

Passion before profit in hospitality ventures. Some thoughts on Lifestyle Entrepreneur and the case of “Albergo Diffuso”

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Abstract

Purpose of the paper: *This study examines the link between the profile of lifestyle entrepreneurship and the emerging concept of the hotel typology of “Albergo Diffuso”, both of which are contemporary offshoots of their major categories.*

Methodology: *Due to the originality and novelty of the business model, first a literature review was conducted in order to achieve the realization of a clear representation of this new kind of accommodation. Then, a questionnaire divided into three sections was developed, including closed-ended and open questions, and administered to a sample of AD.*

Research limits: *Both topics deserve merit for in-depth investigations since they are under-researched. For this point this research needs new and deeper studies focused on face-to-face interviews looking for the drivers that link the concept of “Albergo Diffuso” to the one of “Lifestyle entrepreneur”.*

Practical implications: *Preliminary results of the qualitative study that used a nine-parameter measurement scale suggest that the “Albergo Diffuso” owners’ profile mirrors the one of the typical “lifestyle entrepreneur”.*

Originality of the paper: *The study confirms the “Albergo Diffuso” as a socio-culturally embedded entity in its location and that AD entrepreneurs possess a high level of personal motivation in establishing their enterprises.*

Key words: *Albergo Diffuso; Innovative accommodation; Lifestyle Entrepreneurship; SME*

1. Introduction

Entrepreneurship, in general, has been studied for more than a century in various disciplines (Ateljevic and Li, 2009, p. 22), with economics being the dominant approach, followed by sociology, anthropology, history, ecology and psychology (Peters *et al.*, 2009, p. 395). Particularly, research on personal traits and entrepreneurial characteristics gained popularity during the second half of the last century (Peters *et al.*, 2009, p. 395). Arising from this context, terms like creativity, risk-taking and proactiveness in addition to locus of control, problem-solving activities and social initiative (Schiebel, 2005, p. 287) were observed as imminent attributes of entrepreneurs. Nonetheless, the local environment, plus the social system, provide structural conditions and opportunities for entrepreneurial activity at individual, collective or institutional levels (Ateljevic and Li, 2009, p. 24).

Many entrepreneurs may be primarily motivated by the intention to make their venture profitable in order to sell their business at the highest share price as quickly as possible. In contrast, lifestyle entrepreneurs intentionally choose a business model that facilitates the growth and development of their business in order to make a long-term, sustainable and viable living, while working in a field of particular interest, passion, talent, knowledge or high degree of *expertise*. Literature indicates that the lifestyle concept is a complex issue, although it may vary within sectors and can exist collaboratively with economic motives. However, it can be argued that the lifestyle phenomenon needs a new momentum in research, which focuses on understanding the interplay of culture, context and social process that provide the architecture for such largely subjective initiatives (Morrison *et al.*, 2001).

Many lifestyle entrepreneurs may work within the tourism industry, where a passion before profit approach to entrepreneurship often prevails (Balachandran and Sakthivelan, 2013). The centrality of way of life motives in running a tourism company has been confirmed in a number of studies (Peters *et al.*, 2009, p. 397) and the lifestyle attribute of tourism firms has been further developed in different conceptual as well as perspectival contexts through a variety of research methodologies.

Several authors have analyzed the concept of lifestyle entrepreneurs in various segments of the tourism industry such as adventure and outdoor activities in New Zealand (Ateljevic and Doorne, 2000); Bed & breakfast accommodation (Hall and Rusher, 2004); farm and rural tourism in Finland (Komppula, 2004); horse-based tourism in Iceland (Helgadóttir and Sigurdardóttir, 2008); surf tourism in Ireland (Marchant and Mottiar, 2011); or combinations of diverse businesses, such as an art gallery mixed with a commercial home in southern Sweden (Andersson *et al.*, 2010).

The main objective of this paper is to expand the knowledge about the concept of “lifestyle tourism entrepreneur” using a contemporary innovative concept in entrepreneurial hospitality development, namely *Albergo Diffuso* (AD), born in Italy only few years ago. The term “*Albergo Diffuso*” means a proposal devised to offer the guests the experience of lodging within the historic center of a town or a village whilst having access to all typical hospitality services such as welcoming, assistance, meals and the use of common areas and related services. AD is often a family-owned, small sized company that utilizes traditional and local resources and culturally valuable surroundings to offer more of a lifestyle rather than a classic stay as a visitor or guest.

In particular, the primary question that drives this research is:

- *Taking into account the main characteristics of the AD owners, can they be associated with the portrait of the so-called Lifestyle Entrepreneur?*

In addition, socio-cultural factors can be great motivators for those entrepreneurs (Williams *et al.*, 1989, p. 1650). It is common to see lifestyle entrepreneurs that have a great passion for their territory and tend to contribute the most to the local community around themselves (Henderson,

2002). One of the main specificities of this category of entrepreneurs is that they are rooted in place and embedded in their local environment. Thus, a second research question that follows is:

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- *Is the choice of the location where to start-up the AD closely linked to personal motivations?*

In order to effectively investigate these research questions, this study is structured as follows: In the theoretical background, the concept and major characteristics of "Lifestyle Entrepreneurship" are explored by means of a literature review pertinent to the subject. A literature review on AD follows with the aim to establish a portrait of this new type of accommodation. In the methodology section, a conceptual approach is employed to explore, analyze and explain the AD phenomenon with relation to the Lifestyle Entrepreneurship profile. Next, the findings from qualitative and quantitative analyses of Italian AD with relation to lifestyle entrepreneurship characteristics are presented and discussed. The conclusion section presents a comparison between the concept of "Lifestyle Entrepreneur" and the "AD Entrepreneur."

2. Background of the Study

2.1 *The Lifestyle entrepreneur*

Much of the modern thought about entrepreneurship derives from Schumpeter who defined the entrepreneur as a "creative destructor" of the economic demand and supply equilibrium (Hall and Williams 2008, p. 202). He characterized the entrepreneur as an individual who innovates, whether on the level of firm organization, in product or service development, in extracting raw materials more efficiently, in rearranging modes of production, in developing novel networks or in opening up new market segments (Peters *et al.*, 2009, p. 395). However, those entrepreneurial innovations disrupt the balance of demand and supply, leading to a destruction of established organizational and economic relationships or formations (Hall and Williams, 2008, p. 202).

It is argued that entrepreneurs have certain characteristics that predispose them to behave in a particular way. 'Risk-taking' and a 'desire for achievement' are often quoted as being key necessary traits. In reality, the picture is rather denser of specificities (Shane and Venkataraman, 2000). In fact, some individuals may have been 'pushed' into self-employment by virtue of redundancy. It follows that it is difficult only to apply an economic approach to the study of entrepreneurial behavior, as non-economic, lifestyle motivations appear as important stimuli to business formation (Ateljevic and Doorne, 2000). Entrepreneurs may decide to become self-employed in order to attain greater personal freedom, more family time and more time working on projects or business goals that inspire them. In fact, several studies revealed that money is not a primary motivating factor in entrepreneurial ventures. They may combine a hobby with a profession

or they may specifically decide not to expand their business in order to remain in control of their venture.

This preamble is useful to introduce the concept of lifestyle entrepreneurship, in which the passion before profit approach often prevails when launching a business in order to combine personal interests and talent with the ability to earn a living. In reality, common goals held by lifestyle entrepreneurs include earning a living doing something that they love, earning a living in a way that facilitates self-employment, achieving a good work/life balance and owning a business without shareholders (Morrison, 2006). The lifestyle entrepreneur is “an individual that creates a business with the purpose of altering their personal lifestyle and not for the sole purpose of making profits. A lifestyle entrepreneur focuses more on the life rewards provided to people that enjoy and have a passion for what they are doing. There is a possibility that the business will do particularly well since the individual has a passion for what he/she is doing” (<http://www.businessdictionary.com/definition/lifestyle-entrepreneur.html#ixzz3QyqEgTMx>).

The idea of the lifestyle entrepreneur is often associated with the one of the artisanal or “craftsmen/women” tradition. Such entrepreneurs dedicate their time, talents and treasure (capital resources) to their enterprises, because the pay-off for them, beyond income and independence, satisfy their clients’ need for self-fulfillment, often reflected as quality-of-life or self-realization. The term is applied “to anyone who places passion before profit, and intends to combine personal interests and talent with the ability to earn a living. (<http://www.forbes.com/sites/martinzwilling/2012/09/09/dont-let-lifestyle-entrepreneurs-be-a-dying-breed/>).

Many lifestyle entrepreneurs derive deep psychological pleasure from interacting with people and are able to function as business catalysts. Their deep passion for the services they render is the driving force behind the establishment and success of an enterprise (Ateljevic and Doorne, 2000). Such lifestyle entrepreneurs take pride in their enterprises, which they view as an extension of themselves. As such, individuals often rank integrity and ‘love for the activity’ ahead of revenue; they are more likely to initially sacrifice personal income in order to grow the enterprise into a financially strong position.

Rather than building upon the traditional entrepreneurial maxim of profit maximization, competitiveness, market orientation and business expansion, the definitions of lifestyle entrepreneurship emphasize the magnitude of personal life aspirations and circumstances of the owner-operators (Morrison and Thomas, 1999). Lifestyle entrepreneurs combine their own leisure interest, personal beliefs, values and way of life with their business. The “lifestyle” prefix is multifaceted, context dependent, determined by socially constructed values and meanings that the entrepreneurs have selected for themselves or that have been forced upon them. Beside, material economic factors, locational, familial, personal, experiential and technological key variables determine the value systems of lifestyle entrepreneurs as well (Morrison *et al.*, 2001). Those incitements are fluid in nature as they develop over time with the life course of the entrepreneurs (Marchant and Mottiar, 2011, p. 28).

The search to distance themselves from a suffocating market environment has provided a niche opportunity to simultaneously engage with that market on their own terms and to sustain their businesses in socioeconomic terms. The innovative and creative attributes of these individuals closely resemble Schumpeter's observation of entrepreneurs as dynamic elements in the economy, despite their efforts to limit the growth of their own businesses.

Hall and Rusher (2004) point out the importance of incorporating lifestyle goals within development models of entrepreneurship processes as those objectives are essential in understanding small business performance plus entrepreneurial success in addition to the spatial dimension of lifestyle and amenity factors as location determinants of tourism ventures.

Lifestyle entrepreneurs start their businesses to be their own bosses and to follow their passions. Income generated is part of the owner's personal income. The legal structure is simple, usually a sole proprietorship. Start-up funding usually comes from personal savings and family. The lifestyle entrepreneur chooses a business model to make a long-term, sustainable and viable living, working in a field where they have a particular interest, passion, and talent. A lifestyle business becomes an integral part of an entrepreneur's identity and their life. If, and when, the time should come to "exit" from the business, they will often seek to transfer it to a family member, or simply shut it down. They are engaged at the transaction level meaning that they want to interact with customers, and "touch and feel" the product every day.

A lifestyle entrepreneur enjoys being visible and active in the local community where they usually benefit and enjoy being a part of local civic organizations. This remarks the significance of the socio-cultural embeddedness of lifestyle entrepreneurs and may be highly significant in the tourism context. Ateljevic and Doorne (2000) take on this issue of cultural context in their study among micro-firms in New Zealand. They look into lifestyle entrepreneurship in tourism from organizational, market, cultural and industry related perspectives and conclude that: "*A growing number of small-firm owners elect to 'stay within the fence' in order to preserve both their quality of life in their socio-environmental contexts and their 'niche' market position catering for travelers similarly seeking out alternative paradigms and ideological values*" (Ateljevic and Doorne, 2000, p. 388). While small businesses may not transform industry sectors and societies in the same way that Disney and Hilton have, they can provide a valuable contribution in embodying an entrepreneurial spirit and vitality that has the potential to contribute significantly to the vitality of place (Getz, 2004). In expressing the local character of place, entrepreneurs may contribute to sustain the natural environment and culture. In this way, these entrepreneurs act as custodians driven by their commitment to maintain and valorize traditions and aspects of a specific place (Getz, 2004). It follows that this type of tourism enterprises not only reflect lifestyle motives generally but also, in certain circumstances, more specific lifestyles that reflect new forms of tourism consumption (Shaw and Williams, 1998). In this sense, Ateljevic and Doorne (2000) find that tourism lifestyle entrepreneurs in New Zealand provide unique opportunities to engage with niche market consumers informed by values common to themselves within rapidly segmenting markets. While lifestyle-oriented

businesses may present opportunities in terms of tourism development, they also often pose challenges and constraints in terms of innovation and growth at the destination level (Stone and Stubbs, 2007).

2.2 Literature review: Framing a portrait of the Albergo Diffuso

The concept of Albergo Diffuso, first developed in the hilltop towns of Italy, has become a growing phenomenon that in recent years has characterized the transformation of the Italian tourism system towards a more sustainable tourism development (Confalonieri, 2011; Paniccia and Valeri, 2010). It has caught the attention and interest of tourists, professionals, and institutions as a new form of tourism SME (Paniccia *et al.*, 2010). It is based on the renovation of historic city center buildings (often in poor condition or abandoned) into accommodation for tourists (Paniccia and Valeri, 2010).

The term Albergo Diffuso has been coined by the Italian tourist advisor Giancarlo Dall'Ara, a specialist in hotel marketing. Dall'Ara, now President of the Italian National Association of Alberghi Diffusi (ADI), describes the Albergo Diffuso concept on the Association's *web* site (<http://www.albergodiffuso.com>) as follows:

“Partly a house and partly a hotel, dedicated to those people who do not like hotel stays; in short, this is a new form of hospitality that takes the name of “Albergo Diffuso” (hereafter AD). Its main components are distributed in different buildings, all located in the same village/town. The term “diffuso” (diffuse) denotes a structure that is horizontal, and not vertical like the one pertaining to traditional hotels, which often do not constitute a pleasant sight, reminding us of blocks of flats. AD satisfies the tourists’ demand of stays in renowned and famous areas and towns, of contact with residents and local people rather than only with other tourists, and of the traditional comforts offered in hotels, such as room service or a restaurant”.

The term “diffuso” (diffused) denotes multiple dispersed structures, a hotel in a village or city center with rooms and services located in different buildings. The heart or center houses the reception, common spaces, restaurant, and original rooms, while other rooms are in different structures at maximum 200 meters (about 650 feet) away from the heart of the hotel (http://www.albergodiffuso.com/il_manifesto_dell_ad.html). The various facilities are housed in existing buildings that have been carefully restored. The design gives guests the opportunity to experience direct contact with the local context, in a way that is an authentic representative of the life of residents. The most important characteristic of the Albergo Diffuso model refers to the integration with the local area and community ([---

226](http://albergo-</p></div><div data-bbox=)

diffuso.blogspot.it/2012/02/albergo-diffuso-philosophy-explaining.html). In the same fashion, the services and leisure facilities offered to guests are aligned with the local culture and tradition - from food and wine tours to local crafts and workshops. In this sense, the Albergo Diffuso is a concept intended to position itself somewhere between the idea of family house and traditional hotel accommodation, providing a close-knit atmosphere and at the same time offering the basic services expected from a traditional hotel (Vallone *et al.*, 2013). Ultimately, this Albergo Diffuso concept aims to revitalize existing buildings that would not otherwise be fully exploited. Thus, it is possible to welcome guests in a more genuine environment, so that they are considered an integral part of the community, almost “residents” rather than mere “visitors” (Vallone *et al.*, 2013).

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Throughout the 1990s, the success of the initial entrepreneurs has led to the development of other establishments to a total of 35 in 2010 (Dall’Ara, 2010) 82 in November 2014 throughout Italy, with others under development (<http://www.albergodiffuso.com/report-sullalbergo-diffuso-2014.html>). There may be others which operate independently without being affiliated with the Association. So far, an official and comprehensive list of all Alberghi Diffusi does not exist.

Russo *et al.*, (2013) emphasize that the dimension of the Italian AD is rather modest; the average number of units in operation is 8. Although present all over the Italian territory, the highest concentration is in Central Italy, followed by the South, and then by the North. Russo *et al.*, (2013) also maintain that from a constitutive point of view, the majority of the Italian AD have been born due to private entrepreneurial initiatives by individuals strongly rooted with the territory that they belong to. Other information about Albergo Diffuso has been extrapolated from an ongoing longitudinal study on the same topic conducted by Camillo and Presenza (2015). The analysis of the profile of the customer who is staying in the AD highlights how this particular form of accommodation is particularly appreciated by foreign travelers. In fact, the foreign demand was 46.4% of the total. Most of the guests are couple (54.8%), followed by families while seniors account for only 3.2%. Primary interests of the customers are the environment and nature, as well as the food and wine and the typical places. Taking 2012 as the reference year, it should be noted that the average stay is low (2.9 nights), while the average occupancy rate is 68%. In AD work on average 4.7 persons, of these 75.8% is Italian staff. It is interesting to highlight that among the Italian staff, there is a clear prevalence of “territorial” personal (64.2%), i.e., employees who live in the immediate vicinity of the structure.

Indeed, this hotel typology allows tourists/guests to experience a real contact with the residents, as a result of the local staff employed there and their interaction with tourists. In this sense, the AD becomes a “Narrator of places” meaning “one who guides tourists telling about the territory, highlighting the history and opportunities, but also the emotions and values” (<http://www.alberghidiffusi.it/narratori/#>).

Conversely, the innovative spread of the AD model is not without constraints (Orlandini *et al.*, 2014). First, it lacks the recognition of AD by the Regional Governments in terms of the definition and the main characteristics. Individual - regional governments have the power to

legislate independently with regard to the distinctive requirements and accommodations of AD. As a result, the legislations may vary by regions and hinder the creation of a national and, to a certain extent, international standardization of the definition of the AD. The lack of conventional definition has a direct effect on the much needed universal rules such as approximate distance between the housings, the minimum number of beds needed, the minimum number of housing unit, the population density of the inhabitants located in the historic center, etc.

These differences, however, do not denature the new form of hospitality. To the contrary, it remains a strong cornerstone represented by a single management of services and having the ideals of artistic interest. The remaining elements result in a more personalized, tourist- oriented service. This makes the service more distinctive, more authentic and more genuine when it comes from the village concerned. However, because of the hyper competitive global market that can hinder these issues, there is a greater need for national legislation that can enhance and protect the origins of Italy (Orlandini *et al.*, 2014).

Recently, the concept of AD started to cross the Italian borders. Countries that have shown interest include Spain, Germany, Croatia, Serbia, Israel, Brazil, and Mexico. Hospitality and tourists managers as well as government agencies are fascinated by the possibility of exploiting a tourist business formula for success with the intention of reviving the economy of their territory (Orlandini *et al.*, 2014). This is despite the fact that the absence of a specific legislation reduces the transfer of knowledge and the subsequent diffusion of the innovative concept. The AD concept has caught the attention of the international media and has been written about in leading international newspapers and magazines such as The New York Times, The Sunday Times and National Geographic Traveler (<http://www.albergodiffuso.com/international-press.html>). Similarly, the interest for AD is increasing in academic circles at the international level (e.g.: Dropulić *et al.*, 2008; Grizinic and Saftic, 2012; Avram and Zarrilli, 2012).

3. Methodology

This research has utilized a hybrid - triangulation approach to methodology in the sense that both a qualitative analysis (a literature review, a face to face interview, and a mini focus group) and a quantifiable questionnaire based on data analysis were employed. Due to the originality and novelty of the business model, a literature review was conducted with an additional analysis of other sources of information (official websites, magazines, social media official pages, etc.) in order to achieve a clear representation of this new kind of accommodation, namely Albergo Diffuso. A questionnaire divided into three sections was also developed, including closed-ended and open questions. Five questions in Section 1 are related to the main characteristics of the AD, while Section 2 includes questions covering key owners' demographic variables. The last section contains questions related to the personal motives in starting up the AD, the entrepreneurs' behavior in relation to the businesses' operational goals and

to the territory in which they operate. These sets of questions were adapted mainly from the study on hotel owners by Lashley and Rowson (2010), and from the study on entrepreneurial performance of small and medium tourism enterprises by Hallak *et al.*, (2012), with additional open questions when the goal was to gather further information about specific questions. A pilot study with two ADs in a town located in Molise Region (Italy) was conducted to refine the clarity and suitability of all survey questions. In addition, the questionnaire was also discussed in a focus group with the secretary of the Italian Association of Alberghi Diffusi, one tourism advisor, and one academic expert in marketing. The questionnaire was developed in the Italian language in order to make it understandable to all ADs while the elaboration has been performed by translating all survey items into English.

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Data was collected between November 2014 and January 2015. An online survey was administered by sending a first round of email messages to all the AD members of the Italian Association, followed by a second round of emails after three weeks and lastly a phone-call the first week of January. After eliminating two questionnaires with incomplete or invalid responses, we retained 39 questionnaires for use in further data analysis. We received a 47.56% response rate of the 82 AD operations associated with ADI. The reasons for the lower than expected response rate were: 1. Lack of interest by owners/ operators to participate in the research (7 cases); 2. Inability to talk directly to the owners/operators because the operations were either not active or because the owners/ operators were absent during the time the survey was conducted.

4. Data analysis and findings

First, the literature review presented in section 2.2 above was performed with the goal to create a reasonable portrait of the AD. An empirical analysis of the data obtained from the questionnaires followed. In this second step, the sample was first analyzed as a homogeneous group using descriptive analysis to understand the demographic features and characteristics of the ADs under investigation. The second part of the analysis involved answering two research questions by blending the findings of the survey and the highlights that emerged from the observation of the websites of each AD that participated in the survey.

4.1 Descriptive data

4.1.1 Main characteristics of the Albergo Diffuso

Table 1 presents the principal characteristics of the AD that participated in this study. With respect to the AD typology, the characteristics investigated are: the year of operation; the person that initiated the business; the class of annual pre-tax household income (year 2013); the available capacity (number of rooms and beds); the fluctuating number of employees (range in high and low season). The majority of the AD in the sample have between 10 and 15 years of operation (35.90%), followed by 33.33% with less than 5 years.

From the sample analyzed we determined that the owner that responded to the questionnaire was the same that started the business. About 51.28% of the respondents declare an annual pre-tax household income between € 100.000 and € 300.000. Only three ADs declared a higher income. Looking at the AD's size, the mean was 33 beds and 13 rooms (year = 2014). The analysis of the number of the employees revealed a mean equal to 4.05 in the high season and 2.38 in low season (years = 2014), an approximate variance of 42%.

Tab. 1: The characteristics of the surveyed ADs

Characteristics		Sample size	%
Years of operation			
>15		6	15.38%
>10		14	35.90%
>5		6	15.38%
<5		13	33.33%
Origin of the business			
The owner started up		38	97.44
The family of the owner started up		1	2.56
Annual pre-tax household income			
Up to € 100.000		16	41.03%
€ 100.001 - € 300.000		20	51.28%
€ 300.001 - € 500.00		3	7.69%
		Mean (2014)	Mean (year of inauguration)
Number of beds		33.03	25.05
Number of rooms		13.13	10.23
Number of employees	high season	4.05	2.97
	low season	2.38	1.92

Source: Our elaboration

4.1.2 Characteristics of the respondents

Table 2 summarizes the respondents' demographic information. This sample had more males (61.54%) than females (38.46%). Respondents in the age range of 41-50 represent the largest group age wise (43.6%). 87.18% of the respondents affirmed to have worked in other sectors prior to the experience of managing the AD. With respect to the education profile of the respondents, 41% reported having received a bachelor's degree, while 35.9% completed an upper secondary school degree. Interestingly, about 56.4% of the respondents stated not having a formal educational background in hospitality, although some had hospitality training outside the formal school or university they attended.

Tab. 2: Characteristics of the respondents

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Personal information	Sample size	%	
Gender			
Male	24	61.54	
Female	15	38.46	
Age			
31 – 40	8	20.5	
41 – 50	17	43.6	
51 – 60	5	12.8	
61 – 70	7	17.9	
More Than 70	2	5.1	
Education			
Middle School	3	7.7	
Upper Secondary school	14	35.9	
Bachelor's degree	16	41.0	
Titles above degree (Master / PhD)	6	15.4	
Education in the specific field of Hospitality Management			
No	22	56.4	
Yes. At The University	1	2.6	
Yes. At The School	3	7.7	
Yes. Other	13	33.3	
Other jobs before the AD			
In the tourism sector	4	10.26%	
In other sector	34	87.18%	
First activities	1	2.56%	
	Few	Enough	Very much
Propensity to innovation	2 (5.1)	18 (46.1)	19 (48.8)

Source: Our elaboration

4.2 The AD Owner as a Lifestyle Entrepreneur

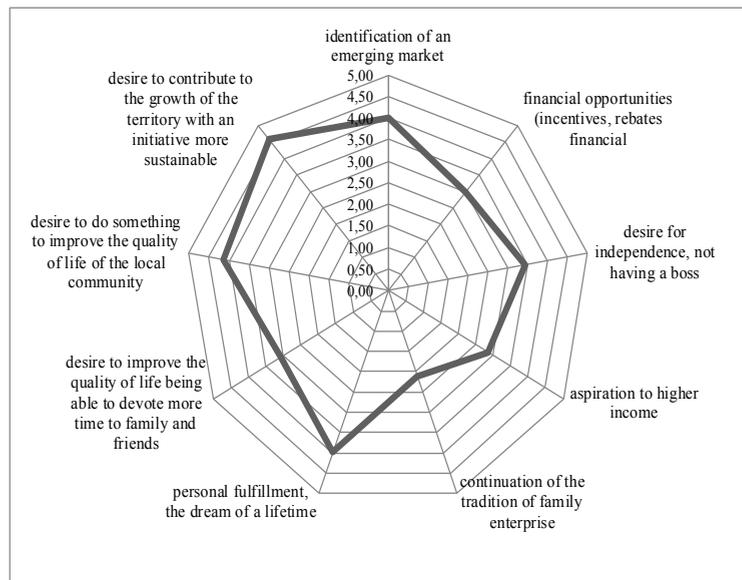
4.2.1 Exploring the link between AD and lifestyle entrepreneurship

On a Likert Scale of 1-5, respondents had to answer nine questions related to the main reasons that motivated them to start-up this type of enterprise. First, it was determined that rarely is an AD a continuation of a family business tradition. In addition, financial opportunities do not stand out as mainly important motives, while "identification of an emerging market" is positioned high on the scale, testifying to the entrepreneurial spirit of AD owners.

With the same mean is the "aspiration of higher income", showing a certain link with the definition of Lifestyle Entrepreneur. On the contrary, the mean score for "desire to improve the quality of life, being able to devote more

time to family and friends” is relatively not so high, delineating a finding contrary to what could have been expected. The means’ values increase while moving to the personal profile such as “desire for independence, not having a boss” and “personal fulfillment, the dream of a lifetime”. In any case, the highest values are related to the “territorial orientation” so that the “desire to do something to improve the quality of life of the local community” and the “desire to contribute to the growth of the territory with an initiative more sustainable” are considered as the most important reasons to start an Albergo Diffuso as shown in Figure 1.

Fig. 1: The main reasons to start-up an Albergo Diffuso (mean) An interpretative framework extrapolated and synthesized from related literature specifically from Lashley and Rowson (2010)



Source: Our elaboration

Based on the participants’ responses, the primary research question of the study is mostly answered, in the sense that the passion for owning and operating an AD is more prominent than financial concerns, which is a primary characteristic of lifestyle entrepreneurs.

4.2.2 Exploring the link between AD location and the owners’ beliefs and motivations

In Table 3, it can be observed that a majority of AD owners feel a strong attachment to the territory where the enterprise is located, testifying to a strong liaison of the AD entrepreneur to the specific location and the community to which it belongs.

Tab. 3: Sense of attachment to the territory

Reasons	Enough	Very much	I could not live anywhere else
To what extent do you feel bound to the place where your AD is?	5	26	8

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Source: Our elaboration

In Table 4, it can further be observed that AD owners perceive their enterprises' territorial representation of natural, cultural, human resources and support for the local economy, as equally weighted significant factors, with cultural resources standing out by a minor difference among the other three factors. It can therefore be deduced that the AD owner does possess a sense of territorial representation, especially concerning the cultural aspect, although the means are slightly above the average and could have been expected to be higher.

Tab. 4: The main reasons you believe that your AD represents the territory it insists on?

Reasons	Mean	S.D.
for the attention and appreciation of the natural resources that surround it	2.62	0.54
for the attention and appreciation of cultural resources that surround it	2.71	0.61
for the attention and enhancement of human resources and traditions that surround it	2.62	0.59
for the attention and support to the local economy	2.62	0.54

Source: Our elaboration

Further elaboration on the concern and support for the local community reveals that the majority of employees are hired from the local community as presented in Table 5.

Tab. 5: Percentage of employees from the local area

Reasons	25%	50%	75%	100%
Number of employees from the local area	2	3	17	17

Source: Our elaboration

This finding reinforces the expected level of the sense of attachment of the AD owners to their local community, as also evidenced in further open reply questions where respondents frequently state that their AD is a vehicle to contribute to local employment and that they perceive it as a natural endeavor to hire mostly from among the local population. A significant number of AD owners point out "valorizing the territory we belong to", "knowledge of and ability for transferring the local identity and culture", and

“passion and sacrifice” due to the fact that working in an AD is largely considered as a tough job. There are also obvious technical reasons for this such as logistics, convenience and flexibility as mentioned by the respondents.

Based on these quantitative and qualitative findings, it can be concluded that AD owners have strong sense of attachment to their location, possess a high level of passion to represent their locations’ identity and culture, and are thus highly embedded in their local community. The second research question of the study is fully answered based on these findings and conclusion.

4.2.3 Financial satisfaction and the future

Table 6 shows that a significant percentage of AD owners are neutral or dissatisfied at this point of their business life cycle. Only about a third of the respondents state that they are financially satisfied.

Tab. 6: Satisfaction with financial gains

Scale	Sample size	%
Very dissatisfied	4	11
Dissatisfied	11	32
Neutral	9	25
Satisfied	11	32
Very satisfied	0	0

Source: Our elaboration

Yet, Table 7 demonstrates that almost 90% of AD owners want to continue in this line of business and at least two thirds of participants aspire to expand or start another AD in the future.

Tab. 7: About the future

	Sample size	%
Still in the AD like it is today	8	21.3
Still in my AD but I hope to expand the structure	6	16.2
Still in my AD but I hope I can also start other AD	19	50.0
Still in the tourism sector but with a business less binding	4	11.3
Sell the business to do something else	2	1.2

Source: Our elaboration

It can thus be deduced that despite many AD owners feel financially dissatisfied with their income level, most of them want to stay and even expand in this line of business. This testifies to a high level of dedication for the AD on the part of the owner and results in a further conclusion that can be stated as, passion coming before profit.

5. Conclusion and Discussion

This study investigated the link between lifestyle entrepreneurs and a new and unique type of accommodation in the hospitality and tourism sector.

The Albergo Diffuso model of tourist accommodation aims to create suitable conditions for visitors to marginal locations. Often, it acts as the most relevant stakeholder in the community stimulating the local existing and potential entrepreneurs in creating new related businesses to take advantage of the increased tourist demand that it brings, mainly in the traditional sectors such as local food and beverages and handicrafts. It promotes and manages, together with local municipalities and the other existing actors, new activities capable of re-positioning the community in the tourist marketplace, such as events, and specific training courses in traditional sectors (local cuisine, local sport events, artisanship, etc.). Being highly embedded in its local community, it is thus an emerging mode of a micro enterprise aligned with such significant opportunities as local job creation, raising awareness of cultural identities and providing a means of sustainable tourism development in relatively disadvantaged areas. Due to these facts, it can also be considered as a form of lifestyle entrepreneurship which is characterized by a desire for freedom, self-fulfillment, giving back to the local community and high levels of passion and personal sacrifice for their enterprise. Passion and personal sacrifice in lifestyle entrepreneurship have often been pointed out as factors coming before the pressure of profitability by previous researchers.

In this study, we explored the probable association between AD ownership and nine characteristics of lifestyle entrepreneurs derived from the literature and determined that there are several overlapping in the both concepts. Having identified an emerging market opportunity, AD owners perceive themselves as an integral part of their business and their business as an integral part of their location, thus blending their personal lives, professions and socio-cultural settings into a singular way of life. They not only want to be their own boss but also be a source for job creation and raise awareness about their location by reflecting the culture and identity in a sustainable manner. Aspiration for a higher income and reaping financial opportunities were given low scores by participants, which means that their primary driving force is not of a monetary nature. One deviation of AD owners from lifestyle entrepreneurs was found to be the desire to improve the quality of life and being able to devote more time to family and friends, characteristic which was given a relatively low score by the survey participants. Another divergence identified between the predominant characteristics of lifestyle entrepreneurs and AD owners was the finding that a large number of the investigated AD owners expressed an interest to expand their business, whereas lifestyle entrepreneurs may be content with the way their business is. Taken together with the finding that many AD owners are not satisfied with their financial income, this divergence may be attributed to an attempt by AD owners to make up for their losses, or the desire to contribute further to their location by becoming more profitable and creating more jobs for the local population which constitutes the majority of their employees.

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By means of the qualitative and quantitative analysis performed in this research, it can thus be concluded that AD owners mostly fit the lifestyle entrepreneur profile identified by means of the literature review on the subject matter. The study was successful in answering the primary research question mostly and the second research question fully.

5.1 Managerial Implications

The results of the study and the synthesis of the literature show that there is an immediate need for changes for all stakeholders. The fact that a relative number of properties operating successfully under the new typology of “Albergo Diffuso” are members of the National Association of AD, does not provide the entrepreneurs with the necessary tools and support to run their operations optimally. In addition, the lack of hospitality business education by owners/operators of these families ran businesses hinders a successful growth, expansion and most importantly, the ideal return on investments. If this new accommodation’s typology ever matures, it will depend solely on the standardization and branding of these products by the association and by the owners/operators. In turn, the success of the owners/operators will depend on the conventional agreement among all regional legislators to regulate this segment with well-defined standards and minimum requirements such as size, location, structure, services and amenities, etc. These standards will influence marketing and pricing strategies and set the baseline for this sub-segment of the hospitality and tourism industry. Whether this rather innovative concept will attract or not the major players in this diversified and yet fragmented industry, will depend on the level of success in terms of occupancy, revenue, profitability and stability of the existing properties. Therefore, current and future entrepreneurs need to be concerned that there is much work yet to be done for this concept to be established as a proven formula for success.

5.2 Limitations

The study is not without its limitations. First and foremost, classification difficulties arise in identifying and classifying AD, as the exact number is unknown, minimizing the sample universe to the members of the Association. The limited amount of data thus does not lend itself to in-depth statistical *analysis*, resulting in a more descriptive style of the research. A second limitation may be attributed to the prevailing ambiguity in setting exact parameters to be investigated in terms of lifestyle entrepreneurship.

5.3 Recommendations for future studies

This is the first and introductory exploration of an innovative concept of accommodation. The research can be further expanded by increasing the number and depth of face-to-face interviews with AD owners. In addition, data collection on certain parameters in the study (including but not limited to financial concerns, future endeavors) can be obtained by conducting a longitudinal or time series study to determine the direction

and development of certain influential factors and Key Performance Indicators (KPI) of each property.

Moreover, further mental and behavioral issues can be explored including, but not limited to, knowledge transfer and innovativeness. The study can be further refined by means of an in-depth content analysis of the websites and social network expressions of the AD in question. In this research, nine parameters which arose from the academic literature were investigated, however, there may exist more significant parameters to be explored in further studies.

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