

The “Albergo Diffuso”

A way to develop tourism by mean of innovation and tradition¹

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¹ This paper is based almost exclusively on a report presented to **IDEASS - Innovation by Development and South-South Cooperation** by **GIORDANO DICHTER** and **GIANCARLO DALL'ARA**. They kindly allowed the use of their report, for which the editor thanks them wholeheartedly.

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Summary An *Albergo Diffuso* —the term can be translated into English with “extended”, “dispersed” or “scattered” hotel— is, essentially, two things:

- an original model of hospitality
- a model of tourism development for the territory.

The term “albergo diffuso” was born in Carnia, in 1982, in the Italian Friuli-Venezia Giulia Region, within a working group that had the aim to revitalise for tourism buildings and villages destroyed by the earthquake that devastated the territory in 1976. The model of hospitality “albergo diffuso” has been developed by Giancarlo Dall’Ara, professor of Tourism Marketing, and sets its roots in the Italian tradition of hospitality. It has been recognised by the Sardinia Region, with its regional tourist law of 1998.

In 2008, the idea of “albergo diffuso” has been awarded a prize in Budapest, during the Meeting “Helping new Talents to Grow”, as the best practice of economic development suitable for developing countries.

It consists of a proposal devised to offer to the guests the experience of living within the historic centre of a town or a village whilst depending on all hotel services such as welcoming, assistance, meals and common spaces and services. These are placed in houses, flats and rooms within no more than 200 metres from the ‘heart’ of the “albergo diffuso”: the premises in which are based the reception, the common spaces and the restaurant.

However, the A.D. is also a model of economic development that doesn’t cause any negative environmental impact on the territory. As a matter of fact, to set up an “albergo diffuso” nothing has to be built because it is necessary only to restore and network what already exists. Furthermore, an AD is a sort of “social stronghold” that vitalises historic centres by fostering various initiatives and involving local producers that are key factors of the tourism supply. As a matter of fact, an A.D., thanks to the legitimate proposal, the vicinity of structures that constitutes it and the existence of a community of residents, is capable of putting forward more a lifestyle rather than a staying as visitors or guests. Just because of this, an A.D. cannot come up in any deserted settlement.

Since the supply of lifestyle doesn’t necessarily depend on climate, the A.D. is de-seasonalised. It can also originate ancillary economic development and help avoiding the depopulation of villages.

Foreword

In the 60's, the "first-generation" tourists conquered the "right to take a vacation" and were not interested in the kind of structure they were being accommodated in. Then, the "second-generation" tourists —the "mass-tourists"— were interested in standardised services and in finding everywhere in the world the same comforts they had at home. Now, the "third-generation" tourists—whose relevance and presence on the international tourist markets is rapidly increasing—wish, on the contrary, to live a unique holiday. They want to experience new and different places and receive personalised services, they are looking for authenticity and want to intermingle with the local cultures in unique situations difficult to be found elsewhere. Such tourists are not only interested in visiting new places, but also in “living” them. The “third-generation” tourists want to experience the possibility of establishing new relations, not only with the other guests of the hotel, but mainly with the people who live in the place, by adding the search for warm and sincere relations to the privacy that everybody wants when time comes to relax and spend free time.



An *Albergo Diffuso* matches perfectly the needs of the

"third-generation tourist". It is a particular kind of hotel conceived to provide to the guests a unique experience of living in the historic centre of a town or of a village. It provides all the services of traditional hotels —welcoming, assistance, common spaces, meals, etc.— although the rooms are scattered around the historic centre, within a radius of approximately 200 metres from the heart of the hotel itself, where the reception, the common spaces and the restaurant are located. The rooms, suites and/or apartments are set within buildings and flats that, being part of the historic centre and being appropriately restored³ according to the local culture, immediately provide the feeling of "being local".

What is an *Albergo Diffuso*

An *Albergo Diffuso* represents also a unique development approach that doesn't produce negative environmental impacts. Nothing has to be newly built to set it up because it is just necessary to restore existing buildings and flats. They are treated according to the local cultural and historical backgrounds and are networked with what already exists.

Often it acts as the most relevant stakeholder in the territory by stimulating local existing and potential entrepreneurs to create new businesses associated with the increased tourist demand that it brings, mainly in the most traditional sectors such as local foods and handicrafts. It promotes and manages, together with local Authorities and other existing subjects, new activities capable of rearranging the territory in the tourist market such as events, specific training courses in traditional sectors such as local cuisine, local sport events, craftsmanship and the like. Therefore, new businesses associated to this new form of hospitality are generated to provide visitors with 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, proposes more the experience of a new lifestyle than a period of simple holiday. This feature alone is capable of generating enough economic turnover because it "de-seasonalises" the demand and contributes to the birth of new tourist destinations that usually are off the beaten tracks.



³ In this paper it is used the word "restoration", whilst the proper term would better be "regeneration" (other terms are *reconditioning, renovation, remodelling, revitalisation, adaptation*), because in the premises of an *Albergo Diffuso* some kind of adaptation to a contemporary use is necessary. Correctly, the aim of "restoration" is to revive the original concept of a building or of a built environment in relation to its fabric and/or use.

What problem does it solve?

This original kind of accommodation originated initially in Carnia, in 1982, in the Italian Region Friuli-Venezia Giulia, within a technical working group whose aim was to regenerate small centres which were destroyed by the earthquake that devastated that territory in 1976. Therefore, at the beginning, the *Albergo Diffuso* was thought as a mean to meet the need of restoring houses set in beautiful historic centres that were not attractive as tourist resources. This innovative model of hospitality was officially recognised by the Italian Sardinia Region that provided a first definition within its regional tourist law of 1998. Then, other regions have added definitions of *Albergo Diffuso* providing it the same —albeit higher— dignity of other more traditional kinds of hospitality, such as bed and breakfasts, hotels, rural farmhouses, chalets and the like. Dr. **Giancarlo Dall’Ara** has engineered the model, and **BIC Lazio** clearly defined the path to be undertaken to achieve their creation and a specific set of services to support the entrepreneurs and local Authorities willing to profit from the potentialities of this new idea. The model 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, approximately 38 establishments exist in Italy, and their number is growing rapidly.

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 with no negative environmental impact since nothing new has to be built because existing houses are restored and networked
- it grows with the demand because rooms can be regenerated and added as necessary without building anything new
- it helps to develop and network the local tourist supply
- it increases sustainable tourist development also in areas, villages, hamlets and historic centres off the beaten track by expanding the supply in the tourist market
- it contributes to stop the leaving and consequential dilapidation of historic centres.

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

- everyone becomes aware of the advantages in terms of image, social life, economic return and preservation of the resources that it can bring
- local Authorities can contribute by providing the common spaces —typically non-productive spaces— and new services that can increase the demand such as improving the accessibility of the area, restoring new services such as libraries, congress halls, sport facilities, etc.
- local associations can increase their activities by organising new events and services to assist the people



- the owners of the buildings identify problems and common solutions to solve them by starting to look at their property in a different way, with the "tourist" eyes.
The local enterprises in the service, agro-food and beverage, and handicraft sectors will participate in the initiative since they see the *Albergo Diffuso* as a mean to increase their own turnover because of the induced increase of the demand.



The *Albergo Diffuso* in practice

An *Albergo Diffuso* is a new and ingenious form of hospitality that can bring, both during its realisation and after its start-up, sustainable development, triggering economic liveliness and provide opportunities for a balanced use of local resources and tourist potentialities.



Initially the idea should be launched within a participated encouraging event where the local Authorities and/or other subjects that work for the economic development of the area present the basic advantages to the local population and, in particular, to the existing economic subjects and the owners of the buildings.

An *Albergo Diffuso* is usually established when the following conditions are met:

- the idea has been launched within the local community and the residents have realised the advantages that can come from this innovation
- therefore local subjects 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 seven—, located within a reasonable distance from each other —no more than 200 metres—, 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 such as pharmacy, food store, bar, etc.
- the surroundings of the area should have some appeal such as pleasant environment, beautiful countryside, sea, lake, mountains, cultural heritage sites, etc.
- a lively and welcoming community, ready to share experiences with newcomers and to spend quality time with the tourists, inhabits the town or village.



An *Albergo Diffuso* is mainly created in two ways:

- in the first case an investor purchases or rents the apartments and/or the buildings and becomes the manager of what effectively is a "hotel that is not seen"
- in the second case a group of local subjects creates a consortium and delegates to a private subject —e.g., a cooperative— the management of the structure.

In both cases the rôle of local Authorities is to keep warm the idea to support and to incentivise it —e.g., by facilitating legal aspects, investing in local infrastructure and/or in urban embellishment, etc.

The path that leads to the creation of an *Albergo Diffuso*

starts from a territorial analysis with the aim of verifying the existence of the said conditions, and passes through a promotional phase, that 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 such as financial services.

Furthermore it may be necessary to support local Authorities to rearrange urban development plans in order to favour the incubation of the project and of its start-up.

The *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— since on one side it supports the integration of sustainable development in country strategies and, on the other one, it enhances satisfactory work and employment opportunities in the tourist-related sector, based on the exploitation of local resources.

Furthermore it complies with the Global Code of Ethics for Tourism adopted by the General Assembly of the **United Nations World Tourism Organisation**, 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".

Finally the *Albergo Diffuso* has been awarded the first prize within the first UNDP "European BIC5 Network contest" that was held in Budapest in June 2008.

Results

The impact of the *Albergo Diffuso* can mainly be illustrated at the local level since it ignites local development where tourism can be a leading sector if properly stimulated. However, in order to achieve the highest level of positive impacts, regional and national Authorities must adopt such a model making it possible in legal and economic terms. Laws on tourism must be renovated in order to formally recognise this new type of hospitality by 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 Authorities that intend to adopt this new idea to access financial and non-financial services, that are usually dedicated to SMEs and to entrepreneurs. Specific credit schemes and/or public financing machinery could be set up to support the creation of *Alberghi Diffusi* since their underlying philosophy is to promote local entrepreneurship, restoring historic centres and combating their decay through their revitalisation. *Alberghi Diffusi* not only have an economic but also a strong social return.

Since there is no environmental impact, and there is nothing "new" to be created, this new idea 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 subjects of the area and in social terms it is sustainable because it mainly applies to areas that 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.

Albergo Diffuso abroad

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

At present it hasn't been transferred out of the Italian boundaries. However, interest towards this new idea has been recently expressed to **BIC Lazio** and to **Associazione Italiana degli Alberghi Diffusi (ADI)** from various countries such as Albania, Austria, Croatia, the Dominican Republic, Ecuador, France, Portugal and Switzerland.

ADI has registered a trademark that is valid at European level. The trademark is managed by the association and identifies the parameters that need to be met in order to be properly defined an *Albergo Diffuso*.

The following are the subjects to be involved in order to transfer this new idea properly in the interested countries:

- National Ministries involved with tourism to analyze the legal aspects.
- the local Authorities 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 Authorities and entrepreneurs providing financial and non financial services.



Further readings

BIC LAZIO: *L'albergo diffuso come strumento innovativo per la valorizzazione del potenziale turistico*, 2007

GIANCARLO DALL'ARA, MICHELE ESPOSTO: *Il fenomeno degli alberghi diffusi in Italia*, EDITORE PALLADINO, 2005

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Examples

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