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ALBERGO DIFFUSO HOTELS– A SOLUTION TO SUSTAINABLE DEVELOPMENT OF TOURISM

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In Croatia “albergo diffuso” are still unknown in our field of practice and the theory of their growth within selective tourism is at its beginnings. The aim of this study is to present a new type of accommodation and to additionally make maximum use of destinations’ cultural and historical inheritance. The paper offers to visitors a model of accommodation through which they will be able to have a representative image of the authentic way of living of residents. Albergo diffuso are based on basic advantages, because of which this accommodation is specific, with the aim of developing a destination’s sustainable tourism. This model is already present and practiced in Italy, where it is currently obtaining its first market results. It needs to be said that at its start it has subventions as a type of accommodation different from typical mass tourism hotels. The purpose of this paper is to answer the following dilemmas: How risky is the investment into the introduction of “albergo diffuso”? How will this model of accommodation influence the development of rural areas? In what way can albergo diffuso compete with standard hotels? What is the proportion of quality to prices in such a hotel? The research will be carried out through methods of interview, survey and case study.

Key words: albergo diffuso, sustainable tourism development, rural area, selective tourism

INTRODUCTION

According to the definition of the UN Commission published in 1987, sustainable development (growth) would be: “Answering the demands of today’s generation, avoiding at the same time to destroy for future generations the possibility to give an answer to their own demands”. The first Croatian lexicon (Ecological Lexicon) has the following definition of sustainable development: “an approach to the use of available resources and their management in such a way to satisfy today’s needs, but without denying to future generations to satisfy their own needs” (Ekološki leksikon, 2001, 335)¹. The concept of sustainable development is based on three areas: *equal economic development, protection and safeguard of environment, respect and improvement of social*

¹ www.crnetocke.org

and human rights. The model of *albergo diffuso* perfectly fits into the concept since it supports the three areas within a tourist destination.

When it comes to sustainable development in Croatia, everybody has to have in mind this motto: “Think global, act local”, because the crucial role in the realization of sustainable development is in the hands of local governments. This paper underlines the importance of sustainable growth in the globalisation trend and *albergo diffuso* are presented here as one of the solutions to the implementation of sustainable growth in practice, not only in theory.

Strengthening social responsibility is the most important factor for the realization and achievement of competitiveness. *Albergo diffuso* stimulate social symbiosis in a place; they recognize and increase the value of cultural and traditional inheritance; sell the whole place and, finally, ensure financial gain. Sustainable growth is impossible to achieve without active participation of all subjects, which means that no one is free of “responsibility”. The concept of *albergo diffuso* obtains active participation of all subjects, which the already existing models in Italy will show.

1. WHAT IS ALBERGO DIFFUSO?

The name of comes from Italian “*albergo diffuso*” which translated in Croatian means “enlarged hotel”. Giancarlo Dall’Ara developed the first theoretical bases, as an Italian professor who introduced the concept of “*albergo diffuso*” as a new tourist offer in Italy.

The tourist offer known as “*albergo diffuso*” was above the concept of dispersed houses used as accommodation for tourists. The focus was on certain restored apartments for rent, which would represent more a “residence” than a “hotel”, since a hotel surrounding and services were not planned.

Albergo diffuso were mentioned for the first time at the beginning of ‘80ies in the region of Friuli, after the earthquake, when the reconstruction began. But only at the end of the decade the first suggestions and actions for development appeared.

The definition of “*albergo diffuso*” was completed in 1989 and it is linked to the first project “Tourism in San Leo commune in Montefeltro”. The project had these aims²:

- Strengthen the hospitality aspect within the tourist offer
- Promote short stays
- Know the cultural concept
- Offer guests a greater possibility to learn about the culture of the visited destination.

Such a project is an example of *albergo diffuso* because it contains all the necessary points and satisfies criteria that concept comprises.

According to the Italian law, in order to have a diffused hotel in a rural area, main prerequisites have to be respected, that is the respective area has to have pharmacy, grocery, tobacconist, bank and an institution for cultural events. It is an organized system of rooms and apartments that can have 3 structures of ownership. They are situated in the old town and they use the existing houses and apartments. Hotels can have one owner; usually it is a family with special agreements for rent with the owners of apartments or rooms. The second form implies

² Giancarlo Dall’Ara e Michele Esposto: *Il fenomeno degli alberghi Diffusi*, Palladino Editore, 2005, P. 1

the commune as hotel owner and the third possibility gives way to the foundation of a cooperative running the common rooms fund.

The law in Italy says that albergo diffuso must have at least seven rooms, not more than 30 per cent of which with a kitchen. Such a hotel is typical because of its accommodation units, which are part of different buildings and houses, dispersed in the whole area and they are different from the system of private renters. The reception in a diffused hotel is not a standard one and it apparently takes place on two positions. One is at the hotel's entrance and the other is a square or main street where the local inhabitants gather and receive their guests.

2. DIFFERENTIATION OF ACCOMMODATION TYPES IN RURAL TOURISM

Albergo diffuso with their "character" differ from standard hotels and private accommodation, as shown in Table 2. The most important difference is in the symbiotic relationship of the tourist offer factors within a rural area that the model of albergo diffuso recommends.

Table 1 Differences between albergo diffuso, standard hotels and private accommodation

ALBERGO DIFFUSO	STANDARD HOTEL	PRIVATE ACCOMMODATION
<ul style="list-style-type: none"> ▪ Unlimited space ▪ Accommodation units in different buildings and different streets ▪ Different accommodation units ▪ Ownership structure not limited to one owner ▪ All-year business ▪ Reception as base for planning activities ▪ Friendly relationship with the host and quality of services ▪ Interest for guests' free time ▪ Accent on authenticity ▪ Attention to detail ▪ Connection with the local community ▪ Informal ambient ▪ Stimulation of local communities to enter tourism sector ▪ Influences the growth of rural area ▪ "Sells" the whole area 	<ul style="list-style-type: none"> ▪ Usually with limited space ▪ Accommodation units usually in one building ▪ One type of accommodation units ▪ Usually one owner or a company ▪ Usually seasonal ▪ Standard reception - check in, check out ▪ Professional service ▪ Guests left to their own devices ▪ Commercial trends ▪ Standards satisfied ▪ Contact with other guests in the hotel ▪ Severe privacy ▪ No direct influence on the local community ▪ No meaningful influence on the growth of the area ▪ Sells its package of services 	<ul style="list-style-type: none"> ▪ Usually with limited space ▪ Accommodation units usually within a family house or property ▪ Accommodation units designed according to the personal style and possibilities of the owner ▪ Family ownership ▪ Seasonal business ▪ Guest reception on "the threshold" ▪ Usually friendly relationship ▪ Making sure that guests get everything they need, without additional efforts linked to activities ▪ Details depend on the style and the character of the owner ▪ Informal ambient ▪ Usually unhealthy competition in the area ▪ Not directed to the growth of the area but to the personal development ▪ Sells its services and products

Source: Author's research

The aim of albergo diffuso is to use potentials of an area, as well as to unite the respective local community in activities that tourists will find new and interesting, which will generate good long-term results, tourists' satisfaction and their return.

Albergo diffuso contributes to the growth of the whole place/area, whereas standard hotel and private accommodation are models focused on their own profit.

The balance in a rural area, achievable through reciprocal relationship between tourists, property owner and local community, creates prerequisites for a new tourist offer which would influence a greater quality of living in rural areas.

The concept of albergo diffuso does not demand green field investments or any other type of construction. It is directed towards the use of what already exists, in the sense of increasing the value of a tradition and obtaining positive economic results within sustainable development. Private accommodation usually does not push new type of construction, but it does not have the most important dimension: its identity and it does not "sell" the whole place. Such a type of accommodation is not autonomous and is limited by its family character, which is why it does not represent a concept that would make a place recognizable.

With the transformation of the Istrian hinterland into a destination of rural hotels, the destination's image would change significantly; the authentic values would be conserved; emigrations would be reduced; the local community would be joined in common interests, respecting at the same time sustainable development norms.

The development of rural tourism in Istria has beneficial natural prerequisites (healthy climate, absence of noise, relatively conserved nature). Then there is conservation of building and socio-cultural inheritance and the closeness of foreign emission areas (Italy, Germany, Austria).

3. HOW ALBERGO DIFFUSO MODELS FIT IN THE CONCEPT OF SUSTAINABLE DEVELOPMENT

Italian examples of albergo diffuso are like artists' palettes, with colours. Each hotel would be one colour with the same background for a beautiful picture. If we transfer these colours into reality, we can obtain different hotels in rural areas, which create a tourist image (offer) that makes a visual impression, financial security and social connection. The following table shows all the types of diffused hotels in Italy.

Table 2 Characteristics of albergo diffuso in Italy

CATEGORIES	ALBERGO DIFFUSO		
Town	Santu Lussurgiu	Portico di Romagna	Locanda Sul Senio
Hotel	Antica Dimora del Gruccione	"Al Vecchio Convento"	"Pallazuolo sul Senio"
Category	3 stars	3 stars	3 stars
Theme	Autochthonous way of living	Artistic relaxation	Charme / relax
Capacity	14 beds	9 rooms + 5 apt	6 rooms + 2 apt
Hotel's content	Hotel's shop, outer yard,	Hotel's shop with	Hotel's shop with domestic

	rooms for relaxation, authentic architecture, rustic furniture, rooms with different equipment, imitation of traditional architecture and way of living	domestic products, restaurant, Italian language school, outer yard, relaxation room	products, restaurant, swimming pool, mini wellness, inner and outer yard, rooms for chatting, reading
Owner	Family	Family	Family
Open	Whole year	Whole year	Whole year
Location and look	Old town Made of more buildings	Old town Made of more buildings	Old town Made of more buildings
Guests structure	Groups with less people, individuals	Artists, families	Families, wellness recreation fans
Duration of stay	3 days	3 days	5 days
Period of maximum stays	Summer period	Summer period, Christmas time	Summer period
Additional activities	Psychological workshops, workshops of old handicraft, different courses	Cooking course, Italian language school, “hunting” truffles, tasting courses	Excursions, cooking course, medieval happenings, weddings in medieval style
Gastronomy	Domestic products, traditional Italian meals	Domestic products, traditional Italian meals	Domestic products and traditional Italian meals
Business philosophy	“Diffused hotel is a way of working for yourself and your own principals that in the end bring money” “It is an encounter with a guest, not a client”	“Diffused hotel sells the whole place and everybody lives and runs business according to that.”	“Cooperation with the whole area” “Care about time and money that guests brought with themselves”

Source: Authors' research

In the table each hotel has its colour and in the same way they differ one from another in their style, theme and details, but the conception remains in all cases the same: connect a tourist-citizen with the hotel owner. These

examples show a different approach to all factors of a tourist offer, characterized by long-term satisfaction and positive economic effects. Although they act in different segments and in different ways, these hotels are an example of the harmony between tradition and modernism; two periods face each other and are connected to produce satisfaction.

The comparison of the three hotels in Italy leads to a conclusion about the need for such models of accommodation in Croatia, for sustainable development in tourism. The review of Italian examples of *albergo diffuso* proves that the frameworks of sustainable development are respected, because all investments are reconstruction-oriented and they influenced the growth of towns as well as the establishment of connections between their inhabitants. The concept of *albergo diffuso* stimulates an even economic growth in an area, because its basis is the symbiosis between renters, local people and guests; it takes care of the protection of environment, since some examples do not respect hotel standards to conserve the authenticity of a construction, and improves social and human dimensions, since it promotes the removal of unfair competition within a small environment. Interesting is the fact that the opposite standardization of the one the modern hotel industry and we know was introduced in order to have fully conserved ambience and authenticity. According to these standards, there are three types of rooms³: *Monocale* – a small room, *Towers* – high and narrow, *A Palazzo* – it can be large and high.

The demands of today's generation have been completely answered (with all contents and activities of diffused hotels) and, in the process, the possibility for future generations to live in the same surrounding with different demands have not been destroyed.

2.1 SWOT analysis about the influence of diffused hotels on sustainable development in Istria

The SWOT analysis method was used in order to establish a relationship between all advantages and disadvantages of diffused hotels for the framework of sustainable development in the tourist destination of Istria (Table 3).

³ Interview with the owners

Table 3. SWOT analysis

ADVANTAGES	WEAKNESSES
<ul style="list-style-type: none"> ▪ Natural richness and conserved environment ▪ Rich cultural and historical inheritance ▪ Existing infrastructure and contents in rural areas ▪ Conserved rural architecture ▪ Exploitation of the existing resources ▪ No construction investments that would endanger natural and architectonic harmony ▪ Existing offer of activities in rural Istria ▪ Satisfying level of consciousness about sustainable development in Istria ▪ Investments and financing projects that support sustainable development by local and national governments and the EU ▪ Rural population stay in rural areas ▪ Bringing back to life “authentic rurality” 	<ul style="list-style-type: none"> ▪ No legal regulations about “albergo diffuso models” ▪ Marketing activities with difficulties – insufficient means for marketing ▪ Insufficient connection between private sector and local self-government ▪ Croatia is not an EU member so that it is more difficult to obtain means from European funds ▪ Absence of knowledge of the diffused hotels category among resident population and entrepreneurs ▪ Educational programmes in specialized schools do not comprise diffused hotels ▪ In Croatia the conditions for the growth of family entrepreneurship are less favourable ▪ Possibilities of investment in family entrepreneurship in Croatia are usually considered through investments in agrotourism/rural tourism
POSSIBILITIES	DANGERS
<ul style="list-style-type: none"> ▪ Transformation of neglected old towns into attractive tourist centres ▪ Use of agricultural and traditional resources for a richer tourist offer ▪ Organisation of workshops for education of population about diffused hotels and the importance of sustainable development ▪ Organization of “green actions” for a prettier, cleaner and more harmonious place ▪ Greater care within the responsible Croatian ministry of rural areas 	<ul style="list-style-type: none"> ▪ Slowness of legal regulations implementation – Croatian law does not “recognize” this type of tourism ▪ Strong competition of big hotel enterprises ▪ Neighbouring countries are already developing this concept (as Italy), while Croatia has not even started yet ▪ Slow growth of rural areas compared to those by the sea and urban environment ▪ Generally insufficient investments for the conservation of old town centres of historical towns ▪ Historical towns are usually situated in poor communities with limited budgets, which slows down their development ▪ In Croatia there is no institution which would systematically cover this type of tourism

Source: Authors’ research

Since in the concept of diffused hotels there are more advantages than disadvantages and given the fact that it is a good solution, both for sustainable development and competitiveness of a tourist destination, the

conclusion is that this concept needs to be implemented in Croatian tourism. This type of accommodation phenomenon would influence significantly the growth of the given area within the framework of traditional authenticity and, in addition, would be a significant contribution to reducing the emigration of rural population.

4. REALIZATION OF ALBERGO DIFFUSO MODEL IN MOTOVUN

Given the criteria and conditions that the albergo diffuso accommodation model determines, the little town of Motovun satisfies them. In the following text there is the description of the possibility of transforming Motovun's hotel Kaštel into albergo diffuso. Motovun is a small town in the Istrian hinterland and for centuries, with its magical image, it has been attracting people from all over the world. It has about 900 inhabitants and an old town centre, as well as pharmacy, bank, grocery shop, restaurants, coffee bars. **Hotel Kaštel** *** is situated on the very top of a hill of 277 meters and with its characteristics it could be fully transformed into a albergo diffuso, as Table 4. shows.

Table 4. Characteristics of Hotel Kaštel in Motovun

CATEGORIES	
Town	Motovun
Hotel	Kaštel
Category	3 stars
Theme	Old historical hotel
Capacity	28 rooms + 2 apt
Hotel contents	Organization of business meetings, cultural events, congresses, seminars, summer schools, exhibitions and other occasional programmes.
Owner	Family
Open	Throughout the year
Location and look	Old town – consists of more buildings
Guest structure	Small groups, individuals
Duration of stay	3 - 4 days
Period of maximum visits	Summer months
Additional activities	Riding bicycles, grape harvest in the local vineyards during the season, asparagus harvest, truffles collecting, fishing in the Mirna river, horse-riding school in a natural environment, horse-riding in the area surrounding Motovun, canoe riding in the Mirna river (summer), camp fire supper in a natural environment, hunting, free climbing, paragliding, vine roads visits.
Gastronomy	Traditional Istrian cuisine
Business philosophy	The aim is to make guests feel relaxed and at ease and to help them feel the traditional way of living in Istria

Source: www.hotel-kastel.com, interview with the hotel management

The hypothesis that Motovun and its hotel Kaštel have the potential to form a diffused hotel was confirmed by a research carried out in 2005.

Since it was proved that tourism employees in direct contact with guests represent a real thesaurus of knowledge and information about the service quality, the research is focused on two groups of participants: personnel of hotel Kaštel and Agency “Istria Magica”, founded within the hotel, with the main activity of organizing active free time spending for the hotel’s guests. The purpose of the research was to obtain independent opinion about:

- satisfaction of guests with Motovun as destination
- satisfaction with the accommodation and the agency’s and hotel’s programmes
- research of the quality gap between the hotel’s quality of service and the integrated quality of the tourist destination of Motovun (overall quality and particular segments),
- establishing the “sore points” of the town’s tourist offer,
- for the purposes of this paper – this estimation should be used to determine to what degree the tourist destination of Motovun can satisfy the quality criteria, so that it becomes the destination with the first albergo diffuso in Croatia.

The research was carried out as a survey (interview) and the following results were obtained:

1. What guests like most about Motovun – what are their preferences and why do they go there?

1. A magnificent view from Motovun, exceptional beauty and charm of this historical, fortified town (which is, according to many guests, the most beautiful little town in Istria),
2. Peace and quiet (which is why many organizations and institutions decide to organize their meetings in Motovun,
3. Possibility of organizing intern entertainment for a group of people (party), without having outside interruptions,
4. Hospitality

2. What are disadvantages of Motovun as a destination?

1. The problem of parking lots is not solved.
2. Lousy tourist signals – a plan and an info point are missing.
3. There are no specialized local tourist guides, service of whom could be used according to needs (on call),
4. No public toilette,
5. No walking paths.

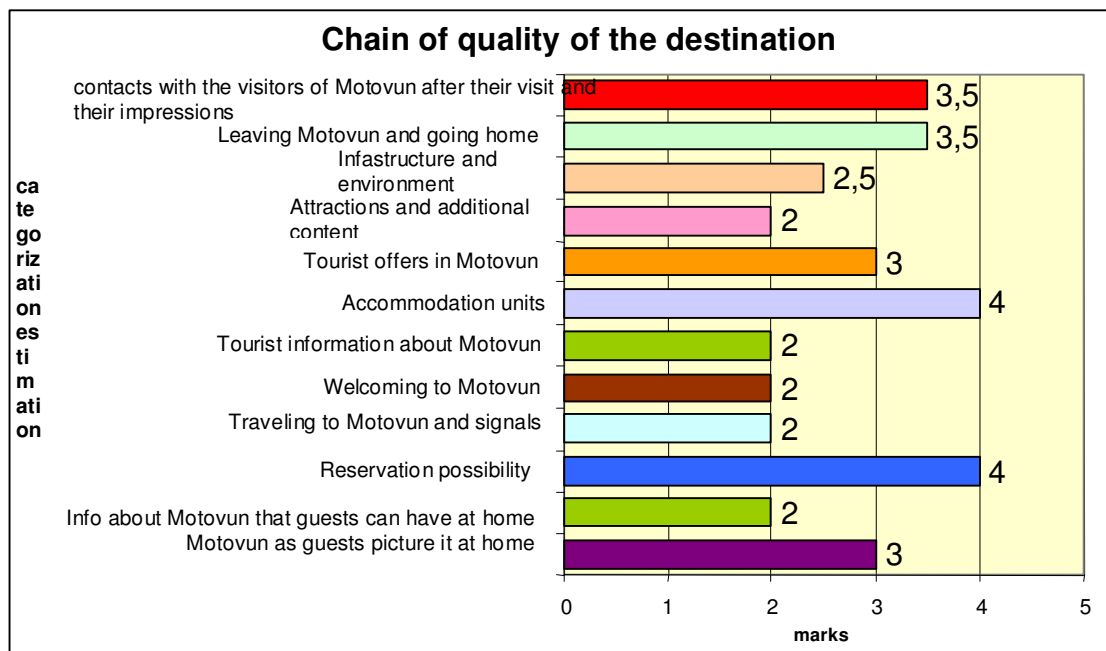
3. Among the selective types of tourism the most wanted in the agency are:

1. Active holiday,
2. Bike paths
3. Walking paths

2. Chain of quality – 12 categories of tourist offer were examined and each could have marks from 1 to 5:

1- very bad; 2- minimal solution; 3 – good; 4 – very good, 5 – excellent.

Graphic 1. Chain of quality of the destination of Motovun



Source: A. Krajnović: “Mogućnosti implementacije sustava upravljanja kvalitetom u hrvatskim turističkim destinacijama, doktorska disertacija, FTHM, Opatija, 2006. p.339.

Graphic 1 shows how satisfied guests are and the level of the tourist offer quality in Motovun. The conclusion is that the tourist offer’s segments in Motovun are minimally solved. The most concerning is the fact that there are many attractions and additional contents (table 3) that are not adequately presented. The suggested concept of albergo diffuso finds its basis in the very contents and activities for tourists, which could become the most important motives to visit this town.

It is devastating that **“people fall in love with Motovun and not with its tourist offer”**. As if our visitors want to tell us that we are not able to invent a tourist offer and show and make the most of such richness.

CONCLUSION

Planning future growth of economy, especially of tourism, it is necessary to be in concordance to the principle of sustainable development. In the practice it is necessary to build in the strategic national documents principles of sustainable development and an institutional organization adapt to these principles – on national and local levels.

Sustainable development is based on four main principles: ecological sustainability, socio-cultural sustainability, economic sustainability and technological sustainability.

The policy of tourism development that does not take into consideration long-term damages – exhausting natural and anthropogenic resources, long-term consequences on society and community’s culture – in the long term leads to destroying a tourist destination.

Albergo diffuso, the concept that the authors show in this paper, represent one of the possible solutions for sustainable tourism growth, and with their characteristics they are also very interesting and, in terms of marketing, an attractive form of tourist offer.

In some countries, for example in Italy, there are already similar projects that are giving the first market results. These results are stimulated by a project of the EU called LEADER, the aim of which is “with its initiative ... to give rural areas in the European Union a development method in order to involve local factors in creating future of the areas they belong to” (Franz Fischeler, European Commission member responsible for agriculture and rural development).

With their research the authors prove that Croatia has a great potential for the development of the concept of albergo diffuso in tourism legislation, tourism system and entrepreneurial practice. The development of this concept would have a positive influence on the overall competitiveness of the Croatian tourist product and at the same time it would increase the quality of tourist destinations in rural areas, where the concept would develop. In addition, it would enlarge the possibilities of family entrepreneurship in the hotel industry. Influencing the conservation of old-town centres of historical towns, that Istria and Croatia are full of, the concept of albergo diffuso has a significant influence on the conservation of our (Croatian) rich cultural inheritance, as well as on making maximum use of our tradition and authentic way of living, offering at the same time a new type of tourist offer and thus showing characteristics of a sustainable tourism growth concept par excellence.

Through the research of the possibilities of transforming the existing family hotel Kaštel in Motovun into the first albergo diffuso in Croatia, the authors confirm the thesis that this concept in Croatia not only is possible, but is also a necessary and important factor in a responsible tourism growth in Croatia's rural areas. One of the fundamental prerequisites for reaching this goal is the implementation of the albergo diffuso concept into all segments of the tourism system, from legislation to entrepreneurship practice, which will be possible through participating in the European Union projects that deal with issues concerning the development of rural areas (as is Leader II).

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