately not a very rich one and there are few local entrepreneurs who have the economic strength to invest, secondly foreign investors are scarce due to the many difficulties first of all from the bureaucracy.
From the point of view of the European and Invitalia funds, unfortunately there is not a serious strategy of intervention and even if the European community has allocated 1 billion for the tourism sector in Campania, to date the total amount of European funds that has been spent is only 4.19% with a 42% allocation (Irpinia News 2018)
In addition Invitalia in this years has financed the " Contratto di Sviluppo di Invitalia per la Baia del Vesuvio ", of € 35.4 million EUR(Invitalia 2015), an agreement to create a high-level cultural tourism circuit in the area of the Vesuvian Municipalities, but the program is too little and it is

not going to produce structural changes. Going so to feed that typical all-southern phenomenon of sporadic interventions, in most of the case useless.

2) Human Capital.

The structural problems are many also considering the Human Capital because, in the Vesuvian territories there aren't hospitality school and the closest one is in Vico Equense, a factor that discourages many students; and besides the school is very renowned from the culinary point of view, being home to many starred chefs including for example Antonio Cannavacciuolo, is too focus on the practical development an there is no focus on the business sector. Then in the area there are no programs that allow students to see tourism not only from the practical side but also from the entrepreneurial side. Campanian universities don't have a better evaluation on this subjects as there are no high-level tourism training plans from an economic managerial/entrepreneurial point of view.

The situation improves if however we consider the culture of hospitality, innate in the Neapolitan people that surely would welcome tourists from all over the world integrating them in the best way possible. So the great culture of hospitality combined with the ancient traditions that the Neapolitan people still maintain, will constitute a real competitive advantage for the Vesuvian OD.

3) Policy and regulation.

The governmental point of view is even worst because in the last years the Campania Region and the single municipalities did not develop any plan for tourism development, without even structuring calls to use European funds. The only stimuli come from the central government plan with projects for young entrepreneurs such as the "Resto al Sud" programs that encourage local young people to undertake an entrepreneurial activity in their homeland. Relatively to the theme of the AD we have seen that Campania has one of the most exhaustive regulations but does not allow the implementation of the model in contexts with more than 10000 inhabitants, thus blocking those entrepreneurs who might have thought of the model but who cannot implement it in all the municipalities. It should perhaps be reviewed in consideration of the structure of the small independent districts seen before. As for the control of accommodation facilities, the work must be even greater as the regulation between hotel and non-hotel activities in Campania sees huge gaps as we saw in Table 3.2, where the gap between the online facilities for the city of Naples is of 6532 of accommodation (InsideAirbnb 2018) against the 715 registered (Istat 2018).

The actual plan for the development of the Vesuvian area from an entrepreneurial point of view and for the spreading of the AD model in Campania are carried out by two projects:

-The " Piano strategico per lo sviluppo delle aree comprese nel Piano di gestione del sito UNESCO Aree archeologiche di Pompei, Ercolano e Torre Annunziata " a strategic plan underwritten by the MiBACT, the Superintendenza and the municipalities of the Vesuvian area, that to date has seen very few results with only 2 projects carried out : the Great Pompeii project, for the recovery of the archaeological site and the Baia del Vesuvio project of 35.4 million of euro to improve the high-end tourist offer but only with for 4-star accomodation, unfortunately lacking of a project aimed at satisfying the needs of the highest economic segment that would like to stay in a 5-star structure. (Invitalia 2018)

- The "Progetto WE Campania – Ospitalità nei borghi"

This project seems to have so much potential thanks to the firm **Borghi SRL** which collaborates with the government of Campania Region, has as primary objective the enhancement of real estate value of particular value and historical / cultural buildings located in small municipalities of the Campania region in particular way for those in marginal areas. The project to date has seen an implementation already in the municipalities of Taurasi (AV), Bisaccia (AV) and the Borgo di Quaglietta (AV) and it certainly does not seem to stop here the initiative, but unfortunately it is not oriented to the most densely populated municipalities as it works on the AD model established by the Campania law, with a possible application only in villages smaller than 10,000 inhabitants.

4) Culture and social norms

These deficiencies are found, however, also in the local population behavior, who tired of the structural problems of their city does not takes care of it anymore and examples of urban degradation sometimes are there for all to see. The cultural problems lie also in the problem of the "brain drain" that sees the most ambitious young people of this land go to northern Italy or abroad.

Regarding the culture of entrepreneurship, unfortunately since the post-war period it has not been too much fed because the territory as the whole South has been subject of welfare policies that if on the one hand have improved the quality of the poorer social class, on the other hand have flattened that hunger for growth which is the primordial stimulus for the entrepreneur. From the touristic point of view the territory suffer s great **lack of coordination among the entrepreneurs** that are so focus on their own activity and in selling as much rooms are they can creating a competition based only on the **war of price**, in the area based on an average price per room for example in Pompeii of 57€ per night for two people, according to Airbnb. This values express the myopia of the Vesuvian entrepreneur that are not able to do a competition based on the quality as for examples is done in Sorrento where the average price for one room for two people is 131€(Airbnb 2018).

5) Supports

With regard to *infrastructures*, the Vesuvian territory boasts the Circumvesuviana, a system of metropolitan connection between all the cities and the small districts with the neighboring areas, up to Naples and Sorrento.

The Circumvesuviana, however, is not the only rail service, in fact tourists can also use the railway network of the National Railway, which has stations in almost all the towns of the Vesuvio coast. In addition to the rail service, there is also a valid tourist bus service, like the Vesuvio Express one, which stops in Pompeii, Ercolano and on the top of Vesuvius, and all the network which connect the area with a perpendicular system to the railway axes, fundamental to connect the marine belt to the hill. To complete the integrated system of the Circumvesuviana, we cannot forget the Faito cableway, which in just eight minutes allows you to reach over 1000 meters in height (altitude of Mount Faito).

The highway system is also well developed with a 3-lane roadway in both directions and at least 1 or 2 accesses in each Vesuvian municipality.

The last element characterizing the infrastructural system of the territory consists of six ports: Portici, Torre del Greco, Torre Annunziata, Castellammare, the Molo di Ercolano and the Yacht Club Marina di Stabia. The ports vary in size and function, such as touristic, fishing or commercial ones. Regarding the tourist sector the most important is perhaps the Yacht Club of Marina di Stabia, a club that houses all the biggest yachts in Campania, and in Italy and that in summer also welcomes the mega yachts of millionaires from around the world, who unfortunately only stop and fill up before leaving for Sorrento, Capri or Positano, without even go out of the harbor.

From the point of view of the *non governmental Institution*, professionals in the field of entrepreneurship as well as successful entrepreneurs who could be advisers for the OD are not lacking, among them the owners of the most successful restaurants such as Palazzo Vialdo or Da Salvo, as well as the coral companies of Torre del Greco may start to encourage the young people of the territory to embark on their career in the Vesuvio Coast

On the territory there are also institutions, directly involved in the development of the territory, including the local banks such as the Banca Popolare di Torre del Greco or the Banca Stabiese, and the two rotary circles (Vesuviani and Pompei Oplonti), and two Lions clubs, as well as many associations such as "Amici delle Ville Vesuviane" or local newspapers such as VesuvioLive. All these actors could begin to spread messages that start to stimulate the curiosity of the younger on the subject of entrepreneurship showing the great entrepreneurial potentialities of the territory. An example of success for the promotion of entrepreneurial activity and for the OD model is the already mentioned Borghi SRL, a company whose aim is to promote and develop tourism-real estate development projects of Villages and Historical Centers which mainly deals with Consulting for public and private investors.

6) Market

According to the latest data from the Statistical Office of the Municipality of Pompeii, which took place in 2015 (Pompei Turismo 2018), the average stay was 1.9 nights, a figure that always for the aforementioned relationship has been stable since 2005. Moreover the same report present in 2015 119.355 presence in Pompeii but tourists who visited the archaeological excavations of Pompeii were 2.978.884 (www.pompeiisites.org 2018), this means that only 4% of tourists who visit Pompeii stops in the same municipality . The data would not be very different if we consider the permanence in the other 11 municipalities since if we consider then that in Pompeii in 2018, according to the booking.com data there was almost one third of the total offer of the Vesuvio Coast, if we multiply the percentage of people who stay in Pompeii for 3, the percentage of tourists who stay in the whole are would reach a 12%, still too little. The reason for all this lies precisely in the bad offer of the territory that does not allow the tourist to do other activities rather than the visit to the ruins. For the foreigners the Pompeii tour is offered as an experience to do starting from the Amalfi Coast, Naples, Rome but also Florence. These cities are in fact more prepared for tourism and offer a series of services and tours that are missing in the Vesuvian offer and that make the tourist perceive the territory only as a place to be seen in few hours, according to the "hit and run" model.

5.4 What are the missed opportunities ?

After the confirmation, of the entrepreneur interviewed, on the actual potential of the model of “Ospitalità Diffusa” we could start thinking about other applications of this model in other contexts, taking advantage of the great adaptability of the model. In addition, taking up the

statement by the SET that Naples is one of the last major European cities to preserve its identity the suburbs of the metropolitan city of Naples seems to us an excellent starting point for the implementation of the project.
Starting from the model of Sicily OD we have seen how it is possible to satisfy all types of targets, and in different economic bands, thanks to 80 accommodation solutions between apartments, villas and B&Bs in 12 towns or villages, in historical centres, in the countryside and on the sea. For The Vesuvio Coast, a similar model would be a solution that could satisfy everyone's needs. With Mr. Occhipinti then we saw how important and difficult it was to be able to adapt the model in a wider context, but in the end as in the case of Donnalucata, success has arrived by shifting the focus on the ecosystem and on the characteristics of each specific place. So in the different Vesuvian villages depending on the urban or agrarian context where there are several properties to be recovered you could start to develop different models of AD and OD. The strengths of the ecosystem, in addition to the many attractors listed and the possible experiences will undoubtedly be the high Human Heritage of the Vesuvian culture, still intact and without any ongoing gentrification process.
With a model like that of Mr. Occhipinti it would also be possible to cover all the targets, we could also hypothesize different AD based on the quality of the structures so as to offer a different segmentation and give the possibility to different targets to appreciate the riches of the territory , going to solve even the problem related to the complete absence of luxury accommodation facilities in the area. Therefore satisfying different targets, not only in the possibility of being able to stay in the type of structure more suited to their needs, but giving the possibility to live experiences to be impressed in the memories, the tourists will start a word of mouth that following the positive trend of arrivals will increase also the permanence. But we must not forget that we are always talking about hotels, and when we are going to develop them, depending on the category we must meet the minimum standards, as well as offer the new experience itself, but this should not scare, on the contrary can only be encouragement, as considering for example the data in Figure 5.5 (Infodata Il sole 24 Ore 2014) ". From this data it appears that in Pompeii where arrive more than 3 million tourists, half of them weel –off, there are no 5 stars hotels, so this tourists not finding the right structures for their standards move, for example, to the nearby Amalfi coast.

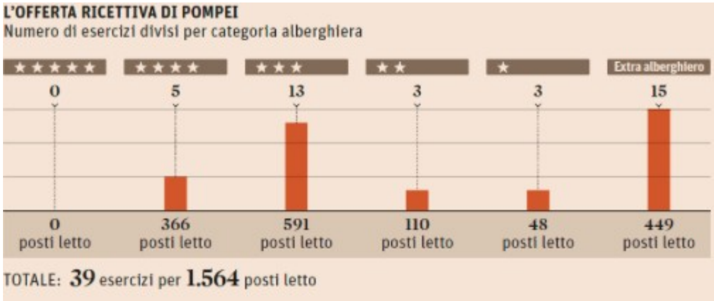

Figure 5.5

Pompeii accommodation offer

Source: (Infodata Il sole 24 ore 2014)

Only with an offer of authentic quality we can change things and the solution of the AD seems one of the best strategies because the territory is subject to landscape constraints that do not allow the construction of new buildings and for the restructuring of existing ones is not possible change neither the volume nor the structural characteristics, in addition we must also consider the high population density and therefore the consequent scarcity of large buildings to be restored and used as hotels; it would be difficult today to be able to create such a wide and varied tourist offer, if not with models of the models of AD and OD.

Thanks to a wide OD model, were an entrepreneur coordinates many stakeholders he would improve the whole context as in the examples of "La Locanda del Prete Saragano" where competition has turned into cooperation for the promotion of events with an international response. Only a synergistic offer, promoting the many experiences could increase that average stay of 1.9 nights, as for example the AD Al Vecchio Convento, La Locanda del Prete Saragano or the Sicilia OD which increased their stay up to a week thanks to the experiences offered. Only with this model it would be possible to contrast the model of "hit and run" that in this territory is the rule also because of the current entrepreneurs, not interested in providing new experiences. To date, therefore, the potentials, the attractors and the market are very encouraging but from the point of view of social and political attitude, major changes must be applied by the relevant bodies in collaboration with local stakeholders. So the Region, the Metropolitan City of Naples, the individual municipalities, together with all entrepreneurs who could benefit from this strategy should unify their efforts to offer a new tourism product.

In fact, in Sicilia OD, Mr. Occhipinti did not include only explicitly tourist attractors, but also simple shops, hairdressers, jewelers as the general tourist flow benefited everyone and tourists spending in these commercial activities give new life to them.

What is more important, however, is that the institutions must stimulate the creation of a large network enabling the actors to reach their similar goals improving the territory in the best way pursuing also the economies of scale.
In the same way, the institutions should make sure that the entrepreneurial and the collaborative spirit start to take hold among young people in order to encourage them to stay in the territory and to invest. In addition, the interventions should be done on a regular basis and not more sporadically, in this sense all the projects implemented so far have not led to any results. In this years was developed also the first project of Ospitalità Diffusa which has been established since 2016 with the "Rete Vesuviana ospitlaità diffusa - AREVOD "(AREVOD 2018), a project that until now had no results as the model implemented is not that of the AD since the accommodations remain in the single management and there is no the centrality of the services as in a typical hotel, and on the other hand it does not constitute a model of OD since there is no activities and experiences promotion. The example of AREVOD, which among other things excludes half of the countries of the VC, is simply a network of accommodation facilities of different types and different targets, but like all local business projects it is not intended to improve the offer , but simply "sell the rooms", but lowering the promotional costs for the individual with a generalized marketing.
Unfortunately, the typical entrepreneur of the VC reflects the Italian structural problem highlighted by the GEM, a great entrepreneurial spirit and a great willingness to start new projects but a little culture to real innovation and a strong fear of failure. This non-innovative business philosophy is clear considering the data in Table 5.2 which shows that in just two years, grom 2018 to 2016, the accommodations have increased by 174.9%, going from 218 to 609 units. The increase, however, was not an increase caused by a study or a particular program of the Campania region, but driven by a passive entrepreneurial figure who simply invested to cover the general increase in demand regardless of the quality of the service, going towards that process of massification and turistification that before was absent there.
The new entrepreneur should invest in the territory therefore thinking about the opportunities of the *Pompeii paradox*. How is it possible that, in a territory where we find one of the most fascinating ruins in the world and visited by about 2,978,884 tourists (www.pompeiisites.org 2018), coming from all corners of the globe and in mostly well-off, only 119.355 (Pompei Turismo 2018) remain to sleep in the same town just for 1.9 nights? To make the tourist appreciate this land it would be important to be able to immerse the tourist in the local culture through the storytelling of the myth of Vesuvius, a new type of holiday, which will be for him a tourist experience sui generis, in which the Vesuvio will be the leitmotif of everything, starting from the ruins, created from the eruptions, to get to the beaches of volcanic sand, passing

through the agricultural DOP productions. To promote all these experiences and start the process of the memory, the key for the word of mouth, we could think of a model similar to the "OD Sicily Passport" created by Ezio Occhipinti. In fact, through this passport, tourists will have a pass that allow them to have discounts and facilitations and will show to all the stakeholders involved that the OD model, they will be part of, really allows them an economic return. But we could hypothesize different types of passports, maybe in addition to the Ezio's type that is gave for free and that works more as an incentive, we could think of a passport which is paid in advance and that includes a series of services related to attractors, with entries to museums, archaeological parks and villas, but also special tours or services, such as fishing trips, access to water parks, spas or beaches. It would be a good idea also add manufacturing and agricultural products, which will allow the tourist to bring a piece of VC with him. In addition, different types of passports could be structured according to the reference targets of the individual AD and therefore provide appropriate services to the target. The possibilities of application are many, it is up to Vesuvian entrepreneurs to understand which adaptation could lead them to success, by looking at the examples of success and above all the failures that have come in Italy since the establishment of the OD model, and exploit all the opportunities of this land.

CONCLUSION

The objective of the following study was to analyze the advantages of the diffusion of a new entrepreneurial figure capable of modifying the Italian tourist offer through the new model of ”Ospitalità Diffusa”, which, by focusing on quality , historical and cultural heritage, will succeed in repositioning Italy in the international economic context, not only in the tourism sector. The model, through the confirmations of the 5 interviewees, showed us that the high rate of success and adaptability, can stimulate a whole chain of agricultural producers, construction companies, carpenters, blacksmiths, artisans and many other local stakeholders; intervening in problems such as unemployment, which in territories like the Vesuvio Coast and all over the South is now endemic. It would be easy since we have the home court advantage, because unlike other countries such as the UAE, Italy does not have to invest in attractors, but already owns them, which is why the “Bel Paese” is also the favorite destination for tourists in the world (Tripadvisor 2014) .

With the application of the model in the VC, a territory with high potential and with attractors famous all over the world, but with great shortcomings in the offer, which completely fails to meet the new needs of tourists, we have a clear example of the implementation of the model and we could consider it as a small mirror of Italy. The easy application then, together with the interviews of the various entrepreneurs confirm how this new business model has the ability to nail tourists to the territory, solving that problem of the spread of the hit and run model, which in recent years has seen for Italy a decrease from 5 to 4.2 nights (Banca D' Italia 2017).

Considering closely the application in the VC, which, as we said, constitutes the mirror of the application of the model, the great opportunities for local entrepreneurs are clear and highlighted in the economic paradox that scholars from all over the world still fail to understand: the Pompeii Paradox: How is it possible that, in a territory where we find one of the most fascinating ruins in the world and visited by about 2,978,884 tourists (www.pompeiisites.org 2018), coming from all corners of the globe and in mostly well-off, only 119.355 (Pompei Turismo 2018) remain to sleep in the same town just for 1.9 nights? How is it possible that for about 3 million visitors there is not even a five-star hotel and no starred restaurant and no network of services and experiences that can make tourists enjoy the Vesuvian authenticity? From this tourist influx, the territory receives nothing, except for the sale of the entrance ticket to the archaeological site, some coffee, some bottle of water or of some shoddy souvenir made in China. This is the problem of all Italy, where the great historic cities are undergoing an increasing invasion of a type of tourist, interested only in the selfie in front of the Coliseum, who will choose one of the many cheap houses proposed on Airbnb, going to support that process of removing citizens from

their city, with the consequent loss of identity of places unique in the world, for the value of Human Heritage.
In the analysis of the VC, we learned how the image, which today the tourist has of the territory, is that of a place of passage, as in the Cinderella tale: at the end of the visit, as if it were midnight, they vanish on every type means of transport, to reach other destinations. The main reason is the lack of facilities suitable for a quality reception, and the absence of an experiential proposal that could entertain visitors after sightseeing; only with a series of experiences that can allow them experience the place, it will be possible to change the image of the territory, making it a place where tourists can feel like a temporary citizen, going to satisfy the experiential need that today is the focus of new tourist trend.
However, taking into account the characteristics of the offer to date, the tourist, even if he could have an AD with excellent services or an extra-luxury resort, with spa and direct access to the sea, would still be catapulted into an oasis of luxury in a desert of disorganized experiences and services. Therefore, with the creation of various Vesuvian ADs, it would be necessary an integration of the project such as that of Mr. Occhipinti, with an OD able to create a network of houses and producers of experiences. In this framework of general coordination, the role of that director, analyzed in the introduction, would be of vital importance, as the tourism product is holistically perceived by visitors as a set of services, and therefore the entrepreneur before starting to operate on a commercial and promotional level, should invest in the general improvement of the offer of products and services to be sold holistically.
The model of the AD also proves to be an excellent solution for the protection of the heritage, for the historical-cultural richness of the Vesuvian environment, and more in general for all the forgotten heritage throughout Italy. Thanks to the recovery of buildings and houses in abandonment and together with the respect for the cultural environment, the formula of the Albergo Diffuso tends to pursue the road to the recovery of the artistic and cultural heritage of the smaller centers, reviving those not inhabited or depopulated, improving the quality of life, in general, of the inhabitants; not only from an economic point of view, as everyone will be stimulated by the interaction with tourists who will not take over, unnaturalizing the context through that uncontrollable process of gentrification that it is turistifying the Italianess. But it will allow a conservation of the ecosystem where even the tourist will live those secular relationships that make that place a treasure chest of knowledge.
The VC was chosen because it fully reflects all the problems of the Italian tourism offer, too marked by a low-quality offer and without experiential service, based, in fact, on 3 stars (46.2% of the total), and on 171,915 non-hotel facilities according to ISTAT. From the discussion it is therefore evident that the problem is from the supply side, as the demand side sees Italy as

"Dream destination" for the 32% of preferences of the interviewed of TripAdvisor. To improve the supply side, we have seen that a government intervention is required for the regulation of new innovations, such as the online booking platforms, which due to uncontrolled diffusion, are supporting only the price-based competition which lowers both the expectations of tourists and of property owners, who face lower returns year by year, compared to investments in that type of valuable property beloved by foreigners, the trophy assets, which in Europe has the lowest yield of 5% (Evelina Marchesini 2016). Thanks to a diffusion of the AD, the demand could be shifted to all that villages full of this heritage, often abandoned, decreasing the competition in the major centers and thus increasing the yields of the trophy assets.

In fact, according to the TripBarometer, the new tourists travel for: *"Experience the authentic culture of the destination"* and *"visits to historical buildings, museums and/or galleries"* therefore we see a tourist demand in search of: valuable historical buildings, authentic experiences and a return to the past through the rediscovery of cultures and traditions, and the AD with its proposal shows us that it would offer precisely this as it is able to satisfy the needs of users more and more attentive to the content and the meanings of the experience rather than the services offered, hence tourism innovation shall be the proposal of new experiences, no longer a simple room, but a new type of travel, an experience of authentic lifestyle made by taste, perfume, art, history and culture. But this new model to be defined as innovative need to develop a replicable structure, which must satisfy a specific need by creating a value that tourists will pay, a value that today must be sought in the experience-based view.

The replicability of the model, however, must be developed with criteria, as demonstrated by the interviewed, and therefore depending on the context in which you want to work is better to focus on a specific target an develop a different model of OD, then Italian entrepreneurs together with the institutions should understand, what are the ecosystems in which they should start the process of change. The AD model is the best application because it is the only model capable of preserving the qualitative characteristics of the Italian real estate assets, since for the opening of this hotel it is not necessary to rip through the historical buildings to obtain rooms for sale, but on the contrary, the historical buildings should be recovered philologically both in the masonry and in surrender, as well as was done by the 5 interviewed entrepreneurs. In this way it would be possible to create in the image of the tourist the positioning of quality and authenticity that he expects when comes into contact with the brand of quality known all over the world as "Made in Italy".

From the analysis of the VC we have also seen that it is necessary to act today because the available European funds will expire in two years, and we cannot forget that we are on the crest of the positive tourist trend, which has seen a continuous increase in recent years of the number of presences. The wave, however, must be ridden now, otherwise it will break and in the future it will be difficult to find such a historic moment. In light of the treatise, the territory, under the auspices of a new entrepreneurial class, could see its rebirth.

This model, therefore, as we have applied it to the VC, could be applied to many other Italian contexts, always remembering the principles of adaptability and respect for the traditions of the place, because the effect of driving on the economy will happen only if before of the implementation, the characteristics of the territory are studied in depth, inspired by the mistakes made by the other entrepreneurs since the model was implemented. From the general analysis of the Italian Entrepreneurial Ecosystem we have also seen that there is good will, there are funds, there are the ideas, we need only to stimulate new young people to a correct culture of entrepreneurship, already at school level to allow them to understand the great opportunities that a tourist innovation can have, if they will be able to meet the expectations of tourists and the ecosystem.

So it's not all lost, the changes are still possible and it's up to us young people to change things, first of all grasping the great value of Italy, which does not reside only in places, which however position us as the first destination in the world for example considering the number of UNESCO sites, but especially in culture and Human Heritage, secondly we young people must realize our role in society, with our determination and our strength we will have to push towards a new form of entrepreneurship, which no longer looks only at its own backyards, but which knows how to cooperate.

So let's hope, that as soon as possible, a large number of entrepreneurs will be able to create efficient AD in the territories with the highest potential, without forgetting about OD models to coordinate all the stakeholders. Only in this way we will be able to see more tourists and fewer unemployed people and make Italy once again the most visited country in the world, finally redeeming the inhabitants of those lands who for too many years were in a state not worthy of the value they retain.

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EXECUTIVE SUMMARY

1 ROLE OF ENTREPRENEURSHIP AND OF THE ENTREPREURIAL ECOSYSTEM

The word Entrepreneurship comes from entrepreneur, anglicized from the original French word. In French the verb *"entreprendre"* means *"to undertake,"* with *"entre"* coming from the Latin word meaning "between," and *"prendre"* means *"to take."* Furthermore in French a person who performs a verb, has the ending of the verb changed to "eur," comparable to the "er" ending in English". (YantoPratiknyo , 2009).

Analyzing the historical path of the concept of entrepreneurship and considering some academic studies of the entrepreneurial phenomenon we can say that each study has emphasized different aspects of human behaviour in business. Josef Schumpeter (1989) in his theories associated entrepreneurship with **innovation**, for him the entrepreneur is a person who is willing and able to *convert a new idea or invention into a successful innovation*. Arthur Cole (1983), Schumpeter's colleague at Harvard, associated entrepreneurship with the creation of **organizations.** Peter Drucker (1985) was the first to define entrepreneurship as a discipline, combining it with other previous studies and in particular with the *concept of innovation and risk*, extending the concept of entrepreneurship to all types of organizations. With this analysis, we don't have a specific definition of the concept, nor a universal definition; rather, the goal is to identify the necessary conditions to understand the fundamental principles of entrepreneurship itself.

Conditions:

1)Entrepreneurship and opportunities: "Entrepreneurship is the starting point for most businesses. It is about the process of seeking/creating opportunities and exploiting them through innovation. It is about being an entrepreneur" (Federica Ceci 2017).

2) Differences between people: the entrepreneur acts not just betting but with a strategy because he has more information than the others. He has a preferential access to information and with the ability to recognize information related to certain opportunities, her/him is able to exploit opportunities figuring out the right customer problem that needs to be solved.

3) Entrepreneurship requires bearing uncertainty: There is no certainty in starting a new project and here come out another necessary condition to be an entrepreneur: Do not be frighten by uncertainty and risk. In this contest of uncertainty, Frank Knight in 1921 clarified some doubts thanks to his studies on the connection between risk and uncertainty in pursuing opportunities. Knights explained that **risk is a quantifiable objective concept**; it is when future events are classifiable and there are defined probabilities that can be calculated. The **uncertainty**

on the other hand is a **subjective concept**. The change that comes with the uncertainly are endogenous and arise from people and their internal perception. Because of this the risk, if measurable and insurable, does not represent uncertainty, since the combination of several risk cases can be converted into a certainty, which allows an adequate forecast, and whose coverage would represent a simple fixed cost. Profit is therefore really linked to the economic change that causes uncertainty, that is the result of a kind of unmeasurable risk.

4 Entrepreneurship requires organizing: The entrepreneur when has a clear idea of the opportunity and the uncertainty related to it, has to plan and organize materials, capabilities, people and strategies and move everything towards the same objective to have success.

5 Entrepreneurship requires innovation: *"Innovation is recognised to play a central role in creating value and sustaining competitive advantage"(*Francis D., Bessant J. 2005). Alongside the definition of innovation, also the conceptual relationship between entrepreneurship and innovation has been discussed in the literature for many years. In Schumpeter's view, the entrepreneur is seen in a "radical" way, as an innovator and a leader who, by introducing new combinations or new products in an economic system that destroy the current equilibrium, and temporarily taking profits from economic rents of incumbent firms, leading to a dynamic process of "*creative destruction*". For Kirzner, innovation does not come from something completely new and disconnected from the past. This type of innovation as Kirzner defined in 1999 is a "*new combinations may in time grow out of the old but continuous adjustment in small steps" an "incremental innovation"*(Kirzner, I.M. 1999).

Entrepreneurial Ecosystem

The concept of an entrepreneurial ecosystem refers to the collective and systemic nature of entrepreneurship and is based on two main components. *"The first component of the term is "entrepreneurial" and refers to entrepreneurship, a process in which opportunities for creating new goods and services are explored, evaluated and exploited"* (Shane, S., Venkataraman, S. 2000). The second component of the concept is "ecosystem". It represents the interaction of private and public players, which operates in a physical environment. New firms emerge and grow not only because heroic, talented and visionary individuals (entrepreneurs).New ventures emerge also because entrepreneur is located in an "ecosystem" of actors, which can support them.

The **entrepreneurial ecosystem** approach differs from industrial district, cluster, and regional innovation system approaches because the focus is on the entrepreneur, rather than the firm or the territory and emphasizes the role of the social and economic context surrounding the entrepreneurial process. In the entrepreneurial ecosystem in addition to the technical and market knowledge, the knowledge has also another focus: it is the awareness on the entrepreneur role and the knowledge of the entrepreneurship process itself. With this approach, the government is not the first promoter but is still important because should protect this changes with regulations, and promoting it providing fund or educational opportunities. According to D. Isenberg all those elements of an entrepreneurial ecosystem can be grouped into six domains: Finance, Human capital, Policy and Regulation, Culture and Social norms, Supports, Market.

Global Entrepreneurship Monitor

To measure and underline the significance and weight of entrepreneurship in different countries, from 1999, Babson College (USA) and London Business School (UK) created a research organization called Global Entrepreneurship Monitor(GEM) that release an annual assessment of the national level of entrepreneurial activity in many countries. In each study, GEM looks at two elements:

The ***entrepreneurial behaviour and the attitudes*** of individuals and the ***national context*** and how that impacts entrepreneurship, the two are studied respectively through the **Adult Population Survey (APS)** and the **National Expert Survey (NES)**. The **APS** tracks the entrepreneur characteristic, attitudes and aspirations and it is performed through interviews to 2000 people in each country.

On the other hand the **National Expert Survey (NES)**, considers nine factors that influence entrepreneurship, known as the Entrepreneurial Framework Conditions (EFCs); and is performed through studies of a minimum of 36 'experts'. The **Entrepreneurial Framework Conditions (**EFCs) are one of the most important characteristic to validate the success and the growth of any entrepreneurship ecosystem and constitute *"the necessary oxygen of resources, incentives, markets and supporting institutions for the creation and growth of new firms"* (Bosma et al., 2008). The EFCs are: Entrepreneurial Finance, Government Policy, Government Entrepreneurship Programs, Entrepreneurship Education, R&D ,Commercial and Legal Infrastructure, Entry Regulation, Physical Infrastructure, Cultural and Social Norms.

2 TOURISM ENTREPRENEURSHIP AND THE ITALIAN CONDITION

The tourism industry is one of the most important sectors in terms of its contribution to the global growth with an average annual growth rates around 10%. In order, not to lag behind, and riding high, at least at the same growth rate of the demand, it is important for entrepreneurs to find their own opportunities to exploit, to carve out a niche market and satisfy the new needs of consumers that change every year faster because *"tourism as an industry is subject to changes due to changes in consumer preferences and emergence of new technology"* (Hall & Williams 2008). For this, is important the role of the entrepreneur that today should provide "*more experience-based products*" to meet the new requests. (Alsos, Eide, & Madsen, 2014).

General overview on tourism industry

Considering the studies of the World Travel & Tourism Council is evident how important is the tourism industry nowadays: the total contribution of Travel & Tourism to GDP was USD 8,272.3bn in 2017, almost the 10.4% of the total GDP. Looking at the **Italian situation**, today according to the studies of the UNWTO (2018) on the international tourism competition, Italy occupies the **5th place** considering the international arrivals, but cconsidering for example the World Heritage Sites by UNESCO, Italy is the first in the world raking with 54 sites (UNESCO 2018), two data that are in contrast. Is important to understand that to change the things we have to **modify the model "touch and run**" creating new models of tourist offer that focus on the Italian spirit.

First of all is necessary to invest more. From the data of the World Travel & Tourism Council it is evident that Italian investments are not up to the country. In the global stage of 2017, tourism investments amounted to 4.5% of the total GDP and in 2028 will be equal to 5.1%; in Italy instead, in 2017 the investments were 3.4% of total GDP and will be 3.8% in 2028(WTTC 2018). Continuing the analysis on the values of the WTTC it is also evident how the **productivity** of the Italian tourism sector is not keeping pace with the global trend. While in the world the employment rate in 2017 was 9.9% and in 2028 it will be 11.6%, in Italy the values are respectively 14.7% and 16.5%. This poor efficiency can only be explained by the low quality of tourist training programs; therefore is clear that is necessary a good education at all stages to improve efficiency.

To reaffirm the international importance is necessary to enabling the Italian people to seize opportunities, instructing them to innovation and entrepreneurship. It is necessary to work on innovation to create a new tourism product, but this tourism product will be a new model of tourism

Tourism innovation, however, if at the macro level it must be behavioral and change the operational model, it cannot exclude a **technological innovation**. One of the most important example of the success of a model pushed by the technology can be seen in the revolution of Airbnb, where, thanks to an innovative app, the market of Bed and Breakfast saw an enormous development.

Nowadays, due to an ever shorter product life cycle, it is necessary to innovate faster and faster to not lag behind the competitors. *These cycles are becoming shorter due to the new experiential trends and demographic growth* (Weiermair, Walder, Perez 2014). "*And today the trend requires memorable experience as a key to get a competitive advantage*". (Walder 2004). In the tourism industry the innovations can give vent to all the fantasies and is not necessary to choose between a "creative destructive" or "incremental" innovation, it could be a good strategy also the import of a model in a place where it does not yet exist, the **key characteristic of the tourism innovation shall be the proposal of new experiences**. Tourism being linked to the territory has a strong dependency relationship with the latter and it follows that even tourism experiential innovation can be efficient or not based on territorial context. To study the characteristics that influence innovation we can consider the Porter Diamond Model of 1990, which studies the forces that drive the competitiveness of clusters, regions or nations. According to Porter, the prosperity of a nation must be created within it and only analyzing the characteristics of a cluster of firms belonging to the same region will be possible to adopt an appropriate strategy to win the competition with another territory. The forces that Porter analyzed are:**Factor conditions**, **Strategy, Structure and Rivalry**, **Demand conditions**, **Related and support industries**. To these attributes, Porter added the **action of government** and the **role of chance**. Porter also claimed that competition play an important role in innovation, where entrepreneurs, in order to not lose market share try to innovate first, thus succeeding in gaining profit thanks to the acquired competitive advantage. The Italian problem lies in the polypolystic competitive model of the tourist offer of today which is based on a large fragmentation with too many operators difficult to coordinate and that prefer to compete between themselves, on prices and not on quality, rather than with other destinations. Regarding the innovation, **the incentive in perfect competition(polypolystic) is very low** because a small firm investing alone cannot produce a non-imitation product and a large number of competitor in a very short period of time will imitate it destroying the competitive advantage that the first innovator gained after many investments. The **monopolist** on the other hand is **not interest** in spending a large quantity on money for innovation because can continue exploit its advantage

The incentive could come in an oligopoly as *" the **innovation activity is probably the highest in a large oligopoly** with up to ten competitor. Only in such a market situation the companies can reach highest profits"* (Weiermair K., Walder B., Perez S. 2004). The result is that is not necessary to change the competitive model, maybe eliminating actors and concentrating the offer, but ensuring that the objectives will be unified in order to create macro-economic entities that move in the same direction and that include a vast number of actors. We must neither hope for a monopoly, nor eliminate competition, but we must create an oligopoly of macro-actors.

Another important reason to support the cooperation between the tourist actors of a specific destination lies in the internal characteristics of the tourist value chain. In fact, the **tourism product is holistically perceived** as a set of services like: accommodations, restaurants, tourist guides, transportation services. Unfortunately today, especially in Italy, examples of this synergy are found only in the territorial marketing that promote specific region or single cities with a large Umbrella brand able only to promote the various services present in the territory, but should be developed a new holistic holiday system with a new core identity, around which we must innovate the services to make them all consistent with the new image that we want to sell.

Tourism entrepreneurship ecosystem

The territorial analysis must therefore necessarily go through the study of the Tourism Entrepreneurial Ecosystem which has its own focus on the role of tourism entrepreneur.

We must understand the vision and the roles of the different stakeholders, and how they collaborate, share the risk and manage the governance of the destination. Tourism differs from other industries precisely because the competitive advantage intrinsic in specific destination lies in the environmental and cultural characteristics, so to continue to be considered as a tourist destination must evolve to stay abreast of the times, maintaining at the same time its core characteristics. In order to achieve only excellent results, such as creation of jobs, generation of income and improvements in the quality of local life, without ever destroying equilibrium, it is necessary to develop new forms of tourism where the local population can best coexist with tourists. but to do this it is necessary to spread a new entrepreneurial culture that points to a sustainable tourism

Applying the 6 domains of Isenberg to the study of Italian tourism ecosystem is evident that the situation is not so drastic and with a structured plan the success is assured:

1)Finance Italy and especially the regions lagging behind are one of the key objectives for Europe, which for the 2014-2020 program has allocated EUR 8 billion of Euro for the ERDF

2)Human capital The education is more focused on practical aspects with an entrepreneurship culture almost absent and just few excellences in the university education programs. The Italian tourist entrepreneur have no culture for innovation and continues his activity following the old traditionally model, inherited from generation to generation

3)Policy and regulation. the regulations enforced by the Italian State, all the regions have also approved individual laws on tourism, but the big lack is for laws that not only regulate tourism but that are not able to promote tourism entrepreneurship, and above all promote tourism cooperation.

A hope, however, comes from the Minister of agricultural policies Gian Marco Centinaio who in July 2018 proposed the establishment of a great tourism-agriculture cooperation ministry for the "marketing" of Made in Italy.

4)Culture and social norms Under the cultural point of view, Italy is facing problems rooted in the culture and in the way of life of the Italian people, too focused on internal competition and not able to understand what could be the advantage of cooperation

5)Supports Italy being a country of the so-called first world has quite good infrastructures, the only structural problem lies in the strong gap between the north and south in terms of railways, motorway connections and public transport.

6)Market. Today's strategy is just related to the improvement of the offer to grab the market shares of other entrepreneurs operating in the territory. Instead the right strategy is to invest in increasing the general demand of the offer, and looking for new target customers in an international context, exploiting the advantages of globalization, technological development and the international network.

The GEM Entrepreneurial Framework Conditions in Italy

Considering the **Entrepreneurial Behaviour and Attitudes** of the GEM Italy report, we have as a result a picture of Italian entrepreneurial culture enough disappointing. Among all the fear of failure and the entrepreneurial intention to undertake are those with more detachment.

Considering the TEA (Total early stage Entrepreneurial Activity), a rate that considers all new companies with no more than 3 and a half years of activity, Italy is between the last positions among the major world powers with a value in 2017 of 4.28% of the population engaged in early stage entrepreneurial activities, compared to an overall percentage of 12.46% (GEM Italy 2018). The situation improves if is considered the Innovation Rate, where Italy gains a position compared to other countries, but this value, compared to the TEA, confirms the fact that innovation is carried out by big companies and not by new entrepreneurs innovation.

Considering the results of the **National Expert Survey (NES)**, the Italian experts gave unfortunately an almost unanimously negative opinion on the Italian situation. Especially on the "Government Policies" The reasons behind these shortcomings are to be found both in the great load of bureaucratic obligations that an entrepreneur must face in founding a new business

The evaluations are better for R&D Research, Internal Market Dynamics and Entrepreneurial Education at the Post School Stage, all information that confirm the presence of innovation and entrepreneurship culture as a strength for the Italian business system, but always from the point of view of companies already operating and not new entrepreneurs.

3 "STRUCTURE OF THE ITALIAN HOTEL OFFER AND RELATED INNOVATIONS: THE INNOVATION OF THE "ALBERGO DIFFUSO"

With regard to the main definitions of the categories of tourist reception activities, the relevant legislation is the **Legge quadro 17 Maggio 1983, n. 217**: the Framework law for tourism and measures to upgrade and qualify tourism, in particular, articles 6 and 7 frame the different categories of accommodation facilities, explaining characteristics and classification. The current legislation, however, is not able to manage and to control the new models of non-traditional hospitality, because the new booking methods developed through Internet and the establishment of innovative concepts such as holiday homes, new type of B&B and condohote, are transforming the Italian hospitality offer and the regulations on the matter are still poor and not in step with the times

The ferment of the development of non-hotel activities is evident from the ISTAT statistics of 2018 concerning the number of accommodation facilities, rooms, beds and bathrooms. The results shows how non-hotel structures are growing at a very sustained pace, in fact they increased from 145,283 structures in 2016 to 171,915 units in 2017, with a growth of 18.3%; while hotel facilities decreased from 33,166 units in 2016 to 32.988 in 2017, with a decrease of 0.5%. The valuation is even more worrying considering the most common type of hotel: the 3 stars that represent 46.2% of the total offer in terms of reception facilities. All data that confirm that the accommodation offer has low quality as also the **REAG** (Real Estate Advisory Group) report states : "*inadequate structures from the point of view of structural and dimensional standards, energy endowments and services offered compared to the European average .. Demand and supply expectations remain distant, the scarcity of quality and income products, in addition to the high impact of property taxes, discourage investments in the Italian hotel sector by institutional operators* " (Evelina Marchesini 2016). The same REAG report, however, presents also good hopes as it presents from the demand side a fairly positive trend for Italy which results in a *favorable conjuncture* from the point of view of arrivals *also caused by international insecurity*. At the same time the value of investments in hospitality facilities is increasing so much that in 2017 investments have reached 3 billion euros and at the end of 2018 will reach 3.2 billion (Scenari Immobiliari 2017). From the REAG report, it is also clear that Italy is the European country with the largest number of hotel rooms, the fourth in the world after the US, Japan and China. This fact, however, is not encouraging for tourist entrepreneurs who, due to the high offer, have rates of profitability that do not always repay the real estate investment. The reason for the low performance, in particularly of the trophy segment, lies in the fact that this type of property in Italy has the highest market value, but the services that are implanted within the structures are often not up to date and therefore they do not generate a worthy return. This despite the trophy assets should be the leading segment in Italy consisting of those buildings with excellent location and high architectural level and finishes, a type of real estate unique in the world that is increasingly sought after by today's international tourism. From this analysis follows a necessary intervention by the Italian State to contain the number of accommodation facilities, especially if these lower the overall quality of the offer.

The bed and breakfast revolution led by the innovation of Airbnb. The gentrification problem

The revolution of this innovation is destroying not only quality of the accommodations offer, eliminating the basic services of the hotels, but is destroying also the urban ecosystem through a process of massification and uncontrolled enlargement of the offer, facilitated by new online rental platforms, which are definitely changing the face of the most tourist cities in the world making them become theme parks and no more cities lived by their citizens. Among all the innovations of recent years that are driving the market in this direction, perhaps Airbnb got the lead role following the trend of bed and breakfast, and satisfying the new needs of tourists and landlords. On the tourists' side with more independence, and making them feeling part urban context as a local citizen; from the point of view of property owners, Airbnb *has created a new category of rental housing, the short-term rentals, eliminating the lacuna between traditional residential housing and hotel accommodation (*Wachsmuth David, Weisler Alexander 2018). But if the purpose was positive the uncontrolled development is creating a big opposition, which stems principally from tenant associations, legal hotel accommodations and regional governments. the problem raised by these actors is related to the effect of short-term rentals on the house rental market, particularly in cities and neighbourhoods with high tourist demand; where, because the rents are higher for short term rentals than long-term rental and the landlord prefer to cut the offer for residential rental, causing a consequent surge in rents. Like in New York were "Airbnb took approximately 20% of houses off the market in certain area of Manhattan and Brooklyn, and up to 28% in the East Village"(Roy Samaan 2015)**.** Another problem was highlighted by Murray Cox who discovered that in the 72 neighborhood of Manhattan 74% of the hosts are white, and the same in the black districts have earned 159.3 million dollars while the blacks only 48.3 million. For Cox in the black majority neighborhoods where Airbnb is spread, the process that is taking place is *"racial gentrification".* The consequence of this process is that citizens abandon their own neighborhood, leaving a distorted context where the local identity is lost every day more and more. Without a regulatory plan, it will trigger changes in the ecosystem, which in the long run will destroy the same. What is the consequence of all this? **Gentrification**.

Things are not better in Italy, actually this phenomenon of gentrification or we could better say of disneynalization is very serious in some cities such as Venice or Rome and it is becoming so in others like Florence or Naples. Unfortunately, in Italy the number of non-regular structures in some cities is at least ten times greater than regular ones, comparing the number of declared accommodation facilities ,hotels and non-hotels (Istat 2018), with the number of accommodation facilities on Airbnb (InsideAirbnb 2018). The problem lies in the fact that the entrepreneurial figure that is emerging is not really a valid figure for the ecosystem as the entrepreneur of the short rent is not a real innovator and is not creating or finding an opportunity, he is simply following a flow. In Italy it is necessary new entrepreneur who knows how to meet the demand of the owners of the apartments to earn some euros, to meet the needs of tourists who want independence and want to be part of a social context; but at the same time know how to ensure quality and not destroy the urban ecosystem. The best solution then as suggested by the SET is to create a territorial network where various stakeholders from the same territory cooperate to transfer the tourist flow also in the suburbs and in other villages not yet touristic; on the practical level of property management, however, the "Albergo Diffuso" could be the best **solution** because it is the only innovation that satisfy the interests of all the stakeholders of the ecosystem.

A respectful innovation in the tourist offer: The "Albergo Diffuso"

The concept of the "Albergo Diffuso" (AD), was born in Carnia in 1982, following the project "Progetto Pilota Comeglians" of the writer Leonardo Zainer who led a group of local stakeholders whose idea was a recovery of the village after the earthquake of the 1976 through e new hotel concept based on a central body where the basic services of the hotel were located, while the rooms were widespread within various apartments in close proximity to the central body (Albergo diffuso Comeglians 2018). The key advice for the development of the model came from **Giancarlo Dell'Ara**, a tourism marketing professor who can be considered the founder of this model of hospitality and that established the key characteristics:

- A **unified management** of the structure;

-**The offer of hotel services**, and relative comfort for all the guests accommodated in the different buildings that compose it (from the restaurant service to the breakfast in the room);

- An **"authentic" environment** made up of prestigious, renovated and furnished homes not "for tourists", but for residents, even if temporary;

-A small village, with a few hundred inhabitants, but alive, lived, animated, with all the basic working services (from the newsstand to the pharmacy, to the shops, to the church). (Giancarlo Dall'Ara 2015, 25) Regarding the "Albergo Diffuso" Regulations, today, in Italy there is no common legislation but in all the regions there is a different regulation even if for some there is just a simple mention.

For the legislation process it is important to understand that concept of the AD is not a static model, Dall'Ara in fact **left the possibilities for the model to adapt** to various contexts **through the** definition of the concept of **"Ospitalità Diffusa**" and a list of different models such as: "Albergo Diffuso di Campagna", "Residence Diffuso", "Paese Albergo", "Villaggio Albergo", "Case Albergo". Just few models have already been implemented and the possibility that others could come out are not excluded and will depends on some territorial needs. The competitive advantage of the "Albergo Diffuso" is the change in the offer that is no more a simple room but the experience of making the tourist live as **Temporary Resident** through a series of strategies able to transmit the Authenticity of the local culture and the value of the Human Heritage and the territory

Relationship between the AD and the entrepreneurial ecosystem

The role of the AD entrepreneur so, states in the helping a small ecosystem to survive avoiding lose the local authenticity. It would be also easy to restore the economy of certain territory starting from the touristic point of view because as we saw previously, tourism differs from other industries because the competitive advantage is intrinsic in the specific destination and lies in the environmental and cultural characteristics, that is where Italy is still globally considered as one the most important power; and among all the tourist models, the AD one could be the best solution as it will consider any authentic place as tourist destination, making it evolve over time, but maintaining at the same time its historical characteristics that will be the core of the project. Regarding the Isenberg pillars of the AD EE the results are:

1)**Finance.** all the various tourism development financing plans could be applied also to the AD

2)**Human Capital.** The attention of the AD must be focused on the **citizens** and the **staff** that need to be prepared to welcome and integrate the tourists.

3)**Policy and Regulation.** In Italy is absent a single regulation for the AD and consequently there is no particular regulatory attention on the entrepreneurial figure as a developer of an AD.

4)Culture and social norms. Italian people do not lack culture for hospitality. However, the culture of coordination and the awareness, on the high potential that Italian villages have, suffers a big lack

5)Supports: eliminating just the infrastructural North-South gap

6)Market The market is perhaps the only factor that does not need any intervention, it is just necessary to create a strategy to let the possible tourist know that there is a model that can satisfy his needs and that allows him to experience the Italian authenticity. According to the Tripadvisor report, the TripBarometer of 2014 that has studied the preferences of tourists all over the world, it shows that Italy together with Australia is the first country as *"Dream destination"* with a percentage of preferences of 32% and the reason is for the 31% "Experience the authentic culture of the destination"

Which target is addressed and how is it achieved? The different types of marketing in the AD

From the results of the TripBarometer we know that there is an high potential tourism demand in Italy, and that are different targets and different social groups, but to transmit to the potential tourists a message that can make them understand that what they are looking for and would like to experience exists, it is necessary a marketing strategy that does not simply offer a product but that can express the qualities of the new entrepreneur who is able to offer personalized experiences based on the needs of the client and thus transmit an authentic holiday experience. It would be possible through a sum of : **Relational Marketing, Narrative Marketing**, **Experiential marketing**, **marketing of the memory**. All these marketing strategies are not mutually exclusive but must be applied synergistically, having as its common thread the differential positioning that the concept of "Albergo Diffuso" wants to transmits : the story and experience.

4 INTERVIEWS WITH SOME SUCCESFUL MODELS OF OSPITALITÀ DIFFUSA TO VALIDATE THE CONCEPT

To validate the thesis that the AD model could be a perfect solution to solve the Italian problem of the quality of the offer and the gentrification it was decided to interview some successful models to understand the reasons for success and the applicability in different contexts.

The operators were chosen in different regions and oriented to different targets to understand what are the determinants that pushed the entrepreneur to start the AD business, how he/she managed to succeed and how the AD impact on the ecosystem and vice versa. The topics around which the questions have been asked are: The role of the entrepreneur, how the idea went out, the impact on the territory, the internal organization, the competitive advantage, competition, future perspectives, marketing politics and a quantitative balance of the composition of the arrivals.

The interviews started with Ezio Occhipinti of “Scicli Albergo Diffuso” and “Sicilia Ospitalità Diffusa”, an entrepreneur who created this model of hospitality that is perhaps one of the most successful in Italy. Managing today 80 accommodation solutions throughout the valley of the Sicilian baroque. Ezio confirmed us that **the key to success was in the entrepreneur** who had to be able to transmit the experience of the OD model, looking at the needs of tourists and the territory and not "filling a room" but "selling the experience". In fact, after many experiments he established two criteria of action, distinguishing the two models: "Scicli Albergo Diffuso" and "Sicilia Ospitalità Diffusa". Scicli AD presents all the typical characteristics of Dall’Ara model. In "Sicilia OD" the real innovation that Mr. Occhipinti has introduced lies in having created one of the first reception circuits in Italy, consisting of a **network of houses and producers of experiences** that all together try to make the tourist live a unique experience.

-With the Interview with Valeria Magnanini of “La Locanda del Prete Saragano” was clear how important was the love for the territory in developing the AD, love which came out with the philologically renovation of all the village that made the citizen so happy that today they integrate tourists with the community so much that often they give them some presents like fruit boxes, making the visitors him appreciate the quality of human values.

-From the interview with Alessia Bagnoli and Valeria Cacace of Castel Porrona was instead demonstrated that is important to understand the context before opening an AD, in fact here the competitive advantage was not only the village itself, but also the castle which having been an important historical residence, the restructuring was done with precious materials, attention to details, and the services are all of high quality make this place as a luxury. The **luxury positioning** it will therefore implemented in the future as the plan is the complete acquisition of the village, and in this way the hotel should then be framed in one of the other models proposed by Dall'Ara, and would be no longer an AD but a "Villaggio Albergo".

-Thanks to the Interview with Marisa Raggi of “Al Vecchio Convento AD” we had a confirmation that besides the excellent reception and the renowned restaurant, a series of **authentic experiences** could be the competitive advantage**,** as here lies in the many experiences offered which allow tourists to generally stay a week. The real strength is the **personal guide** that they offer for all this activity, an hotel employee who accompanies tourists all around with a van.

-With the Interview to Cecilia Cecchini Bisoni of “Castello di Proceno AD”, was confirmed that the **warm and familiar climate** that owners and employees transmit to customers is a real strength.

From the comparison between the answers comes the validation of the “Ospitalità Diffusa” model. All in fact confirmed that a strategy based on a new type of offer focused on the experiences can be the right strategy to eliminate the gap in Italian tourism offer and thus increase the international positioning of Italy as a tourist destination, and have an assured success, but it is important to adapt the philosophy correctly understating the real soul of the territory. With a strategy of diffusion of the AD model, Italy would move in the opposite direction to the rest of the world, aiming at authenticity and experience, will propose a model in opposition to the process of globalization which today wants the hotels all alike in all over the world. All the entrepreneurs to the question: “What is your competitive advantage?” answered that the experience of **'temporary resident'** together with a varied range of experiences is the real strength. The AD model would be perfect because it will satisfy all these needs but without distorting the context and offering tourists more advantages and services, and at the same time the owners of the apartments will be satisfied too as in the example of Sicilia OD were 79 owners can count on an annuity. The model of the “Albergo Diffuso” in Italy, can be considered a driving project for the entire Italian tourism system, only if we understand that the start-up of a new AD does not happen without criteria, and could not be applied whenever there is a village abandoned and someone who wants to recover it; at the same time the management of the AD does not have to acquire static characteristics as perhaps in some hotel chain proposals. To be successful, the model must be implanted in a context with an authentic culture and must take shape through some essential principles: **Adaptability, Management Unity, Integration**. Another data that comes from the comparison between the 5 interviewed is that the model produces enough revenue, so much so that almost 4 out of 5 would like and expand the project in the same village and sometimes even in other villages, and someone is already doing it. The only one who does not have an expansion plan is Castel Proceno since they do not run the activity specifically for an economic purpose, but to maintain the family heritage.

The result of all this process of authenticity and territorial integration confirms the hypothesis that the model of the AD can satisfy a high-class tourist segment. All respondents confirmed that their average tourist is medium-high, but depending on the accessory services, the target could also reach an extreme luxury segment. Remaining in terms of targets, from it results that in the small villages the target is mainly composed of foreign tourists, confirming that foreign tourists from Italy want a unique experience of immersion in Italian authenticity, approaching the Italian lifestyle at 360 degrees. So it is necessary to study the characteristic of a specific area before any implementation of the model because depending on the final target it would be necessary to offer certain services but in the model of the AD is not possible to build new facilities.

In this contest the Ospitalità Diffusa models with their adaptability, quality and respect for the ecosystems seems to be a perfect solution.

5 APPLICATION OF THE MODELS OF THE ALBERGO DIFFUSO AND THE OSPITALITÀ DIFFUSA TO THE VESUVIO COAST

The Vesuvian coast indicates that stretch of coast of the Gulf of Naples, bordered to the north by the homonymous province and to the south by the Sorrento Peninsula

The territory of the Vesuvio Coast covers an area of 124.66 km²(Gistat 2018) and includes 11 municipalities, on the slopes of Vesuvius which can be considered similar, for social, cultural and geomorphological characteristics. From a geographical point of view there is continuity between all the various towns, but at the same time has a life that spreads among small districts where the communities are at the same time so integrated between each other but independent form the other districts, making the territory look like a group of many small villages. The Vesuvian cities, Naples and its population are **one of the last bastions in Europe of authenticity**, a model of simple life so loved by tourists who really enjoy to see the ladies cooking in the "Bassi" and hang out the washing from one building to another. In economic terms the tourist GDP for the regional Campania is 3.5 billion euro, equal to **3.7% of** the total regional **GDP** (SRM 2015); data that, compared to 13% of the percentage of Italian tourist GDP (WTTC 2018), highlights the substantial structural problems of the tourism sector in Campania. But something is changing, considering the comparison between the data of the same municipalities in 2016 (Booking 2016) which shows that in just two years the accommodations have increased by 174.9%, going from 218 with an average filling rate in high season (August calculated at the end of July), to 609 structures with a filling rate of 76.75% compared to a previous rate in 2016 of 53.5%.

The 11 villages can count on many unique Attractors that every year are chosen by many tourists:

-Cultural attractors : Ville Vesuviane, Royal palaces, Archaeological excavations.

Pompeii, alone, with 3,418,733 visitors, was the second most visited archaeological site / museum of Italy, after the Colosseum (MiBAC 2018). This big numbers are very **encouraging** for an entrepreneur that is thinking about a **possible investment** in the area, as the presences increase every year and on average at a rate of 8-10% from 2014, demonstrating the excellent trend of the Campania region.

-Natural attractors: Vesuvio, Monte Faito, black sand beaches, pebble beaches

-Culinary attractors and routes of taste : Vesuvian specialties all with the designation IGP and DOC, and the Neapolitan cuisine in general

-Local crafts: Made in Vesuvio Coast: shipyards, coral and cameo production, tailoring, the productions majolica, the crib art and the art of furniture restoration.

Application of the Ospitalità Diffusa Model to the Vesuvio Coast

In the Vesuvio Coast a similar model should be applied as Ezio did, with the **two models of the AD and OD that work synergistically**. On one hand a series of ADs should be opened in the various centers, not only in the centers of individual cities, but at the same time it is necessary an OD capable to promote a multitude of services and experiences to make the tourist live the authentic Vesuvian spirit. Moving the focus on the **entrepreneurial ecosystem** for the Vesuvio Coast, it would be necessary to start spread a different entrepreneurial culture and make today's entrepreneurs understand that the big opportunities of the market and that the offer they propose will never allow them to have the success they should really have. Considering the 6 Isenberg pillars it results that:

1)Finance. Europe has allocated 1 billion for the tourism sector in Campania to date the total amount of European funds that has been spent is only 4.19% with a 42% allocation (Irpinia News 2018)

2)Human capital. no hospitality school in the Vesuvio Coast, but high innate culture of hospitality

3)Policy and regulation. Campania has one of the most exhaustive regulations but does not allow the implementation of the model in contexts with more than 10000 inhabitants

the gap between the online facilities for the city of Naples is of 6532 of accommodation (InsideAirbnb 2018) against the 715 registered (Istat 2018).

4)Culture and social norms :great lack of coordination among the entrepreneurs that are so focus on their own activity and in selling as much rooms are they can creating a competition based only on the **war of price**,

5)Supports: metropolitan railway connection between all the cities and the small districts with the neighboring ,National railways, Faito cableway. 3-lane roadway in both directions, six ports

6)Market. With the study of the market it would be clear the big opportunity within this territory, in fact, the new entrepreneur should invest in the territory thinking about the opportunities of the *Pompeii paradox*. How is it possible that, in a territory where we find one of the most fascinating ruins in the world and visited by about 2,978,884 tourists (www.pompeiisites.org 2018), coming from all corners of the globe and in mostly well-off, only 119.355 (Pompei Turismo 2018) remain to sleep in the same town just for 1.9 nights? How is it possible that for about 3 million visitors there is not even a five-star hotel and no starred restaurant and no network of services and experiences that can make tourists enjoy the Vesuvian authenticity?