

level required by the industrial size of tourism market, and can co-operate among public and private subject better than others.

Another trap could be thinking about the co-operation just at the beginning or when things start going wrong. AD always requires a joint promotion (the so-called "co-marketing"), co-ordination about action for competitive strengthening, co-operation in order to develop the tourism and trading identity of the town, mutual activities to improve the inhabitants' life quality, to reach new ones, and so on. «Competition is the key-factor for the prosperity of tourism destinations, and this can only be improved thanks to co-operation and public-private partnership»<sup>2</sup>. So AD is an innovation not only as a tourism offer, but even as an economical device. The ratio between corporate costs and incomes is no more related only to competition but also, and above all, to co-operation

between public and private subjects, and between private ones, or "co-opetition". Summing up: only with a better co-operation we can create prosperity in a little village. SISAD called this co-opetitive advantage. Factors as local identity and individual interest were considered in the past as cultural backward. Considering this factors is now necessary. From these ones, through selection a co-operation, which can lead to better competitiveness and greater economical prosperity, should start.<sup>3</sup>

*The last best practice is managing first informations about the Albergo diffuso and the co-operative way of doing business it requires as one of the key assets for virtuous tourism development.*

<sup>2</sup> Josè Luis Zoreda, World Tourism Organization Business Council, in: *Public-Private Sector Cooperation. Enhancing Tourism Competitiveness*, WTOBC, 2000, Madrid, pg.4.

<sup>3</sup> Source: Sensitization and Business Orientation Seminar for the Albergo Diffuso, Paper 2009.

Presenting the Albergo Diffuso to the Business Community

## Best practices and traps to avoid for Local Institutions

*When a new proposal is presented without detailed informations, often confusion occurs. How can we manage the risk?*

SISAD Letters  
MarketingManagementPart  
neringSustainability for the  
Virtuous Albergo Diffuso

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What are the differences between an AD and Eco-village? Which results they can lead to? How many beds, rooms or houses should we gather together in order to create a certain income?

community-based hospitality can choose between a passive and an active approach. The first one means giving the basic answers to the concerned subjects; the second one requires instead that the institution analyzes it citizens' interest for this kind of enterprise. Both these jobs have no costs, but they are important.

The demand for the Albergo Diffuso is growing nearly everywhere in Italy, while the economical fields which are more affected by international competition are in big trouble. So AD's are a chance of business and involvement to look at.

The experience of AD pioneers tell us now how it's important to immediately choose the approach (reactive or pro-active) to use, considering the inner knowledge, the financial independence and the possible pres-

These are just a few questions that Mayors, Councilors or Employees hear more and more often from their fellow citizens. The local institution which wants to keep a key role within the



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*The first thing to do is describing the advantages and the obstacles, in a compete, detailed and realistic way.*

**Another trap to avoid is that basic information is enough to understand the idea of AD and the way of doing business it requires.**

ence of tourism aims, already set by a tourism institution, which can facilitate the awareness process. People who have received the initial information usually remain interested and want to know more. One of the traps to avoid is to think that this first information could be enough to get an idea of an AD. «Behind the words "Albergo Diffuso" there are the complexity of a project, the ambition of a new way to think both tourism and receptivity, a way which involves restoration and evaluation of town centers».<sup>1</sup>

Most of the complexity of the AD enterprise is due to relationship, both internal and external, that the company must create in order to represent an entire territory, to make it competitive also in low season periods, and so on. Information is needed in this second phase too; its job is no more to bring curiosity, but to make a detailed analysis of the proposal, and to show the "things that should be done", in order to move from idea to decision to action.

Local Authorities can choose from two more ways: to

make the interested people free to search the needed information, or to help them. The risk that these people become too enthusiastic about the idea and get excessive expectations increases as long as the awareness of an AD as a model of territorial development. I think that local institution should lead the interested subjects in this phase too.

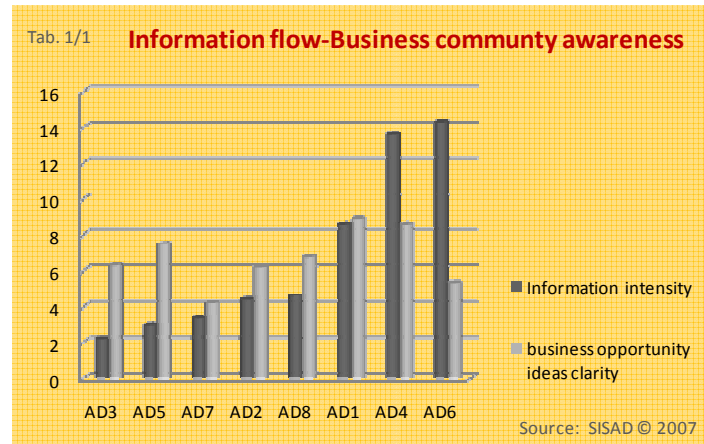
Another trap to avoid about information is to give too much indications, with the risk to bring confusion into people.

In 2007 I found out that information, beyond a certain limit, bring confusion and uncertainty even to people involved in the planning. 37 factors which involve the "information intensity" (number of sources quoted by awareness documents, number of meetings with people, average number of people participating to the meetings, and so on) have been synthesized and linked to 22 factors involving the participants' business opportunity ideas clarity (knowledge of AD concept, knowledge of other kinds of OD, knowledge of pros and

cons of the various formulas, and so on). The following table shows the results of a research taken on 8 planning teams, randomly chooses within national territory.

The research has been taken on a small sample, absolutely not representing the universe of all the existing

is the first is disputed), there were 24 in 2004, 40 in 2006, while the 2008 estimate shows an additional increase. We're only talking about the AD's, not also about other kinds of OD, often non-hotel activities. The increase of the number of alberghi diffusi brings out the problem of making



planning teams. These 8 cases show how the increase of information intensity does not lead to a larger knowledge of the proposal, and, beyond a certain limit, knowledge tends to decrease, while the information level grows. A good behavior which is no more related to the initial information, is to go beyond the important role of awareness leaders.

The pioneering time is actually over. Since the first enterprise in 1995 (which one

the offerings more and more varied and competitive, as it already happens in the traditional hotels' field.

The numbers of agencies and tour operators (the so-called "trade") are also increasing. The first operator which has included the Albergo diffuso in its catalog in 1995 (TO Orizzonti) has been followed by over 20 other ones, both traditional and web-only. This means also the increase of the demand for companies which can reach an organization

**A good behavior is to weigh the quantity of information based on their quality. This must be as bigger as the enterprising and tourism inexperience of interested subjects.**