Sustainable Entrepreneurship Development in the Accommodation Sector: The Case of the “Albergo Diffuso” (Diffused Hotel) in Italy

Angelo Presenza, Department of Economics, University of Molise, Termoli, Italy
Angelo A Camillo, Department of Management, Woodbury University, Burbank, CA, USA
Isabell C. Camillo, Department of Graduate Education and Professional Studies, Niagara University, Lewiston, NY, USA

ABSTRACT

This paper investigates the concept of “Albergo Diffuso” - a new form of sustainable development within the tourism and lodging industry. The authors analyze its main characteristics and discuss its future development and sustainability practices. The analysis includes an assessment of the Albergo Diffuso concept with that of a standard hotel to determine if and how this emergent concept differs from the conventional accommodation by looking at its distinctive features. A data collection through structured interviews with Albergo Diffuso owners in a focus group setting was conducted. Overall, the authors identified the main characteristics of the Albergo Diffuso: it offers similar and unique amenities of a typical hotel brand, it contributes to the creation of new sustainable enterprises, and it contributes to the development of new sustainability policy for marginal regions. They also evaluated the challenges and opportunities this new entrepreneurial concept faces.

KEYWORDS

Accommodation Small Firm, Hotel, Locally Owned Developments, Small Tourism Enterprise, Sustainable Practices, Sustainable Tourism, Sustainability Indicators, Third Generation Tourist

1. INTRODUCTION

The purpose of this paper is to investigate the main characteristics of the “Albergo Diffuso”, henceforth AD, a new form of accommodation small firm, growing in popularity in Italy and still largely unknown within the international context. The purpose is to identify successful operations and practices to improve knowledge of tourism sustainability practices and to increase the destination’s accommodation capacity in a more inclusive and locally controlled manner.

In recent years, this emerging accommodation typology has caught the attention and interest of tourists, professionals, and institutions as a new form of “Small Tourism Enterprise” (STE). Although limited in the body of literature, research initiatives have been undertaken in Italy to analyze and gain an understanding about this type of accommodation and its contribution to sustainability (Paniccia & Valeri, 2010; Paniccia et al., 2010; Confalonieri, 2011; Vallone et al., 2013; Silvestrelli, 2013). However, the relationship between this new concept of small tourism businesses and sustainability is still under-researched. Our research includes a critical review of the literature to investigate the nature of sustainable practices and characteristics of hotel firm context of small scale, often considered a
viable entrepreneurial form for a more sustainable tourism development (Bramwell & Lane, 2012). Important to this framework are the small locally owned tourism enterprises, which are viewed as one of the vehicles by which the economic, environmental, and socio-cultural benefits of tourism can be spread. However, to better understand how the Albergo Diffuso, a form of Tourism Small and Medium Enterprise (TSME), can help tourism destinations progress towards sustainability objectives, remains challenging. To verify the appropriateness of the AD as a form of a more sustainable tourism development, a set of sustainability indicators can be used to support and justify the present study. In fact, the main assumption is that a coordinated and harmonious spread of this type of hotel can ensure a more sustainable development of tourism for marginal areas. Its different components - economic, environmental, and social and, as a consequence, to prevent that too many inappropriate or poorly operated small-scale developments in the wrong location could proliferate – the result being just as harmful and unsustainable as a single large development (Budeanu et al., 2015). An overview on the concept Albergo Diffuso is presented out below.

**2. ANATOMY OF “ALBERGO DIFFUSO” WITHIN THE CONTEXT OF “SUSTAINABLE FORM OF ACCOMMODATION”**

The idea of the Albergo Diffuso was launched in 1998 by Giancarlo Dall’Ara, currently President of the Associazione Nazionale Alberghi Diffusi (National Association of Diffused Hotels). The Italian term *Albergo Diffuso* (AD) can be expressed in English as “horizontal hotel”, “multi-building hotel”, “integrated hotel”, or “diffused hotel”.

AD is configured as a niche form of hotel accommodation that is very different from apartment rentals, which represent more of a “residence”, where typical hotel surroundings and services are not offered. It has the typical characteristics of a hotel such as accommodation, assistance, catering, and common spaces and facilities for guests. It differs from a conventional hotel because it has several distinctive characteristics that have been formalized in a set of guidelines produced by the Italian Association of Albergo Diffusi.

The term “diffuso” (diffused) denotes a structure that is horizontal, and not vertical like the one pertaining to standard hotels, which may not always be visually appealing. The reception, the rooms, and the ancillary services are located in different buildings, although close to each other. The various facilities are housed in existing older buildings that have undergone a careful process of restoration and conversion, which must comply with the local laws and regulations. The intent is to give guests the opportunity to have direct contact with the local culture and experience an authentic representation of resident life in the community (Camillo et al., 2015). The AD may be seen as a tool for preventing the depopulation of small towns and for recovering abandoned villages. In this way, “local development is based on sustainable principles as it uses existing housing and re-employs often abandoned techniques and materials. This revival creates new landscapes that are still meaningful in the sense of local identity and attractive for potential tourists” (De Montis et al., 2015, p. 13).

The key requirements of an AD, as regulated by the National Association of Diffused Hotels, are:

- The presence of a living community (usually a small village with a few hundred inhabitants);
- A (simple) management structure;
- An environment that is “authentic” made of fine homes completely renovated and furnished;
- A reasonable walking distance between the guest rooms and common areas, usually no more than 300 meters (approximately 328 yards);
- Non-standard professional management, consistent with the proposal of authenticity of experience, and with roots in the community and region; and
- A recognizable style, an identity, a common feel that is identifiable throughout the facility buildings.
Public Perception of Costs Associated with Major Sporting Events
www.igi-global.com/chapter/public-perception-of-costs-associated-with-major-sporting-events/119260?camid=4v1a