



ALBERGO DIFFUSO
DEVELOPING TOURISM THROUGH INNOVATION AND TRADITION

IDEASS^{ITALY}

Innovation for Development and South-South Cooperation



Presentation

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A new tourist is now approaching global tourist markets. The “third-generation” tourist. The “first-generation” tourist, was he who in the 60’s initially conquered the “right to take a vacation”, and who was not focused on the type of structure he was being hosted in. The “second-generation” tourist, or the “mass – tourist”, was he who was interested in standardized services and in finding everywhere in the world the same comforts he had at home. This new tourist whose relevance and presence on the international tourist markets is rapidly increasing, on the contrary, has the desire of living a unique vacation, experiencing new and different places, receiving personalized services and looking for authenticity and immersing him/herself within the local cultures, in unique situations, difficult to be replicated. He is not only interested in visiting a new place, but also in living it. The third-generation tourist wants to experience the possibility of establishing new relations, not only with the other guests of the hotel, but mainly with the residents of the locality, adding the search for warm and sincere relations to the privacy anyone of us wants when times come to relax and spend free time.

An Albergo Diffuso responds perfectly to the needs of the “third-generation tourist”. It is a particular type of hotel conceived to provide to the guests a unique experience of living a historical centre of a town or of a village. It provides all the services of traditional hotels (welcoming, assistance, common spaces, meals), although the rooms are scattered around the historical center, within a radius of approx. 200 meters from the centre and the heart of the hotel (the reception, the common spaces, the restaurant). The rooms and/or apartments are set within palaces and apartments which, being part of the historical centre, and being appropriately restored according to the local culture, immediately provide the sensation of “being local”.

An Albergo Diffuso represents also a unique development approach which doesn’t carry negative environmental impacts. To create it nothing has to be newly constructed, since it is just necessary to restore and recuperate existing houses and apartments according to the local cultural and historical backgrounds, and to network what already exists.

Often it acts as the most relevant stakeholder on the territory stimulating the local existing and potential entrepreneurs in creating new businesses associated to the increased tourist demand that it brings, mainly in the most traditional sectors such

as local gastronomy and handicrafts. It promotes and manages, together with local municipalities and the other existing actors, new activities capable of re-positioning the territory on the tourist market, such as events, specific training courses in traditional sectors (local cuisine, local sport events, artisanship, etc.). New businesses are hence generated which associated to this new form of hospitality provides visitors more an experience of “temporary residents” of the area rather than that of “traditional tourists”. An Albergo Diffuso in fact, thanks to its authenticity, to the vicinity of the structures that compose it, and to the presence of a lively local community, more than a period of pure holiday, proposes the acquaintance of a new life style. This point of strength is capable alone to generate enough economic turnovers because it “de-seasonalizes” demand contributing to the emergence of new tourist destinations that usually are off the beaten track.





What problem does it solve?

The **innovation** originated initially in Carnia in the Italian Region Friuli Venezia Giulia, in 1982 within a technical working group whose aim was to recuperate small centers which were destroyed after the earthquake that devastated the territory in 1976. Successively the model has been engineered by Mr. Giancarlo Dall'Ara and has been recognized for the first time by the Sardegna Region with a specific regional law. At present approximately 35 structures exist in Italy, and many more are about to be launched. BIC Lazio, with the collaboration of Mr. Giancarlo Dall'Ara, clearly defined the model and defined the paths to be undertaken to arrive to their creation and defined a specific set of services to support the entrepreneurs and local administration willing to grasp the potentialities of this innovation.

Initially the Albergo Diffuso was thought to respond to the need of restoring houses set in beautiful historical centres that were not attractive as tourist resources. This innovative model of hospitality was firstly recognized by the Italian Sardegna Region, which provided a first definition within its regional tourist law. Successively other regions have added definitions of Albergo Diffuso providing it the same dignity of other more traditional forms of hospitality, such as bed and breakfasts, hotels, rural farmhouses, chalets.

ALBERGO DIFFUSO	
<p>Feeling at home</p> <ul style="list-style-type: none"> Courtesy and Kindness Authenticity Non-standardized rooms Local and warm furniture Attention to the details Link with the territory Contacts with local residents Informal environment 	<p>Feeling in a hotel</p> <ul style="list-style-type: none"> Provision of professional services Efficiency Easy booking Variety of tariffs, according to the different rooms Comfort Wide range of services Contact with other guests Privacy



The main advantages of the Albergo Diffuso, compared to traditional hotels are:

- It generates a high quality tourist product, expression of local areas and territories without generating negative environmental impacts (nothing new has to be built, existing houses must be restored and networked).
- It helps to develop and network the local tourist supply.
- It increases sustainable tourist development in internal areas, in villages and hamlets and in historical centers, in the off-beaten tracks areas increasing the supply in the tourist market.
- It contributes to stop the abandoning of the historical centres.

In particular, it promotes participation within the local communities since:

- Everyone becomes aware of the advantages in terms of image, social life, economic returns and of preservation of the resources which it can bring
- The public administration can contribute providing the common spaces (typically a non-productive space) and new services which can increase the demand (such as improving the accessibility of the area or restoring new services such as libraries, congress halls, sport facilities etc.)
- The local associations can increase their activities organizing new events and new personal assistance services.
- The owners of the houses start to look at their patrimony in a different manner, with the "tourist" eyes they identify problems and common solutions to solve them.

- The local enterprises in the service sectors, in the agro-food and wine sector, in the handicraft sector will participate because they see the Albergo Diffuso as a means to increase their own turnover, because of the induced increase in the demand.



The Albergo Diffuso in practice

It is therefore possible to state that an Albergo Diffuso is an innovative form of hospitality that can bring, both during its realization and after its start-up, sustainable development, triggering economic animation and providing opportunities for the balanced utilization of the local resources and tourist potentialities.

Initially the idea should be launched within a participated animation event where the local administration and/or other subjects that work for the local economic development of the area present the underlying advantages to the local population, and in particular to the existing economic operators and the owner of the houses.

An Albergo Diffuso is usually created if the following conditions are met:

- The idea has been launched within the local community and the residents have learned the advantages that can come from the innovation
- Therefore local actors are interested in working together
- A unique management unit can be created and is willing to take most of the entrepreneurial risk. The unit can be either a single entrepreneur, a cooperative, or any other most suitable form of productive association
- There exists a reasonable number of rooms (minimum 7) located at a reasonable distance from each other (not more than 200 meters), that can be put at disposition of the Albergo Diffuso for a long term (Minimum 9 years)
- The town or village is able to provide minimum services to the guests (existence of a pharmacy, of a food store, a coffee shop, etc.)
- The surroundings of the area should have some appeal (countryside, sea, mountains, archaeological sites etc.).
- The town or village is inhabited by a lively and welcoming community ready to share experiences with new-comers and to spend quality time with the tourists.

An Albergo Diffuso is mainly created in two ways.

- In the first case an investor purchases or rents the apartments and/or the houses and becomes the manager of what effectively is a “hotel which cannot be seen”.
- In the second case a group of local actors creates a consortium and delegates to a private subject (e.g. a cooperative) the management of the structure.



In both cases the role of the local administration is to “incubate” the project idea to support and incentivize it (e.g. facilitating legal aspect, investing in local infrastructure and/or in urban décor).

The paths that leads to the creation of an Albergo Diffuso starts from a territorial analysis which has the aim of verifying the existence of the aforementioned conditions, and passes through a promotional phase, which includes entrepreneurial scouting, through a technical phase, aimed at producing a sound business plan, and arrives to the provision of start-up support to the management unit (financial services).

Furthermore it may be necessary to support local administrations to re-arrange development plans of the towns in order to favour the incubation of the project idea and of the new start-up.



Results

The **impact** of the innovation can mainly be illustrated at the local level since an Albergo Diffuso ignites local development where tourism can be a leading sector if properly stimulated, although, in order to achieve the highest level of positive impacts, regional and national

administrations must adopt such a model, rendering it possible in legal and economic terms. Laws on tourism must be renovated in order to formally recognize this new type of hospitality giving it the same dignity of traditional hotels and of other models of hospitality. This would make it possible for the entrepreneurs and the local administrations that wish to adopt this innovation to access financial and non-financial services which are usually dedicated to SMEs and to entrepreneurs. Specific credit schemes and/or public financing mechanisms could be set up to support the creation of Alberghi Diffusi, since their underlying philosophy is to promote local entrepreneurship, restoring historical centers and combating their abandon through their revitalization, having Alberghi Diffusi not only an economic but also a strong social return.



Since there is no environmental impact, and there is nothing “new” to be created, this innovation can easily be reproduced in other countries and can represent a possibility for their territorial development. The approach described is easily reproducible since it doesn’t involve complicated technical aspects, but it involves high capacities in tourist marketing and in facilitating participatory approaches to development.

Being based on the valorisation of endogenous potentials it is a highly sustainable innovation in economic, institutional and social terms. Specifically, in institutional terms, a viable Albergo Diffuso will be effective if there is the agreement of the local actors of the area and in social terms it is sustainable because it mainly applies to areas which are considered marginal, usually out of the ordinary development schemes and models. A successful Albergo Diffuso is also economically sustainable because it is a market-driven innovation that properly works when there is a demand for this new type of tourism.

The following examples represent two very different cases of Albergo Diffuso born under different circumstances and with different approaches.



VILLA RETROSI

The **cooperative** La Conca Amatriciana was set up in 2001 and had the aim of supporting the revitalization of Retrosi, a small fraction of the municipality of Amatrice, set in the province of Rieti in the Italian Lazio Region. The objective of the cooperative was to implement activities which, through the support of entrepreneurial activities, would stop the abandoning of the residents of the village. The establishment of the Albergo Diffuso Villa Retrosi, seemed the proper way to stimulate entrepreneurship based on the utilization of the local resources which indicated that tourism was to be considered the leading sector of the local economy.



The **success** of the initiative is proven by the following figures:

- The number of members of the cooperative has grown up to 37.
- The capital of the cooperative at present amounts to € 500.000,00.
- The Albergo Diffuso started in 2002 with only 3 apartments; while at present 14 are part of it. Other 5 will be ready in 2009.
- The real estate value of the apartments in the village (including those that are not part of the hotel) has doubled in the past 3 years thanks to the activities undertaken by the Albergo Diffuso and by the cooperative.
- The cooperative was able to accede to European funds (€ 730.000,00), which have been used to restore apartments and to realize interventions of urban décor.
- In the year 2007 the apartments have been occupied for an average of 80 days each, while normally the "second houses" are occupied for just 15 days a year, providing an average yearly turnover of € 4.000,00 each.
- The break-even point has been reached in 2008 with 14 apartments.
- A club house and a recreational centre with sporting facilities and swimming pool has been realized and is an integrating part of the hotel.
- The tendency of abandoning the village has been inverted. The number of residents has increased of 16 units, and finally it is possible to hear the noise of children playing.
- New small businesses have been generated, in particular, a fruit and vegetable producer which sells its products in the village, a wood producer which supplies wood for fireplaces also to the tourists, and a new camper site.



SETTELUNE

Created in March 2007 with the support of BIC Lazio, the Albergo Diffuso Settelune is set in Montelanico, a municipality in the Province of Rome. The area suffers the vicinity with Rome, although it can count on its nature and its woods being Montelanico one of the municipalities of the mountain chain known as "Monti Lepini".

The **initiative** was launched by one local entrepreneur that saw in the innovation a means to stimulate the local economy and to simultaneously provide income for the sustainment of the family.

The **structure** is composed of 7 apartments and other 7 rooms scattered around a reception that is based in the main square of the historical centre. Having to promote the Albergo Diffuso and the

territory in the attempt to attract tourists in the area, the entrepreneur has networked its activities with other economic operators that recognized the mutual benefit that could spring from a solid collaboration. Various artisans and artists, as well as restaurants and sport facility managers have started to collaborate for the creation of specific tourist packages that will shortly be proposed to travel agencies and therefore to tourists.



International interest

To **demonstrate** the high interest shown by the Italian regions in this innovation it is useful to state that at present 12 regions have amended their laws to include this new model and have opened public financing to it. Other regions are at present introducing it.

Recently interest towards this innovation has been expressed to BIC Lazio and to the Italian Association of Alberghi Diffusi by various countries such as Ecuador, the Dominican Republic, Albania, Croatia and other European countries such as France, Portugal, Austria and Switzerland.

The innovation Albergo Diffuso can support the achievement of the millennium goals. Specifically it contributes to reaching Mg 7 (Ensure Environmental Sustainability) and MG 8 (Develop a Global Partnership for Development), because on one side it supports the integration of sustainable development in country strategies, and on the other side it enhances decent work and employment opportunities in the tourist-related sector, based on the exploitation of local resources.

Furthermore this innovation complies with the Global Code of Ethics for Tourism adopted by the General Assembly of the United Nations World Tourism Organization, specifically with:

- Article 1 "Tourism's contribution to mutual understanding and respect between peoples and societies"
- Article 3 "Tourism, a factor of sustainable development"
- Article 4 "Tourism, a user of the cultural heritage of mankind and contributor to its enhancement"
- Article 5 "Tourism, a beneficial activity for host countries and communities"



The **innovation** won the first prize within the first United Nations Development Program – European BICs Network contest which was held in Budapest in June 2008.

The **innovation** sets its roots in the European tradition of hosting tourists in homes, although this typical form of hospitality has been specifically engineered in Italy. At present it hasn't been transferred out of the Italian boundaries, although, as previously stated international interest has been expressed.

It is **not subject** to national and or international patent. A trademark has been registered by the Italian National Association of Alberghi Diffusi and it is valid at European level. The trademark is managed by the association and identifies the parameters which need to be met in order to be properly defined an Albergo Diffuso.



The following are the actors to be involved in order to transfer the innovation properly in the interested countries:

- National Ministries involved with tourism to analyze the legal aspects.
- The local administrations in order to verify how this new model can fit in their existing development plans.

- Local stakeholders (of the public and the private sectors) involved in the tourist sector to analyze the feasibility.

Where possible, the support of a Local Economic Development Agency or a Business Innovation Centre, which can support local administrations and entrepreneurs providing financial and non financial services.

To find out more

Relevant websites:

<http://www.albergodiffuso.com>

<http://www.alberghidiffusi.it>

<http://www.biclazio.it>

<http://www.sisad.it>



Publications related to the innovation are:

- December 2007, BIC Lazio, "L'albergo diffuso come strumento innovativo per la valorizzazione del potenziale turistico" (available upon request to BIC Lazio. A PDF version can be downloaded from BIC Lazio's website)
- 2005, Giancarlo Dall'Ara and Michele Esposito "Il fenomeno degli alberghi diffusi in Italia", editore Palladino

Contacts

The **Business Innovation** Center Lazio (BIC Lazio) and the Italian Association of Alberghi Diffusi (ADI) can offer technical assistance to the interested countries.

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The IDEASS Programme – Innovation for Development and South-South Cooperation – is part of the international cooperation Initiative ART. IDEASS grew out of the major world summits in the 1990s and the Millennium General Assembly and it gives priority to cooperation between protagonists in the South, with the support of the industrialised countries.

The aim of IDEASS is to strengthen the effectiveness of local development processes through the increased use of innovations for human development. By means of south-south cooperation projects, it acts as a catalyst for the spread of social, economic and technological innovations that favour economic and social development at the local level. The innovations promoted may be products, technologies, or social, economic or cultural practices. For more information about the IDEASS Programme, please consult the website: www.ideassonline.org.

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Innovation for Development and South-South Cooperation



ART - Support for territorial and thematic networks of co-operation for human development - is an international co-operation initiative that brings together programmes and activities of several United Nations Agencies. ART promotes a new type of multilateralism in which the United Nations system works with governments to promote the active participation of local communities and social actors from the South and the North. ART shares the objectives of the Millennium Development Goals.

In the interested countries, ART promotes and supports national co-operation framework programmes for Governance and Local Development - ART GOLD. These Programs create an organized institutional context that allows the various national and international actors to contribute to a country's human development in co-ordinated and complementary ways. Participants include donor countries, United Nations agencies, regional governments, city and local governments, associations, universities, private sector organizations and non-governmental organizations.

It is in the framework of ART GOLD Programmes where IDEASS innovations are promoted and where cooperation projects are implemented for their transfer, whenever required by local actors.