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Trends in the travel luxury market
and innovative business models:
the Delicanto Experience

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Index

Title	Page
1. How the Internet changed Travelling	1
1.0. Definitions	2
1.1. The travel agency before the Internet	3
1.2. The internet and the disruption of old business models	5
1.3. The “new” role of travel agencies	8
2. The importance of the Experience	11
2.1. Experience: a definition	11
2.2. The importance of the "traveller" market for Agencies	13
2.3. Experience in the planning phase: an introduction about UX	16
2.4. Implication for travel agents	18
3. With the eyes of the locals	19
3.1. With the eyes of the locals: the value proposition	20
3.2. Luxury is too small as a definition for target segments	21
3.3. Full online support is both Channels and Customer Relationship	22
3.4. Exploiting local culture as the greatest resource	23
3.5. Expected revenue streams	25
3.6. Why Delicanto? Strategic implications and SWOT analysis	26
4. Through the eyes of the traveller	29
4.1. Know your market segments	29
4.2. Meet Russell Wright, his daughter Andrea and her husband, Jason Clark	30

4.3. Touchpoint analysis	35
4.4. The journey inside the travel	38
4.5. Final considerations about travellers	43
5. Travellers' guardian angels	45
5.1. Understanding the market: definition and criteria for participation	45
5.2. Approach to market	47
5.3. Competitors	49
5.4. Relations between Approach to market and pricing strategy	57
5.5. Competitors' Value Proposition	59
6. The value of the words	62
6.1. About digital marketing and new media	62
6.2. Competitors' benchmark	64
6.3. Benchmark analysis	72
6.5. Qualitative considerations	77
7. Strategy of Delicanto	83
7.1. Key Resources and Activities exploitation	83
7.2. Customer Journey design	85
7.3. Approach and Pricing	89
7.4. Communication	91
7.5. Conclusion	93
A. Pricing strategies	95
A.1. Methodology notes	95

A.2. Agencies	95
References	101

Chapter 1

How the Internet changed travelling

The fact that the advent of the Internet changed the world of travelling is a common perception. Travel agencies are increasingly threatened by new players in the industry, and their number is shrinking. As time passes, people are more and more used to buy tickets and book hotels by visiting different internet sites. It is easy to find various advertisements of new booking services on television.

Since its global diffusion in the late 1990s, and its explosion in early 2000s, the Internet has contributed to change customer behaviour in many markets, from the so called digital goods, such as music, books or games, to physical goods, such as consumer electronics, and even experiences, like eating and travelling. In the last few year nearly every B2C market has been deeply transformed, due to new customer needs and expectations.

The internet set new quality standard, and democratized the opinion of the users, giving to everyone the ability to give a feedback, and express their opinions¹.

Any academic research related to this phenomenon is necessarily obsolete, because the Internet is continuously changing, evolving, as well as customers' expectations. New markets are created, and old markets are disrupted. This dissertation, in particular the first two chapters, will make an attempt to describe how the Internet reshaped the travel market, with an analysis of the previous research in this field.

From the third chapter the focus will move from academic research to a practical application, with a detailed analysis on the Delicanto experience, elaborated during its launch phase of the agency, from july to december 2014.

Delicanto is a tour operator born in a time of deep crisis of travel agencies, that has identified a small niche of customers and is able to provide very specific services to this niche, exploiting the Internet to reach people that otherwise would be very difficult to

¹ Many believe that a general open access to technology and information has generated a positive effect on society and general knowledge. This is especially the opinion of the Wikipedia founder Larry Sanger. Source: http://edge.org/3rd_culture/sanger07/sanger07_index.html

get in contact with.

The final aim of this dissertation will be to show, with a practical research, how the role of the travel agencies has changed from the time before the Internet to today. The Delicanto business model will be extensively detailed, and there will be a further analysis on the customer, using instruments not only from business strategy but from design as well. It will conclude with a strategic focus about this agency, that could allow to reach some conclusions about this market.

1.0. Definitions

In this dissertation are used many words that in academic and common context have sensible different meanings. For this reason a set of definitions, that will be used throughout the dissertation, will be given in advance.

1.0.1. Tourists and Travellers

Many papers talk about travellers in a general way, generally agreeing on the definition of traveller as “the one who travels”, maybe differentiating between first time travellers and experienced ones, or by the travel motives. Conversely, in this dissertation it will be used a more modern way to identify the travelers by categories.

It is defined *tourist* as a general term, as synonym for traveller in the older references.

The traveller becomes the experiential tourist², a definition that is accepted by the Internet travel community, and can be traced in many divulgative sites³.

The reason for this choice is that this dissertation will focus on a very practical research, and it is felt to use the most recent and globally accepted terms to define this phenomena.

1.0.2. Reasons for travelling

It must be noticed that in this dissertation there will be no distinction for the motives of the travel, being it leisure, business, or visiting friends and relatives [Law , Leung,

² Experiential tourism (or "immersion travel") is one of the major market trends in the modern tourism industry. It is an approach to travelling which focuses on experiencing a country, city or particular place by connecting to its history, people and culture. The term “Experiential Travel” is already mentioned in publications from 1985 - however it was discovered as a meaningful market trend much later.

³ Like wikiHow (source: <http://www.wikihow.com/Be-a-Traveler-and-Not-a-Tourist>) and Usa Today (source: <http://traveltips.usatoday.com/differences-between-tourist-traveller-103756.html>)

Wong, 2004]. The reason for this choice is that this dissertation is not focused on the general phenomenon of travelling, but is related to the specific one of tourism⁴, and thus only on the people that would use the consultancy services of a travel agency. Therefore the reasons for travelling will be considered only in the first two chapters, introducing the theoretical framework, while in the following ones there will be no attempt to use them.

1.1. The travel agency before the Internet

To understand how the Internet shaped the travel market it is necessary to start from how it was before the Internet itself⁵. This first paragraph will aim to explore how the travel market was structured before the Internet, from both the agencies' point of view and the customers' one, with a special focus on the decision making process.

1.1.1. Being a Travel Agency before the Internet

For the sake of this research it will be made the assumption that the business model of the traditional Travel Agency has not drastically changed from the time before to after the Internet, even if the Internet itself had a great impact on customer choices, especially in the youngest generations [Buhalis, Licata, 2002; Harison, Boonstra, 2008], and for this reason many have described this market as a declining one [Castillo-Manzano, López-Valpueda, 2010].

The Travel Agent is therefore defined an intermediary between the traveller and the travel related service provider, such the hotel or the flight company.

Helping its customers to plan and book their travels, the value proposition it creates is proportionally connected to two factors: the ability to offer solutions that are difficult or impossible to reach for the self planning customers (such as better hotels, or lower prices) and the simplification of the planning experience (thanks to the Agency know how).

The greatest change from before to after the internet is the simplicity to gather information. Thinking about something that is relatively simple, such as a flight

⁴ Tourism is travel for recreation, leisure, religious, family or business purposes, usually for a limited duration. Tourism is commonly associated with international travel, but may also refer to travel to another place within the same country. The World Tourism Organization defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes"(source: <http://en.wikipedia.org/wiki/Tourism>)

⁵ To achieve this objective it will be used some literature from a period when the Internet was not widely diffused (years 1980-2000) that will also be confronted with more recent literature.

booking, before the internet there are only two ways to book such a service: through the flight company itself (by phone or by its offices), or through an agency. But in presence of many flight company for the same trip, it is easy to understand that the booking through the agency is much more efficient, because allow the confrontation between different flight companies, allowing to compare different prices and services. What is seen in the travel market is that the user itself creates a pressure to the adoption of the Internet as a channel [Andreu et Al., 2010], and the adoption of e-commerce practices in the travel sector is steadily increasing [European Commission, 2006].

For this reason, even if for the frequent flyer it is easy to pick its best travel solution, that is much more difficult for the average traveller, who finds more efficient to book a full trip with a single agency, leveraging on its experience, know how, and set of offers.

1.1.2. Travel Planning before the Internet

It would be easy to believe that the travel planning process has changed after the advent of the internet, and from a peculiar perspective, it would also be true. In fact the planning process has been greatly modified [Ho et al., 2010], and in general the e-instruments had a great impact on the travel planning processes in the past decades.

The subject of the change appears not to be the process itself, but the medium used. In fact, older research help in assessing that the basic market segments from a time before the internet were almost the same as today.

According to Woodside and Ronkainen (1980), and referring to a study conducted in year 1969, there were three great traveller segments, based on planning patterns:

- self-planners
- users of motor clubs
- users of Travel Agents

Where self planner and the Motor Clubs users show very similar behavioural patterns, and could be redefined as “users that plan their travels by themselves”, and “users that plan their travel with their peers”.

With this improved definition it is easy to track all the three categories of users until today, with the simple assumption that those who used Motor Clubs to plan their trips today have similar planning pattern than communities gathered around a hobby.

What has drastically changed since 1969 are the means used to plan the travels and

gather information. Thus it can be safely assumed that the basic traveller needs are mostly the same in term of planning, even if their purchasing patterns have evolved in the past two decades, thanks to the Internet.

1.2. The internet and the disruption of old business models

Saying that the Internet gave to the traveller a new way to book their hotels and flights is a gross oversimplification of how the customers used these new services, that mostly (but not only) base their business model on the booking services, influencing their purchasing patterns. In this paragraph it will be made an attempt to deeply understand the role of the Internet in changing the preferences of the customer, and thus disrupting the travel market.

1.2.1. The disintermediation of the traditional travel agency

When the internet started to become a worldwide phenomenon, there were many players in the travel market that immediately understood that it could be an efficient way to sell directly to their customers, without being forced to use the services of an intermediary⁶. For this reason, together with the general diminution of the long distance travels due to September 11th events [Lai, Lu, 2005] they were pushed in the creation of websites that allowed users to book online their services [Tse, 2003].

Reading the literature from year 2003, before the great advent of the Web 2.0, but after the Internet worldwide diffusion⁷, the problem of the disintermediation of the travel agency was already perceived: it is possible to read that some Hotel chains put in act a set of online promotions that have the precise objective to reduce intermediations from online agencies [The Economist, 2002].

It is easy to understand how these small actions caused a downward spiral of prices, and an increased, and sometimes unfair, competition between players. that would have ultimately lead to a deterioration of relationship between the travel service providers and the agencies [Hibbard et al., 2001].

What Tse (2003) suggests is that agencies can choose to respond to this act in a

⁶ They were wrong, but they would have understood this only later [Castillo-Manzano, López-Valpuesta, 2010; Tse, 2003]

⁷ Tse (2003) must be contextualized in its precise period: the considerations that it reaches are relative to an age before the diffusion of the great travelling portals, like Booking and Tripadvisor, and the democratization of the travel experience.

negative (retaliation) or positive (cooperation) way. What he underestimates is the constant loss of market power of the agencies themselves, due to the successive creation of online travelling portals⁸, that will ultimately lead to a critical situation for the physical agency [Castillo-Manzano, López-Valpuesta, 2010].

Tse (2003) reaches the conclusion that a new agreement between hotels providing rooms and agencies offering booking services at reasonable condition and with an added value could lead to a win-win situation between the two operators. The results have been partially confirmed by the most recent tendencies of the e-commerce patterns, especially applied to the travel market, where it can be seen that consumers usually navigate through online and offline phases during their planning, thus showing that the online means have still not yet completely erased the physical experience of the planning [Ho et al., 2012]

1.2.2. The new booking services

In the years of the internet boom there have been strong pressures for the agencies to adopt new media for e-commerce and e-communication [Andreu et al, 2010]. But these efforts in most cases have produced small effects, if compared to the new travel services, that in some cases have been introduced in the early year of the Internet, and only after its second boom have become international players in the travel industry. It is the case of Booking.com

Booking.com was actually born not from the effort of a traditional agency, but thanks to a computer engineer, that exploited what he recognized to be a gap in the market to create one of the most successful booking services ever. The year was 1996.

The company was successively bought by The Priceline Group for \$133 million during 2002.⁹

During 2011 the company made \$1.1 billion profit, thus becoming one of the most successful booking services ever created¹⁰.

The service allows the user, through a simple interface, to choose the days of the trip, and a general area for the destination. It will then filter the results based on the availability of the hosts, as well as the users ratings and distance from the selected area. It presents the results in both a map and a list,

⁸ Intended in its most general definition as “anything being travel-related”

⁹ An article further analyzing the history of Booking.com and its success can be found at this link: <http://skift.com/2012/06/25/how-booking-com-conquered-world/>

¹⁰ Further reading:

http://hotelmarketing.com/index.php/content/article/booking.com_the_best_acquisition_in_internet_history

to let the user choose the best solution for its travel.

Sadly, this was not the case for most the traditional agencies that sold their services online, and continued to lose their market share in favor of the growing market of the Online Travel agencies [Castillo-Manzano, López-Valpuesta, 2010].

When the first e-commerce were developed, apart from the first enthusiasm that has generated the internet bubble of the 1990s it appeared that the Internet could be a great leverage, if not for selling the services to the world, at least to improve the relationship between agencies and suppliers [Tsai, Huang, & Lin, 2005].

The conclusion it is possible to reach, twenty years after, is that the first investments in the Internet would have been a great success, because it would have significantly shaped the behavioural patterns of the travellers [Buhalis and Law, 2008].

Another important issue has been the re-discovery of the self planning travel, especially for short and not complex trips. If before the Web diffusion even a flight booking would have been difficult, the Internet, and in particular the booking services, gave to the people the ability to easily compare prices and offers, picking the one they liked the most, inevitably cutting out the traditional agencies from this market segments, whilst the Internet has become the most used tool for travel planning [Fesenmaier and Xiang, 2014].

1.2.3. The improved access to information

What changed in the past ten years is also the capacity of people to access to a greater volume of information. As for today, travel communities¹¹ are very diffused, the “travel blogger” is actually recognized as a job, as well as the food blogger (both related to the leisure dimension of travelling), and in general it’s very easy to obtain diffused information, fact that greatly reduces the complexity of self planning activities.

But blogs and community are not the only way for people to access information. The greater achievement Internet has brought is the democratization of the opinions on a service, through portals like Tripadvisor.

Tripadvisor’s first aim was the intention to bring “professional” (usually printed) review online. Despite giving the ability to the customers of the various activities to leave their personal feedback,

¹¹ Here travel is intended as “experiential tourism”, as explained at the beginning of this dissertation.

this was seen as a collateral feature. Soon enough it was clear that this marginal feature was responsible for the success of the platform, thus becoming its main attribute. In 2014 Tripadvisor has been recognised as the world most known travel brand¹².

If, from one side, this can surely help hosts in improving their services (and sometimes it actually does), from the other it allows people to read opinions that could be similar to theirs that the high critics or the specialized reviews (that they usually cannot even understand).

Democratization of the users is a frequently used expression when talking about some internet services, being it in good or bad contexts. Sometimes charm and popularity have greater effects on users than precise and optimal service, as well as low prices and fortunate location.

In the age of the internet information are not only free and easy to obtain, they are also, most of the time, too many, often in contradiction, and come from different sources. For this reason it can be argued the role of travel agencies can be also to filter and curate information to travellers.

1.3. The “new” role of travel agencies

The role of travel agencies has significantly changed in the past years, even if, as it is seen in Woodside and Ronkainen (1980), it appears that their role is gone back to their original one: providing consulting to experienced travellers, to improve their overall experience and provide high level consulting services related to the destination. What has changed is the traveller itself, that today, thanks to the internet, has a much greater access to information, and expects a greater value for the price he is paying [Christian, 2001; Lubetkin,1999; Samenfink, 1999].

1.3.1. The Travel Agency as high level consultant

It has been shown that in the past few years, people still choose to organize some travels in agencies, if these have specific requirements. In particular:

- if the journey is very long (more than 30 days)
- if it is a vacation trip, instead of a business trip
- there are children involved in the travel

¹² Source: <http://www.ljresearch.co.uk/tripadvisor-tops-travel-brand-awareness-index/>

- the trip involves friend and different people in the organization

All these factor has shown, in previous research, to improve the probability for the travel to be booked through a traditional agency [Castillo-Manzano, López-Valpuesta, 2010].

If we critically analyze these factor, and compare them to Woodside, Ronkainen (1980), we can reach a simple but strong conclusion:

People will choose the most economical way to access to travel services, but the more the complexity of the planning grows, the more it will be probable that they will ask for a professional help.

In this context it is easy to understand the necessary positioning of a traditional travel agency today: it must not compete in providing simple intermediary services, because customers will probably prefer economical and worldwide services, like Booking or Trivago; it must provide a real value proposition, that could be accomplished through a consulting service for the planning, with a real help in reducing the complexity of the planning phase of the Travel.

1.3.2. Providing non accessible information

Even after the democratization of information, the consumer feels the importance of a professional guidance in the planning phase of its travels. It is easy to argue that there is an amount of hardcore self planners, who will design their experience only through the access of information on the internet, despite the difficulty and expense on the effort, but these users would not have been potential customers of any agency in the first place.

By looking at the list of factor that facilitate the use of an agency in the previous paragraph, it is easy to understand how there is an important part of potential travellers, not just tourists, that would use the help of an agency in their planning, for example because the trip is very long, or they feel they do not know enough of the destination to plan their own "perfect travel".

As it is extremely common in the connected world, the information are the focus point of the value propositions: whoever is able to manage and deliver the correct information is capable to reach and engage a greater share of its market.

1.3.3. Niche markets

As it has been diffusely specified, travellers tend to gather in communities. These are not necessarily random or user generated: sometimes a traditional agency, using the leverage of the new media, is able to create specific communities of travellers, that might use these opportunities not just for the travel itself, but also to know new people and enlarge their social circles.

It has been seen that even in periods of crisis of the traditional travel agencies due to the new competition of the new online ones, those that have been able to exploit a strong engagement with their customers, gathering them around a common interest, have not only survived the crisis, but were sometimes able to exploit the new media to improve their business.

It's the case of Butterfield & Robinson, that created a strong identity of slow travel, connected to the biking and walking experiences: apparently the ones that engage in these activities are extremely willing to become a community, creating a win win situation with the Agency that manages it.

Chapter 2

The importance of the Experience

Today's marketing has internalized, sometimes in a redundant way¹³, the concept of experience. Traditional advertising continuously speaks about the experience of being superior while using a specific products. But it does not end there, because the most innovative forms of marketing allow to interact, to experience the product itself and that feeling of superiority.

But that does not stop to marketing. Whenever there is slow food there is an experiential dimension of the food fruition. There is also experience design, that aims to design products with this new, augmented concept of experience at its center.

Finding the word *experience* in a definition today, in the mid 2010s is extremely easy, with the result that there has been a great inflation of the term itself, that in the past few years has been associated with so many concepts and contexts that, by itself, now has nearly no meaning.

The aim of this chapter is to accurately define the concept of experience in a way that can relate to the travel ecosystem, and successively use this definition to understand how this new way for the fruition of goods and services has shaped the consumer market, and consequently modified the offer.

2.1. Experience: a definition

To understand how the concept of experience influences the leisure related market it is important to begin from the definition of the word itself, but as it has been introduced already, this particular passage is not as simple as it seems, because a dictionary could not be able to grasp the extent of the phenomenon in its overall potential. For this reason to the most academic definition it will be associated a second one that will be extrapolated by different contexts, like design and travel ones. This second definition is the one that will be used in this dissertation.

According to the Cambridge Dictionary¹⁴

¹³ The concept of experience is often overabundant, with unnecessary repetitions, that are often used in contexts that have no proper meaning.

¹⁴ Source: <http://dictionary.cambridge.org/dictionary/british/experience>

experience: (noun UK /ɪk'spiəri.əns/ US /-'spɪr.i-/) (the process of getting) knowledge or skill from doing, seeing, or feeling things:

Do you have any experience of working with kids? (= Have you ever worked with them?)

The best way to learn is by experience (= by doing things).

I know from experience that Tony never keeps his promises.

I don't think she has the experience for the job (= enough knowledge and skill for it).

In my experience, people generally smile back if you smile at them.

The experience of pain (= what pain feels like) varies from one person to another.

As anticipated, this simple definition is too general to allow to understand the experiential travel, even if it gives some insight. The main point is its personal dimension, of not simply doing and seeing, but also *feeling*, opening to a deeper level of involvement for the person.

Today the word is most common in the Design world, thus it can be useful try to define instead “experience design”

Experience design is the practice of designing products, processes, services, events, and environments with a focus placed on the quality of the user experience and culturally relevant solutions [Aarts, Marzano, 2003].

The overuse of this concept in contemporary design has probably shaped the word itself. In the presented definition there are new elements that come to fruition: these are *relevance* and *culture*, meaning that in experience what is important is not only a *feeling* dimension, as seen in the most general definition, but also the *context*.

The same concepts, even if the word is not expressed, can be found in Norman (2002), where the design itself is all about use and context.

Everything of what has been found until now can be seen in the common definition of Experiential tourism.

Experiential travel (or "immersion travel") is one of the major market trends in the modern tourism industry. It is an approach to travelling which focuses on experiencing a country, city or particular place by connecting to its history, people and culture¹⁵.

Here it is easy to find the common experience concept, and the meaningful context represented not only by the travel, but also by the connection with the destination, its culture.

This premise could appear pointless, but the literature often associate the experiential dimension of travel with culture and heritages [Laing et al., 2014; Seidl, 2014; Silberberg, 1995], but also with the concept of authenticity [Prentice, 2001; Rickly-Boyd 2012; Wang, 1999], or even hunting [Komppula, Gartner, 2013] and in general with every kind of experience according to its general definition. For this reason it is important to give an exhaustive definition of this word as it will be used in this dissertation.

Also, as expressed in the introductory definitions, for simplicity the experiential tourist will be defined as *traveller*, as opposed to *tourist*, for its most general meaning.

2.2. The importance of the "traveller" market for agencies

As understood in the first chapter of this dissertation, one of the requisites of travel agencies to survive the Internet age is to focus on niche markets. Obviously, this does not excludes other niches than *travellers*, but only this one will be extensively analyzed.

The reason is that the Experiential dimension of the tourism¹⁶ is actually an added value to the travel itself [Richards, 2011], meaning that allows operator to use it as Unique Selling Proposition, and apply a premium price, because the traveller is willing to pay for a special “experience”, as opposed to the mass market, where tourist use Internet portals to plan their trips, trying to pay the best possible price for the selected service (even if it is an high quality one).

The importance of this market for agencies survival is also confirmed by the fact that this niche is steadily growing [Richards, 2011], and, although there will be people that prefer plan their travel by themselves, this is an interesting market opportunity for traditional agencies.

The greatest element of complexity is that “Experiential tourism”, as seen before, could comprehend many possible means of travel, and for this reason it is important to deepen the understanding of this main declination of travel.

¹⁶ Where the word “experiential” exhaustively sums up what has been said in the paragraph about definition.

2.2.1. Culture as Experience

The relationship between culture and experience is probably the easiest one to find, and also the widest. In this context one of the first elements that can be found are heritage sites [Laing et al., 2014; Seidl, 2014; Silberberg, 1995]. Heritage is seen not only as a representation of national culture, or, more specifically, the culture connected to a specific event or period [Laing et al., 2014], but can be also considered a sustainable competitive advantage [McKercher, Ho, 2006].

In Italy this is especially true, with the tourism that amounts to more than 10% of the GDP [WTTC, 2014], and local culture that is widely recognised as distinctive. It is easy, in this context, to understand the unique value of culture, as associated to experience, even in its most strict definition. For example, Venice history and its heritage has deeply influenced local culture, its language, and its special lifestyle, thus creating an Italian subculture that, as it will be seen in the next chapter, could be successfully exploited by a “traditional” Travel Agency to offer a very peculiar experience.

The positive effect that has sometimes been measured on GDP [Holiday Money, 2007] can be seen as a market of the high interest in this specific market segment.

2.2.2. Authenticity as Experience

The definition of Authenticity in the tourism environment is even more complex than the Experience one, but fortunately there is a large literature on the argument [Rickly-Boyd, 2012; Wang, 1888], that, despite being extremely complex and going far above the economical domain, opens an important issue: the authentic dimension of travel can generate experiences, and thus it can be argued, the more the travel itself is near to the authentic dimension of the destination, the more the generated experience is, by itself, authentic, thus those who aim to discover this dimension will be involved.

2.2.3. Creativity as Experience

The concept of authenticity is seen again while talking about Creativity [Zukin, 2010], and opens to a definition which is similar to the cultural one, but more associated to the dynamic dimension of a nation, that involve its “*creative turn [...] in many different social and academic fields, including literature, urban development, cultural policy, economy, aesthetics, academic writing, theater, architecture and education*”

[Richard, Wilson, 2007].

As seen for Culture, the Creativity dimension, that involves people, products, processes and places [Richards, 2011] can be an important driver in tourism exploitation, and further develops the tangible dimension of heritage into the intangible one of everyday life [Lengkeek, 1996].

2.2.4. Other contexts for experience

The business model of the Travel Agency *Butterfield & Robinson* is based on the concept of *slow travel*, by bicycle or on foot. There are also examples of hunting as main travel experience [Komppula, Gartner, 2013]. In these particular situations it could be argued if the absence (at least not noticeable) of culture or creativity, or even human interaction could allow to define these special cases as experiential tourism.

The answer is easily traced in the definition given at the beginning of this chapter, and it is *yes*: both cases are “experiences”, because have a direct and emotional involvement, and are relevant in a special context, being it related to the experience itself, like in the hunting case, or in the community and its shared values, as what happens for the trips organized by Butterfield & Robinson.

Again, despite talking about product design, Norman (2002) helps in explaining that almost everything can be made into experience, if enriched with meaning, and this is the object of design today¹⁷. And this opens to an interesting result: up until now the market segment found was, by definition, a niche, as opposed to the mass market, but the dimension of this niche, or the sum of small niches, is difficult to evaluate, and could be even account for a significant portion of the whole mass market. For this reason in the next paragraph it will be made a short introduction about Design Thinking and User Experience, and it will be explained how these apparently unrelated concept can be used to benefit the world of Travel agencies. These tools will then be used in structuring the analysis of Delicanto, especially for its business model and customer segments analysis.

2.3. Experience in the planning phase: an introduction about UX

User Experience, or its acronym UX, is a branch of the design process that makes its focus in creating the best human interaction, usually with technology, that feels the

¹⁷ This concept is wonderfully explained by John Hockenberry in his TED Talk “We are all Designers”. Source: https://www.ted.com/talks/john_hockenberry_we_are_all_designers

most natural and beautiful possible. Apparently it has not very much in common with travel, apart from the name itself, that, and this, as it has been said, is extremely common.

But a further analysis helps understand that these two, apparently distant, world, have much in common, and can be used together in a positive way. This can be easily explained with two reasons.

First of all, Travel agencies can use User Experience (that is not necessarily limited to a technological environment), or in its more general concept, design thinking, to improve their relationship with their customer, better understand their need, and design the interaction in the Internet Era (even if they are traditional agencies).

The second, more subtle, one, is that UX and Design are all about travel. The road that connects the consumer from getting in touch for the first time with a firm to completing a purchase is usually referred as Customer Journey, and that is not a coincidence, because in this special kind of journey the emotions and sensations that are object of design are very similar to a real journey, from its planning phase to its conclusion, and the good (or bad) memories that will push a person in repeating or not the experience itself.

The parallelism could be a little stretched, but it is to explain that there is much in common between the two world, and it would be possible, even easy, for Travel agencies exploit the basic principles of design to greatly improve their value proposition.

2.3.1. Forget about physical vs. digital: an holistic vision

The fact that online commerce (specifically in the tourism world, but these concepts can be probably extended to different markets) is substituting the traditional selling channels is a very common assumption, but may not be completely right. If, from one side, as it has been seen in the first chapter, that the booking through traditional agencies is declining in favor of online ones, that could mean many different things, starting from the fact that the traditional players find it difficult to conform to the new consumer demands.

Also, the Internet revolution has shown that some particular markets could be completely substituted by digital one, and because the goods had not an intrinsically physical dimension, but could be perfectly compared to a digital equivalent. For this

reason the traditional markets of music, films, games and books are seeing a great shift in term of distribution channels.

The problem is now to understand if the travel planning phase can have an intrinsically physical dimension, or not, but apparently, as it happens today with books and consumer electronics, there is a significant portion of people that would not completely renounce to a physical dimension of this phase [Ho et al., 2010]. This shows that planning the customer journey through both physical and digital channels could help even traditional agencies in evolving in this new market.

In the era of information this could appear counter-intuitive, but it's important to remember that humans have an intrinsic physical dimension, and as for today they still use direct interaction in building a relationship (with a brand).

2.3.2. The psychological dimension of travel and travel planning

Another aspect that must be taken into account in developing a design approach to the travel planning phase is its psychological dimension. The importance given to context in the UX helps in understanding how the psychological means are important in evaluating different possible strategies.

Expectedly, it has been found that when talking about travel and experience, this is a special beneficial effect of human mind, because not only the brain reacts in a more positive way to the *to do*, than it does to the *to have* [Van Boven, Gilovich, 2003], but also the anticipation for the purchase of an experiential good, such as a travel, has a more beneficial effect than the anticipation for a physical good of the same value [Kumar et al., 2014].

This seems to confirm again what was said about the premium value of the travel experience, and the intrinsic value of experience itself, as an ulterior feature of the classic "tourism". The traveller, as one that dedicates much effort not only in the travel but also in the planning phase, should be the one that, more of others, would be willing to pay for what he considers the greatest value proposition, due to the greater effect it has on its personal gain.

2.4. Implication for travel agents

What does this mean for traditional Travel agencies? Putting all the pieces together,

it seems that their role should not to be underestimated today, even if their specific market is going through a strong crisis. It appears, in fact, that both a physical dimension and a psychological one of the travel planning phase would easily bring customer to use their services, if correctly designed in this new world which is saturated with information.

This is precisely what Delicanto, and many other agencies around the world, do, using a traditional approach to travel and the new channels to deliver a whole new value proposition, not just for the travel itself, but also for the planning phase. From the next chapter until the end the focus of the dissertation will be Delicanto, its business model, its competitors, but also its communication choices and overall strategy.

Chapter 3

With the eyes of the locals

Delicanto is a tour operator born in 2014 from an idea by Debora Oliosi and Marianna Marcuzzo. Comparing it with some Silicon Valley initiatives we would say that, after a small first round of funding, it has become a bootstrapped startup [Lahm, Little 2005], meaning that it aims to gather the resources needed for its investments from its direct gain in most part.

In this chapter Delicanto’s business model will be described, using the Business Model Canvas framework [Osterwalder, Pigneur, 2010] , with a particular focus on strategic content and implications of its activities.

The first step in the analysis will be its Value Proposition. It will be highlighted how Delicanto aims to create value to its customers describing its mission and products.

Then there will be a focus on its target segments, which at the present time are very specific, have special needs and are a little difficult to get in contact with. For this reason the Channels and Customer Relationship are the object of a very careful design process.

The next focus will be about Key Resources, Activities, and, above all, Partners that allow the exploitation of the Value Proposition of Delicanto.

Cost and Revenues are not a conclusion in this Business Model, because there will be a last section about strategic implication that will contain a SWOT analysis, whilst the market analysis will have 2 chapters by itself.

<p>Key Partners - Local providers of services - Incredible storytellers</p>	<p>Key Activities - Tour development - Partners management</p>	<p>Value Proposition - With the eyes of the locals. - Experiential and</p>	<p>Relationship - Strong support through channels before and after the purchase</p>	<p>Segments - Niche consumer segments - Business incentive and</p>
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- Intermediaries		tailor made travel solutions in Veneto	- Travel customization	bonus programs
	Key Resources - Local culture - Direct involvement of strategic partners - A FIAT 500		Channels - Internet Site - Facebook Page - Twitter Account - e-mail - Intermediaries - Direct contact	
Cost Structure - IT development costs - Business development costs - Marketing costs		Revenue Streams - Revenues from travel offers		

3.1. With the eyes of the locals: the value proposition

Delicanto is a small, mission driven, travel agency, that aggregates high level experiences for travellers from english speaking countries to Italy, in particular to Veneto.

What makes Delicanto special is its unique perspective about the meaning of travel, as opposed to tourism¹⁸. But even more than the common meaning, travelling in this agency means discover not just the places, the artworks, the museums and the hotels (even not the most famous ones), but learn to see a region with the eyes of the locals, and to be, even if just a little, from Veneto. This is the strongest statement in Delicanto, that defines the overall offer and its interpretation of the *traveller*.

Local culture is the center of Delicanto’s value proposition. The agency aims not only to exploit it to create a travel flow to these destinations, but also to help the same culture preservation and transmission, allowing it to be remembered, developed and diffused.

Cultural perspective is the strong, focal point of Delicanto’s mission. The typical travel offer mediates between different cultures, creating experiences easier to understand for travellers, that offer a less loyal portrait of a destination. Conversely, the aim of Delicanto is use the travel to teach to the travellers how to see and how to feel as someone born and grown in Veneto, literally, through their eyes.

¹⁸ As seen in the first chapter, even if for Delicanto this is to read in its stronger definition, not only to meet and know local culture, but to learn to see through it.

3.2. Luxury is too small as a definition for target segments

Chapter 4 will be completely dedicated to the analysis of the market, but a small introduction is necessary to frame the agency activity, and to understand the other components of the Business Model Canvas

In Delicanto the ideal customer is defined by many characteristics, that will help to create a Persona, define its ideal touchpoints, and establish a theoretical customer journey. For now only the main target segment (consumer and business) will be shortly described, and deeply explained in the next chapter.

3.2.1. The Passionate

The consumer segment identified by Delicanto is indeed centered on a strong passion for Italy and its culture. These people have probably travelled already to Italy, and visited all the main itineraries, thus they are ready to discover something that feels more real and authentic. They are educated, have a good income, and are probably Baby Boomers (they have more than 50 years). They come from english speaking countries.

The main touchpoint with these traveller is their passion for what Italy have to offer. They do not just love food and wine, but are curious about every aspect of italian life, maybe even its language or cultural quirks.

The Passionate will be minutely analyzed, to understand its most important features, and also some hypothesis will be made about its customer journey.

3.2.2. The networker

The business segment is an emerging market in Italy, while in other places the incentive and team building trips are quite diffused. Delicanto has discovered that many of its local partners would be willing to participate to the original Delicanto experience (and this is proof of its authenticity) with incentive programs. This generates occasions for networking not only between enterprises, but for Delicanto itself, that has the opportunity to meet new activities that could become key partner in its business model. This is only one of the opportunities connected to the business segment of the demand, and some of these will be detailed, even if it is still an early market segment for the firm.

3.3. Full online support is both Channels and Customer

Relationship

Delicanto is a newborn tour operator. It does not have offices all over the world, nor a salesforce. For this reason it must exploit the internet and its channels to get in touch with clients located on other continents.

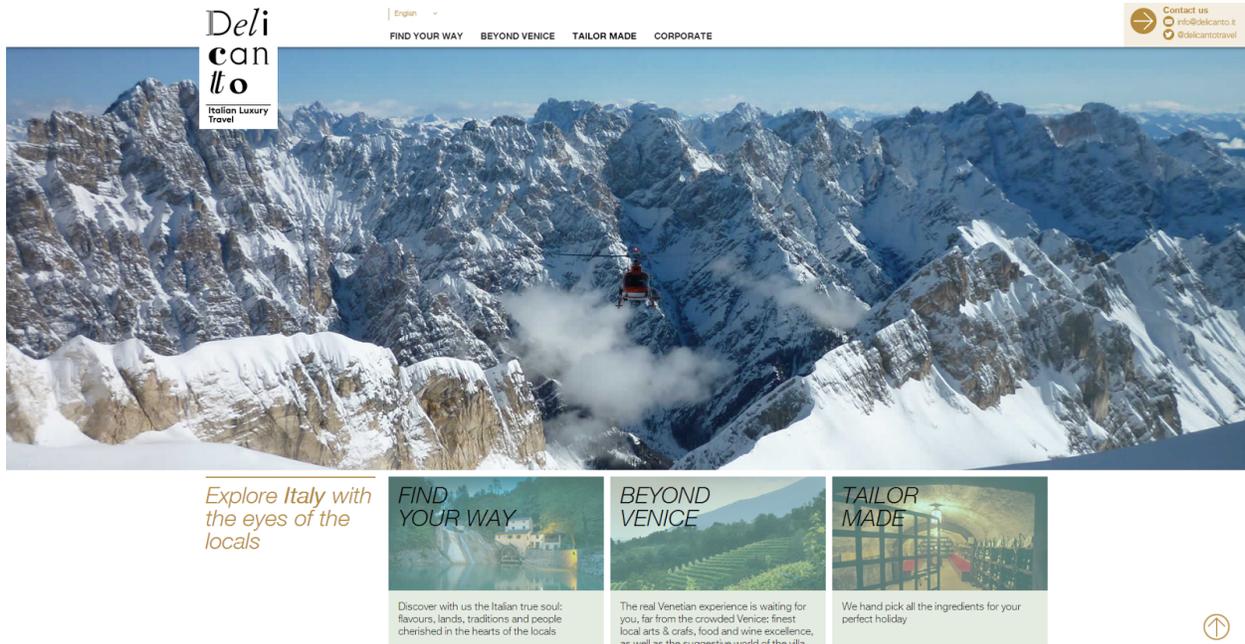
A website is only an initial step in the process of getting in touch with its special customers, and its function is to deliver a fresh and simple navigation through the possibilities of a Delicanto organized tour. Aligned with the site are the e-mail address and the Twitter account, for intensive or quick requests. Facebook is also used to target specific segments through its advertising platform.

The overall marketing strategy will be deeply analyzed in the last chapter of this dissertation, now there will be a short description about the channels used and how they are expected to function as channels or customer relationship management instruments.

Despite being a full online service, as said in the previous chapters there are many potential customer that still prefer or partially used an offline approach, especially in the customer segment served by Delicanto. For this reason the agency has established some key partnerships with travel agencies from USA and UK, as distribution channels for its special offers.

3.3.1. Website

<http://www.delicanto.it/> is the internet address of Delicanto. This is the main communication hub for the agency, and the repository of its offers. The site is built according the latest design trends, with a special focus on usability, simplicity and UX design. It allows a simple interaction to pick and discover offers, and also the ability to customize the offers themselves.



Delicanto Home Page (<http://www.delicanto.it/>)

3.3.2. Facebook Page

Facebook’s advanced targeting in the advertising platform is a great tool to gain a strong but very targeted reach, keeping the economic effort very moderate. Facebook is also considered, at this time, the greatest conversation hub online. In a company that puts a lot of efforts in creating engagement with its customers this is extremely useful and important.

3.3.3. Twitter account

Delicanto uses Twitter as an easy and quick instrument to allow people worldwide to get in touch with a minimum effort. Its main function is to create a long lasting engagement, and to function as a customer relationship tool, allowing the agency to provide quick help any moment.

3.3.4. E-mail

An e-mail can be used in many different ways. Like twitter, it can be a tool to help people in solving problems or answering questions before the tour (but unlike twitter, without a limit in characters numbers, making it useful in a more sophisticated way). It can be used to advertise to a mailing list, through editorials and tour descriptions (as

will be seen in the Strategy chapter). It can also be used during and after the tour to keep in touch with the customers, and improving the community engagement and relationship.

3.3.5. Intermediaries

Delicanto uses as intermediaries other local travel agencies in the regions selected for selling its services, as USA and UK. Also, it has appointed a few operators in the foreign food and wine sector that could become intermediaries for its services, and promoters of a more authentic fruition of these goods through travelling. In this sense Intermediaries are both seen as a channel and key partners, due to their risky and strategic role for the enterprise in reaching their final customers without losing it to the Intermediaries themselves.

3.3.6. Direct contact

Direct contact does not mean only direct selling of travel solutions, but a personal and direct interaction with potential customers. It allows a full customization in the planning phase of the travel, and it has the potential greatest ability to generate leads in term of effective sold travel solutions.

3.4. Exploiting local culture as the greatest resource

The promise by Delicanto is very strong, rich, and difficult to accomplish due to many possible reasons. Being a startup, it cannot count on a well known brand, whilst it has to build it from nothing.

To accomplish this ambitious objective the agency has set up different key collaborations and activities, that will help in its first years of activity to develop its designed brand reputation.

3.4.1. Local activities as key partners

Seeing a place with the eyes of the locals means knowing the places and the activities that are most of all related to the local culture, because they are included in that cultural framework that is the core value in Delicanto offer. For this reason local activities are the most suitable partners to create unique Veneto experiences. At this stage these partners have only advantages in collaborating with Delicanto, thus creating a special

and direct relationship between them, which has not only a value objective, but also a strong networking output, that the agency can exploit to improve their business market segment.

3.4.2. Original and passionate storytellers

Knowing the culture is often not enough to communicate it a beautiful way. Delicanto collaborates with different people, some of them are guides, some others are little entrepreneurs or simple workers that have an extraordinary gift: they know their story, the story of their places, and are talented in telling that story, enriching it with details, myths and tales to make it possible for different people to improve their understanding of a place and its culture. One of the main activities in Delicanto is the direct knowledge and involvement of these people, that are the one that contribute in a special way to the value proposition.

3.4.3. Marketing and intermediaries management

If one of the main activities of Delicanto is developing the tour proposals, the other one is absolutely marketing. Creating a brand from scratch is not an easy task, and at this time brand development and its awareness are a top priority. Sometimes, like in the case of intermediaries, this could open to a possible disintermediation or ineffective activities. For this reason the management of these key partners is done with the greatest attention and focus not only on the results, but especially on the relationship.

3.5. Expected revenue streams

Delicanto is a startup, and is actually searching for professional investors, but despite having some initial success and several tour planned, it actually lacks definite economic figures. For this reason in this paragraph the expected revenue and cost streams will be only described by a qualitative point of view¹⁹.

3.5.1. Revenues from trips

As for today the only revenue stream comes from the organize travels, being for both consumer and business segments. A more deep analysis of the price and positioning, also compared to competitors will be presented in the next chapter.

¹⁹ As explicit request of the CEO.

It is worth noticing that this could change in the future, opening new business opportunities, after the development of new market segments. being these related not only to different niches, but also to the organization of activities capable to exploit the network and the culture that Delicanto is creating. But this will be seen in greater detail in the last chapter, talking about its emergent strategy.

3.5.2. Development and marketing costs

It is easy to imagine that there are mainly three sources of costs at the present time, being Delicanto a small and service based agency.

The first one is connected to the development and management of the online platform of Delicanto. This could be considered a marketing cost, but it is managed internally, as a core activity.

The second, as anticipated, is the cost for marketing. The market segment indicated is not difficult to reach, but costly. Luxury press and high level media have very high quotes for advertising, thus making it relatively difficult for an agency that lacks intensive funding to reach them, and this forces Delicanto in developing new and creative ways to exploit low cost advertising.

The third one is connected to partners engagement. It is a relatively smaller but not less important cost, and it is worth of notice for its importance in the overall business model.

3.6. Why Delicanto? Strategic implications and SWOT analysis

As it will be seen in the chapters dedicated to the competitors, Delicanto has very special attributes. Travel market is changing at an amazing speed today, thanks to global services like Tripadvisor or Trivago, that created a serious crisis for traditional travel agencies.

Delicanto aims to reinterpret the role of the travel agency as seen in the past chapters. On one side enforcing the role of *consulting* to the client, thanks to its deep knowledge of the destinations, which is out of reach not only for the typical travel aggregator, but often even for the specialized blog. The local partnerships play a substantial role in this aspect. On the other side exploiting the power of the new media in selling its travel solutions, to a very specific target.

As opposed to (relatively) new travel intermediaries like Airbnb, which are directed to mass market, and thus have a mobile first approach, the target segment addressed to Delicanto does not allow this kind of approach (this particular aspect will be deeply analyzed talking about the Customer profile). This convinced the agency to adopt a desktop first approach (although the internet site is designed to be responsive), concentrating its efforts on the content curation, instead of exploring innovative design solutions.

It will now presented a SWOT analysis to understand some of these strategic implications, that will be further developed in the last chapter.

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> ● very specific target ● high margin market ● strong culture exploitation capabilities ● proximity to Venice ● special relationship with local industry association (confindustria) 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> ● lack of intensive funding ● long time to market (for consumer target) ● cost of the communication to the luxury niche ● USP is difficult to communicate ● startup status
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> ● extension of destinations to other italian regions ● open to different cultures ● Expo 2015 ● EU funds for tourism (2014-2020) ● exploit on a corporate level the created network and culture in different contexts from travel (events, fair, communication, intermediations) 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> ● increase in competition from other italian tour operators ● “comitato grandi navi” ● disintermediation/plagiarism while talking to other agencies

3.6.1. Strengths

In this early stage of development Delicanto aims its offer to a very specific, high margin segment, thus concentrating its resources in what is perceived as highly profitable market.

Its special location is a great advantage: as seen in the previous chapter the vicinane of Venice, a unique heritage site, can be exploited to improve the offer and its cultural implication, as well as the less renowned paths of the region. A special note has to be made about the partnership with the Italian association for Industry (Confindustria), that created many opportunities and was responsible for an initial boost in Delicanto networking capabilities.

3.6.2. Weaknesses

The main weakness of Delicanto as for today is its startup status. If, on one side, it could be argued that this gives the agency a greater flexibility, and help it dominate its niche (which is probably true), on the other side it is also true that it has to cope with the typical problems of a startup, starting from its lack of funding, but also its scarce experience in the travel market, and the difficulty in reaching its final customer. In particular, due to their partnership with intermediaries, the time to market (from the initial travel planning and formalization to its effective selling) is perceived as too long.

To solve its problems connected to the lack of funding for marketing Delicanto aims to involve a private investor, and this opens to another problem: it is found difficult to effectively communicate in a very short time (or just in a catchphrase) the Unique Selling Proposition of the agency, making it important to invest some time in a planning activity for a better communication to every partner, starting from potential investors.

3.6.3. Opportunities

The main opportunities in Delicanto business model, as seen before, are connected to the development of new market segments, both connected to its main segments, such as the creation of new touchpoints and experiences, like the Opera or Birdwatching, as well as completely unrelated segments that could also exploit the culture and network already created by Delicanto. It's the case of consulting in the creation of corporate events, fairs, communication or intermediation.

From an external perspective, an event like *Expo 2015* is seen as a potential opportunity to create attention around local culture, and to improve brand awareness.

Finally, from the funding perspective, it's noticeable the presence of European funds for tourism that in the next years could be used to finance Delicanto activities.

3.6.4. Threats

There are many threats that a startup must face, and Delicanto is particularly aware of them, starting from an increased competition of other Italian tour operators that could easily exploit similar resources to imitate its business model. In a similar way, also the intermediaries that are a channel to reach customers are a threat, because they could in a relatively easy way disintermediate the agency and offer similar travel solutions.

The answer to both these threats is the same: increasing the value and the complexity of the proposed travel solutions, to make them difficult to imitate, as well as improving a special relationship with local partner, to make them difficult to engage for other agencies with a similar offer.

From a political point of view there is today a special threat to the Veneto area, which is the “committee against huge ships” (*comitato grandi navi*) which aim is to reduce the cruise traffic in the Venice lagoon, and therefore could reduce the tourism affluence in the area.

Chapter 4

Through the eye of the traveller

The necessary step in the process of understanding the strategy developed by Delicanto is the definition and analysis of its customers.

In this chapter the most common design thinking and business modelling techniques will be used to reach this objective: creation of Personas, definition of touchpoints and customer journey. These tools have been developed in the design field, but their methodologies have been widely applied to business modeling and business planning activities. Design thinking has become a fundamental feature for every new business that wants to innovate, and to make experiences right for their use [Norman, 2002].

4.1. Know your market segments

The first, most common activity in understanding the market segment is defining its characteristics. The common process is to use demographic characteristics to it, that allow to understand a basic profile of the customer, and also help to measure the market dimension. It must be noticed that the demographics are not the only criteria to define the segments, but there are also more personal and preference ones, that will be further explorer talking about Personas.

4.1.1. Educated traveller and repeater

The ideal Delicanto traveller is educated, not only meaning that has a degree, but that they have already travelled to Italy (probably as tourists), and knows its facade already. For this reason they want to deepen their understanding of local culture not just as a mediated product between theirs and Italian, but as a real in-depth experience.

4.1.2. English-speaking

In the startup phase the tours will be limited to english speaking customers that will allow to reach a wide market (US, Canada, UK, Australia) while keeping the direct costs lower. Also, customers from these regions have been found to have similar travel patterns.

4.1.3. Baby Boomer

On a demographic level the *Baby Boomers* are the most interesting considered age, average income and preference. Also the *X Generation* is a possible target, in particular for enterprise executives or personal entrepreneurs. The typical Delicanto traveller is born between the years 1940 and 1970.

4.1.4. High Income

Delicanto offers high value services to its customers, that are designed for those who are able and willing to pay for them. As explored in the past chapters, travellers are in general more willing to pay for special experiences than tourists, and Delicanto addresses specifically the traveller market, with a unique value proposition that puts the focus on the authenticity of its experience.

4.1.5. Experience-centered

Delicanto's target segment do not prefer the normal luxury, which is usually defined by a standard rating system (in the 5th chapter will be given a precise definition of luxury market, and its differences from the other categories), but a special, authentic and immersive experience to discover through the travel.

4.1.6. Attention to sustainability, sociality and cultural values

As an extension of experience-centered traveller, the attention of Delicanto specific target is not the culture and immersion by itself, but a special attention to higher values, like sustainability, sociality, and local cultural values, that may differ from the ones of the original culture's ones. Delicanto Travellers have a special attention to diversity and appreciate these differences.

4.2. Meet Russell Wright, his daughter Andrea and her husband, Jason Clark

Despite being quite functional to evaluate market dimension, the demographic approach can be significantly improved with the design approach of the Personas.

A Persona is a stereotypical character developed enriching aggregated demographic characteristics with personal and sometimes colorful facts about that person's life,

activities, hobbies and passions.

The Personas analysis helps a company to understand their customer needs in a much more personal way than a simple demographic analysis. Developing different Personas allows to create a very special way to design interaction with customers, and to treat them not just as numbers, but with a great understanding of their needs and desires, even if in an aggregated form.

This process will also greatly help, along with the touchpoint analysis (which is complementary to the Personas one) to develop a Customer Journey.

For now, it will be presented the Wright and Clark family. They have a tradition to do one travel together per year, since the death of Russell's wife, but they often travel alone or with friends and colleagues for both leisure or business reasons²⁰.

Russell Wright

Age. 71

Gender. Male

Annual Income. 400'000\$

Status. Widower

Short Bio. Russell was the CEO of a small but successful manufacture firm in Detroit during the years of economical boom. During the early nineties he guided it to a service approach, that, despite forcing it to significantly change its business model and fire many workers, allowed the firm to prosper also during the Internet Era. Today he helps his son in law, Jason, in the management of the firm. Five years ago his wife died, and this had a negative impact on its life, forcing him to retire from work despite being still competent. From that time his daughter Andrea and Jason has started to bring him to travel once a year. After the first couple of years he started travelling alone in many parts of the world, and experiencing different cultures.

Physical Description. His past as CEO greatly influenced Russell's composure. His hair and beard are white but neatly shaved, he likes italian suits, and still uses the tie everyday. His height is average, and practice physical activity two times a week to keep its shape. He is extremely neat and composed.

²⁰ This story is completely fictional, and a result of a work of brainstorming to understand and create a set of possible personas that have some relations one to another.

Psychological Description. After the death of his wife, Russell plummeted into depression. The decision to start travelling several times per years helped him rediscover new values, and also challenge its prejudices. Despite his age he has a very flexible mind: he ceased to be Christian and declared himself atheist, started to learn some words in different languages, as German, Italian and Chinese, and started to practice meditation everyday. He describes his life as fulfilling.

Hobbies. Russell likes to walk and admire nature. Twice a week he practices Taiji in parks with a small group of people with the same interest. He helps his son in law with the enterprise, and spends a lot of time in reading or learning languages, preferably outdoor.

Loves. Russell loves his daughter, and the memory of his wife. He also loves travelling, and discovering new things.

Hates. In the past years he started to like less his son in law, despite their relatively close relationship. Despite being open minded, he finds it difficult to tolerate small children and animals, especially noisy ones, especially during long flights.

Andrea Clark

Age. 42

Gender. Woman

Annual Income. 0\$ (she shares her husband's income)

Status. Married to Jason Clark

Short Bio. Andrea is Russell Wright only daughter. She was his pride and his joy. When younger she was also extremely beautiful, and when she was only 20 she married to Jason. She left studies to create the family, thanks to the fact that his husband was soon hired in her father's enterprise. She had two children in the next 7 years. Today she is a perfect example of a trophy wife, with few responsibilities and much free time, that she mostly spend with her female friends and her children. Sometimes she organizes some travels (usually of about a week) with them, leaving her children with the father.

Physical Description. Andrea was a beautiful woman, and still has some charme. She is a very well kept person, with beautiful blonde hair and a tonic body, thanks to the Yoga lessons she follows three times a week. She likes to dress in a casual way in everyday life, but also to wear cocktail dresses during special occasions.

Psychological Description. Andrea regretted a little leaving the studies, having spent a whole life in superficial and boring activities. She does not love her husband anymore, and she is quite sure Jason is unfaithful to her, but as a good Christian accepted her whole situation, and now that their children are big enough to tend to themselves without her constant supervision (the older il 18) spends a lot of time with her friends. They call themselves the “not so desperate housewives”.

Hobbies. The time Andrea treasures the most is the one spent with her female friends. She also consider the mass a social occasion, and actually likes to participate. Travels with family are a good time for her, especially because she sees his father happiness, even if she is still angry with him after he declared himself atheist.

Loves. Andrea loves her children and likes to dress up, as well as the time that she pass with her female friends.

Hates. She hates to eat strange things. To her the only real food is american. She hate the fact that Jason is obese, she would prefer if he payed more attention to his body.

Jason Clark

Age. 48

Gender. Male

Annual Income. 350'000\$

Status. Married to Andrea Clark

Short Bio. When he was young Jason was a dreamer and a successful football player. He met Andrea at a party during the party for his final degree. Shortly after they married. He loved her, and liked her social position. Russell Wright hired him soon in the family company, where he made all of his work experience. He is not as talented as Russell in business, but had a keen eye, and learned the most important things. He even helped during the transformation phase with some meaningful contributions. After his children were born he started to think that his wife was more distant, and occasionally started dating other women, even if was never emotionally engaged and still thinks that he loves her.

Physical Description. Jason is obese. Despite sharing the appreciation for Italian dressing with his father in law, his total image is ruined by his lack of any physical

activity.

Psychological Description. Jason lives mostly for his work, and for the occasional adventures with other women. He is not a brilliant person, but likes to think he is very competent in his work. He likes to stay in his comfort zone, and his passion for travelling is connected with fine living, eating and relax.

Hobbies. Apart from its work Jason likes fishing, and barbeques, activities that often shares with the whole family.

Loves. Despite the occasional adventures, Jason loves his family, and the time spent together. And his work obviously. He is not a drinker, but has a special tasting for wine.

Hates. The annual tour with his father in law for Jason is not a completely cheerful event, and he would prefer not to do it, probably because his relation with him has deteriorated in the past few years.

4.2.1. Implication of Personas on Delicanto Strategy

As seen, Personas help to create a meaningful context to summarize the explored demographic details, and also imagine some alternative situations. For Example, Andrea is a potential traveller despite not having a direct income (because her budget comes from her family income, despite she could possibly travel alone or with her friends), for her relationship with her father and husband.

The introduction of colorful details, such as the death of Russell's wife, or Jason's unfaithfulness history help in creating more humanized character. This is especially important in establishing meaningful touchpoints, an analysis that will be seen in the next paragraph, in which it will be made an attempt to tell a story about a possible interaction between the firm and these potential consumers.

This activity could seem unnecessary, and the details meaningless for the analysis, but the creation of fictional stories helps in improving and specifying the overall interaction experience between the firm and its customers. And even if the reader, while learning about these characters, may have not felt the presence of the Wright-Clark family, it surely helped in its brainstorming phase, guiding in a natural way in the definition of the customer journey.

It must be noticed that the work done on Personas in Delicanto represents only a small fraction of the effective possibilities and Personas that could be explored, and it is

meant to be a small sample of a full scale activity that could involve this design phase, but is still useful to set up the analysis.

4.3. Touchpoint analysis

Every time a subject interacts with another one is defined a touchpoint. If it is a business interaction, that particular moment, that can last from an instant to a very long time, is extremely important, and if understood can be managed and used to improve the customer journey and the whole business. Define a business interaction in term of customer journey is not particularly tricky, but not immediate either: it is every situation in which the two actors could come in contact, from a first, knowing phase, passing through the purchase, and even after, with the customer service.

Matching the touchpoint analysis with the Personas will help in exploring the Customer Journey, in the next paragraph.

4.3.1. Digital Interaction

The very first, obvious kind of interaction that could happen between Delicanto and its customer has a digital nature, and it happens through the internet site, the facebook page or the twitter account. These interactions can accompany a person in all its journey, from the first knowledge to the customer care and the repetition of the travel. Unless Delicanto decides to open many office in the USA (and this could possibly be a future development), digital means will be the basic way to interact between customer and the enterprise.

4.3.2. Physical Interaction

Another mean to get in contact with potential customer is the direct contact. This could happen directly, in a future in which Delicanto manages to open offices in its customers' countries, but now it happens through the key intermediaries selected by the firm.

As for today the physical interaction is underdeveloped, and it is perceived, from a strategic point of view, in need of improvement in the next few years, to better reach a segment of the population that is less affine to digital channels, and overcome the risk of disintermediation by other agencies.

Physical and digital means of communications have already been explained in the

channel paragraph, describing Delicanto Business model. Even if important, there are other analysis levels to explore as a touchpoints, such as the psychological and experiences touchpoints, that, even if could have direct application through these channels, have an individual importance altogether.

4.3.3. Personal Interests

Especially in the knowledge phase, as well as the travel and post-engagement ones, a strong, emotional touchpoint is given by the personal interests of the potential customers. These interests can, sometimes, be used as triggers to generate positive emotional responses, and improve the engagement between the firm and the customer. To make an example, using the introduced Personas, Jason Clark may not be an hardcore traveller, but is surely a good eater, and loves the time spent with the family. This generate an opportunity for Delicanto to leverage on this passions, for example with convivial circumstances that involve good food and good wine to gain Jason enthusiasm in the planning and travel phase. As for now, apart from its standard travel offering (which is quite distinctive already), Delicanto is exploring some tour possibilities connected with special and different personal interests. Some of these are:

- anything that could be connected with food and wine, like sommelier courses, craft beers, but also grapes culture and vendemmia
- anything related to Veneto furniture design, which is considered unique and special in the world
- the opera and its Italian tradition
- outdoor activities like fishing and birdwatching
- the wish to learn italian

Even if these could be seen as trivial matters, this is not true. For example a small analysis made by Delicanto shown that passionate birdwatcher are used to travel even extremely long distances to practice this apparently simple activity. This kind of consideration can help in better improving the design of the initial contact with a customer, and also to reach some communities and niches instead of the more general (and quite expensive) luxury travel press.

Another consideration to be made is that different regions have very different sets of passions and interests. An accurate design of marketing activities by region and

interests could surely help the firm to reach many potential customer in a very personal and economical way, and also, have a geographically wider approach.

4.3.4. Experiences

Being an Experiential Tourism Agency, Delicanto has the ability to exploit the power of experience as a touchpoint between the customer and itself, and it can do it in several ways.

The most obvious one is to use the travel itself to generate a strong relationship between the firm and the customer. As creating unique and unreplicable situations, experiences and feelings, it can become for people the representation of those feelings and strong emotions.

But also in exploring the knowledge phase experience can be exploited, as well as personal passions and interests, to create personalized and engaging situations that can be create an interest in the firm. For example, a direct marketing approach during an opera premiere in the USA could create a valuable contact between Delicanto and many people that are surely interested in this activity.

4.3.5. Word of mouth

Word of mouth is usually acknowledged as one of the most successful drivers for fidelization and new customers engagement [Trusov et al., 2009], and this is especially true for travel, because, as is common experience, people love to talk about their travel to friends and family, as well as share photos on social networks, and engage in post travel social activities.

By creating truly unique experiences, Delicanto could manage to create a strong positive word of mouth effect. If almost anyone in the world could book the same trip using Booking and Tripadvisor, it would be impossible to create such complex and fulfilling experiences like Delicanto ones. On the design side this means that the firm must involve people in after travel activities, even on social networks, to accentuate and manage this effect.

4.3.6. Business side

This phase of analysis concentrated especially on the consumer side of Delicanto activities, but as seen before, the firm is exploring the business market. Despite the

target being extremely different (almost completely Italian), and having different attributes (not only for the focus on incentive programs, but also for the networking component, which is perceived as important by the firm), it must be noticed that business are, in the end, people. The example of Jason Clark is a fitting one: he travels with his family once a year, but as a businessman could be interested in Italian networking opportunities, or in special incentive programs, in future.

The business side would probably deserve some further deepening, but at this stage of the analysis the preference goes to the understanding of the consumer market, with the special remark made about business people as potential consumer

4.3.7. Implications of touchpoints in Delcanto strategy

As well as Personas, touchpoint analysis is incomplete to understand the market, but is useful because creates a completely and disconnected level of understanding. To make an example, it could be assumed that there is some traveller that does not specifically fit on any of the demographics explored, apart from the experience (that is too strictly interconnected with the value proposition: Delicanto is about travel, not tourism. Also, it must be noticed that it is also a touchpoint) and the income (that constitutes a necessary attribute, giving the premium price of Delicanto offer), but have a strong drive toward a passion that would make him a potential client anyway.

To make an example, it could be a middle aged Norwegian whose passion is birdwatching, or a young but Chinese who loves italian Opera and culture and would like to learn Italian. Experiences and interests go over regional limitations, and can help Delicanto in design and improve its marketing capabilities.

4.4. The journey inside the travel

At this point the customer and his possible range of interaction with Delicanto have been explored and detailed. What can be done now is to create a storyboard or a small tale that describes the journey of the Personas through their interaction with the agency, and toward their final satisfaction.

This activity is, again, completely fictional, but can be used to clarify in a very straightforward way which are the strong point of the engagement with the customers, and which, on the contrary, are to be improved.

When the interaction happens this analysis can be confirmed, readjusted or drastically modified, to gain an increasing understanding of the people involved with the agency.

The whole journey will be further developed with the use of a simple level of empathy maps [Osterwalder, Pigneur, 2010] for every situation, to gain a better understanding of the overall interaction process, contextualized in a small storytelling activity. It has been divided in four different phases to evidence different situations and emotions involved.

4.4.1. Knowledge of the firm

The first, fundamental step in every customer customer journey is the moment when the potential traveller get in contact for the first time with the firm. The first impression effect is well known in psychology [Hamilton et al. 1980] and design [Lindgaard et al. 2011], and despite being often immediately connected to the first phase of relationship building, it generates an extremely strong bias that has the power to influence any further relationship. For this reason it will be analyzed by itself.

Narration. In the Wright-Clark family there is a sort of tradition in the organization of that travel of the year. The trip itself is usually in the months of september or october, which are the most cal for the enterprise, now managed by Jason, while the planning happens usually during spring. The first thing to be decided is the destination, than, usually Andrea, with the collaboration of her father and children, makes some research and proposals. She knows she will probably use the help of a tourist operator, but she likes to make some plans for by herself before.

It's a couple of years that her father is bugging her to go to Venice. everyone of them has travelled to Italy many times, and alone with her husband she went to Venice a couple of times already, so she would like to find something near the city, but to get to know better the region.

After some research she discovers that october is probably one of the worst months to visit Venice. High water is a serious issue, and there are extreme humidity and bad weather. But apparently these are the months of the peak of "vendemmia", the activity of grape harvest, and this, she believes, could please Jason. She begins doing some research on blogs that talk about Italy, and starts searching for agencies that are

specialized in organizing travels to Italy. She would like to call Butterfield and Robinson, but she knows that Jason doesn't like walking, much less biking, even if her father would probably agree to it. After some research in small blogs she reads about a small Italian agency focused on the Veneto area, and which claim is *With the eyes of the locals*. She likes it, and she clicks the link. After a couple of minutes of navigations, she finds a truly special offer, 8 days near Venice with several different activities that could make all of them happy.

Think and Feel	
Andrea is bored from a long search, but when reads on the site is amazed by how many special activities could be organized in such "difficult" months	
Hear Music played in the room of the elder son	See The interface of Delicanto site is simple yet colorful. She likes the photos
Say and Do	
After some activities of exploration of the site she calls her father, after having sent him an e-mail with the link of the tour she picked	
Pain Complexity in the phase of information research	Gain A potential specialized support for the travel she had in mind

4.4.2. Relationship Building

The phase of relationship building immediately follows the first contact with the firm. This is especially risky, because, even if there is a positive initial bias, it is very easy to ruin it. As Warren Buffet said, *it takes 20 years to build a reputation and five minutes to ruin it*. When there is a lack of a known brand, like in Delicanto case, the first impression plays an important role, that must be confirmed several time before it actually becomes a brand. The building of a relationship happens through the planning phase, when the customer can experience the help of professionals who are passionate about their culture.

Narration. When the phone rings, Russell is half asleep in its private sauna. He was reading the economic page, and got extremely bored. The ringtone wakes him up in an

extremely bad mood, as usual, and he shouts at the phone for several second before actually realising it's her daughter. She laughs at him, and explains it her findings. He promise to call her back and after a shower goes to his Macbook, an expensive gift from his son in law, that he basically use to check mails and make some skype call. He follows the link, and starts exploring the site by itself. After some time he calls Andrea back, to give her some feedback. He likes the idea, but would like to hear some other options, It's ok, he says, it's just that he would like at least to talk by phone before spending several thousand dollars.

After a couple of days he sends an email leaving his skype account, and asking for information about the travel found by his daughter. It's a weekend, but the same afternoon the mail is answered, and he is immediately contacted on skype. There is a girl talking, with a very neat english accent and a friendly attitude. Sometimes when she talks uses italian words. He knows this is "just marketing", but he likes it.

It's not the only time they talk. Everyone in the family wants to make some modifications, have further information, be reassured about small and important details. In the end, all the family talks with someone in Delicanto, even the children.

Think and Feel	
Russell likes the attitude of these young Italian tour operators. They are professional, yet funny. He perceive the passion they put in every detail.	
Hear He likes the use of italian words in perfectly english phrases. He knows a little Italian, and he appreciates it.	See The interview are managed by Skype call and by email. They send him additional photos, and once activate a videoconference while in a Fiat 500.
Say and Do	
The interaction is smooth and easy. Every problem is easily resolved. Everyone in the family is very precise and asks many questions about the tour and the collaterals.	
Pain The agency is distant, and the interaction somehow lacks something, but Delicanto makes serious efforts to create a direct relationship.	Gain The trip is detailed with extreme precision, and with colorful additions. The planning phase is engaging for everyone.

4.4.3. Purchase and Travel

The moment of purchase by itself is meaningful only in the measure that connects the planning phase with the travel one, which is, probably, the most important in this journey. Its value is to confirm any past positive bias, thus creating a unique experience, indissolubly connected to the agency brand.

Narration. Jason must admit it, Italian food is something else. You can eat in whatever Italian restaurant in the USA, but it has nothing to do with this. Forget the Caesar salad! That thing doesn't even exist in Italy! Food is good, and wine is even better. Surely, he likes Californian wine a lot, and French one even more, but participating to the *vendemmia* is just special.

He takes some photos with the family, and doesn't listen to the old man while he suggest that they could go for a walk on the hills. The children do enjoy much the daily tours, they are fun and engaging. Too bad this is going to end soon, maybe he could just come back next year, apparently they organize also business trips, it would be probably a good opportunity to organize some incentive program for the top management of his enterprise.

Think and Feel	
Jason is calm and relaxed, and he is enjoying the trip. He likes the fact that there are many things to do, but everything is perfectly and smoothly organized	
Hear The hills are very calm, and there is absolute silence during the night, maybe even too much.	See He sees all the family happy and together, but Russell is the happiest. He is seriously learning Italian from their guide.
Say and Do	
Jason's participation is probably the less enthusiastic, apart for the eating and drinking moment.	
Pain Sometimes he find it difficult to fall asleep due to the excessive silence	Gain He feels calm and relaxed, and actually is sad when the trip is coming to an end. He is very glad to see the whole family happy and together.

4.4.4. Customer Service, fidelization

The last, critical moment identified in the ideal Delicanto customer journey is related to what happens when the travel ends. If the overall experience has been good, there will probably be some positive after effects in term of word of mouth, and possibly a fidelization of the customer.

Narration. After coming back from the tour the whole family felt refreshed. For once, Jason had a difficult time in going back to work, and adapting again to American food. He immediately started making plan with colleagues for some incentive program in Italy. Andrea, on the other side, entertained the “not so desperate housewives” with the tales of their weeklong experience. Vendemmia is ok, but they should organize something mor in line with “romance and passion in Venice”, they argue. Russell feels the best. He made some new acquaintances in Italy, and likes to keep in contact by mail. Their english is not as nearly as good as the operator’s one, but he likes to experiment with Italian too, so it is fine.

Think and Feel	
The whole family had a positive experience during their week in Italy, and they are actually sad to be come back home.	
Hear Countless discussions about the past travel.	See They meet their respective friends.
Say and Do	
They share their positive experience about the travel with friends and colleagues.	
Pain Coming back to everyday life	Gain Many new memories and a sense of accomplishment

4.5. Final considerations about travellers

What the observant reader will surely have not missed is the overly optimistic plot of this story. Obviously, it is well known that the reality is usually much harsher, and usually not much goes as planned, but this is the starting point of a further work that could bring to ask more questions, like:

- how could each critical stage be improved?
- how could the social engagement be improved during the travel stage? Is it possible to engage users in sharing their personal photos on Facebook, Twitter or Instagram with the involvement of the brand?
- what happens if the bad weather negatively influences the travel experience?
- what happens if a competitor leaves some bad reviews about the firm on social media?
- what are the risks involved in every critical stage, and how could the interaction be designed to minimize these risks?

And so on. The narration, also, is a starting point to create a more detailed diagram with all the interaction possibilities. This approach allows to easily categorize and define each touchpoint, that this way can be managed. Also the overall experience can be evaluated, to understand if some areas must be redesigned with special attention, or if there are special risk involved in some of aspects of the interaction.

Because if the claim of the agency is to make the traveller see Italy through the eyes of the locals, it's also true that the duty of the agency is to see Italy with the eyes of the traveller!

Chapter 5

Travellers' guardian angels

In the previous chapters the objects of analysis were Delicanto and its customers, but this is not enough to answer the typical startup question: “why should customers choose us?”

The point that is still missing is the competitor analysis. The service offered could be indeed great, but if the one offered by competitors is better, then the startup will probably fail.

For this reason in this chapter the analysis will focus on the competitive environment, to understand which enterprises can be considered “competitors”, and what is their value proposition.

In particular, there will be an attempt to evaluate a correlation between some objective attributes connected to their value proposition, and their pricing strategy.

What will be left for the next chapter is a further analysis on their communication patterns, which will serve as a basis to understand Delicanto specific marketing needs.

5.1. Understanding the market: definition and criteria for participation

The first step in understanding the competition environment is to detail the criteria to establish if an enterprise does participate in it, and consequently can or cannot be considered a direct competitor.

The attempt will be to use the Delicanto value proposition and the overall business model to understand which are the relevant attributes to participate in this market, and also the help of Delicanto itself to recognize the perceived competitors.

5.1.1. Travelling, not Tourism

As seen in the first chapter, there is a generally acknowledged difference between the definitions of tourism and travel in the common language, although the official definition sees tourism as a sub-definition of the general term of travel.

Due to the special definition used in the whole development of this dissertation, only the agencies that serve the traveller market have been selected as competitors. This will be seen in further detail in the description of every agency.

5.1.2. Destination

In this analysis are kept in consideration only those agencies that have Italy (or even some specific Italian regions) as travel destination. Obviously, there are many agencies that specialize their offer in travel to a specific destination, but, even if these are still competitors²¹, they are not considerate in this analysis, because the specificity of the destination is considered fundamental in the value proposition.

5.1.3. Origin

Delicanto chose to compete in its early stage only in anglophone countries. This is due two main reasons, that will be further explained in the chapter dedicated to Delicanto Strategy.

The first reason is related to travel offer. English is a widely diffused language, and it's the easiest to use in developing a travel offer.

The second reason is a related to the travel demand. English speaking countries (as opposite as Chinese or Russian ones) have already developed travel pattern to Italy. The typical englishman is a traveller, not a tourist.

5.1.4. Niche market

It must be noticed that Delicanto's offer is not dispersed on the global tourism industry, but focused on a very specific niche of customers that have been described in the previous chapters.

For this reason in this dissertation only competitors that focus on niches are selected, in particular, people that want a premium value in organizing their travel thanks to the support and collaboration with an agency that, with its unique contribution, becomes a sort of travel consultant.

²¹ Not only agencies that serve global destinations are competitors. It must be considered that in the planning phase many people could be open to many different destination options, thus deciding how to allocate their travel based on different criteria. This means that if the traveller wanted to choose between Italy and Japan as destinations, then a company specialized in organizing tours to Japan will be Delicanto direct competitor.

5.1.5. Traditional agency with digital approach

Despite being focused on a niche Delicanto understand the need of an internet first and (more in general) global approach. For this reason only company that have a presence online have been selected as competitors. But all the companies considered direct competitors are not full digital agencies, but traditional ones, that exploit the Internet as a new channel to both reach and get reached by their customers.

5.2. Approach to market

Before explicitly analyzing every found competitor there is the need to precisely describe the concept of approach to market, that will be widely used in this dissertation to improve the competitors description, and to explore the possibility of finding a correlation between service offered and price.

Approach to market is defined as a set of objective attributes of a firm, that are found in its value proposition and reflect upon their global offer, as analyzed on their official offer through digital channels.

It must be noticed that these approach are a result of this work of analysis of a small sample of agencies active in this very specific niche market. These are not meant to be extended to the overall travel market, nor to successfully describe every travel agency in the world: they are based only on the common traits of the agencies active in this market. Also, the digital channel is obviously not the only that these agencies use to communicate, but only the Internet site has been take into account in this analysis. Both these restriction could influence the results of this analysis²².

A total of five different approaches has been selected, and differentiated between primary (each firm must have one and no more than one primary approach) and secondary (each firm can have from zero to four secondary approaches). This reflect the fact that every agency seems to specialize in offering a specific approach, and additional features, more than offering everything possible.

For each approach will be given a general definition, and then its specific attributes will be set. To have a primary approach assigned a firm must have both the requirements for primary and secondary approaches. The overall methodology was

²² This opens the possibility to a further analysis which concentrate specifically on a bigger sample and a more holistic analysis of the competitive environment in the travel market.

made according to the contemporary research on constructs and organizational methodology [Gioia et al. 2012]

Luxury

Luxury travel offer is defined by both quality and price, and often has not the best price/quality ratio. More specifically, luxury offer is defined by relating to an objective measurement system.

Secondary Approach. The offer is based on a high level of service, that can be easily recognized through a standard rating system (i.e. stars for hotels, or Michelin guide) and have often special accessory services (i.e. personal driver). The overall offer can be over the top.

Primary Approach. The word luxury is used as a keyword and can be easily found not only in the homepage but also in the agency mission, being the key concept in its value proposition. Doesn't offer discounts.

High end

High end approach focuses more on the destination than the experience, and targets its customer segments by price, which includes not just the basic accommodation.

Secondary Approach. Average price per day is 250€ or more.

Primary Approach. The travel focus is on the destinations more than experience or luxury. It sometimes offers discounts²³.

Tailor made

agencies with a tailor made approach act like consultants more than companies. Their aim is to create custom solutions, developing on a base offer, and with a high added value.

Secondary Approach. Explicit possibility to customize travels to some extent.

Primary Approach. Travel customization is the center of the offer, not only the value proposition. There are no standard tour proposals, and there are few to no price displayed on the site.

²³ The discount part is important to understand how this offer is different from luxury. Luxury offer is *over the top*, and a luxury traveller pays no attention to what he is spending. High end traveller is more price-conscious, and more observant of the price/quality ratio.

Experiential

There are agencies that focus on experience, culture and local lifestyle more than on price or destination. The offer they propose is often not over the top, like the luxury one, but focused on living a destination.

Secondary Approach. On the internet site there is an extensive destination storytelling, which does include not only description on environmental or heritage levels, but also culture and lifestyle ones.

Primary Approach. Travel offer is based on the proposed experience, with a smaller focus on high level accommodation. Has often a guiding "theme", like "biking" or "vendemmia" (that is not a standard one, like "honeymoon").

Intermediary

Intermediary agencies focus in creating added value on being intermediary to a selection of high level travel solution, and are the most similar to worldwide services like Booking or Trivago. Their contribution in the travel organization is the selection and presentation of the most suitable solutions.

Secondary Approach. Strong highlight on the description of the paid services (i.e. flights, hotel)

Primary Approach. Destinations and travels descriptions are prevalently based on the descriptions of the offered services (i.e. flights, hotels). Offers discounts.

5.3. Competitors

After the attempt to give an accurate definition of the market, there will be now a detailed analysis of the most important competitors found after a research work and with the help of Delicanto²⁴. In this chapter the overall focus will be on the value proposition, general²⁵ strategy and positioning, according to the approach to market aspects seen in the previous paragraph.

A specific focus on online communication will be made in the next chapter, that will highlight the digital strategies of this firm, with a comparison with Delicanto one.

²⁴ The competitors were in some extent known before this work and described in the business plan of Delicanto. Their review, selection and integration has been object of brainstorming sessions with the firm. With this work they have been then categorized and analyzed.

²⁵ As it can be deduced by a personal analysis.

Concerning the pricing strategy, it will be presented an average price per day. There is an obvious difficulty in establishing an average price, because different travels can have very different prices according to the type of experience sold. For this reason, as a methodology note, a range of 5 experiences similar to the ones offered by Delicanto will be chosen. In case of high variance the highest ones will be selected and considered, being Delicanto a highest-end operator²⁶.

Abercrombie & Kent

This agency²⁷ is especially difficult to categorize, and to have its approaches assigned. In fact despite advertising its services from a luxury perspective (which is extremely present not only in their mission but also in their general communication), it offers a wide range of discount options. After a more in-depth analysis the first approach is chosen as high end, because of the overall focus on destination and general prolonged journeys (still the cost per day is one of the lowest, in this market segments, its travel options are often very long and for more people, that make it easy to have booking option for more than 10'000\$).

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
USA	World	High end	Luxury	€258.94

Artisans of Leisure

The agency²⁸ name itself helps in defining its approach, that is extremely focused on tailor-made travel, but are also eligible for other approaches, even as “first” (the final choice was made for the agency name). They also publish some travel examples, that helps to understand the possible prices of a tailor made travel, even if their offer is also focused on experience, and is extremely luxurious. This is important, because usually agencies that have more consultancy oriented services usually ask for a direct contact before revealing their pricing and sometimes even detailed travel options. For this is reason this is considered as an interesting benchmark for the customization approach.

²⁶ The extensive analysis on pricing strategies is included in the Appendix 1 - Pricing Strategies

²⁷ <http://www.abercrombiekent.com/>

²⁸ <http://www.artisansofleisure.com/>

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
USA	World	Tailor-made	Luxury High end Experiential	€1,263.70

Butterfield & Robinson

This agency²⁹ is considered to be Delicanto closest competitor. The main reason for this is its attention to online communication, but this specific issue will be addressed in the Chapter 6. It is also special for another reason: its strong focus on experience, which is declinated through biking and walking tours. Together with Delicanto is the perfect example for the full experiential approach in the travel business, and with its high end focus and tailor-made options it attempts to promote a vision of slow travel, which for many aspects is very similar to the Italian slow food philosophy. It must be noticed that not only the agency has offices in Italy, but it has also Italy as a special destination.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
Canada (Italy)	World (Italy)	Experiential	Luxury High End Tailor-made	€758.58

Carrier

Carrier's³⁰ approach is very similar to Abercrombie & Kent's one. Despite advertising its luxury focus, it actually makes it less true by offering a wide range of discounts of some travel offers. Also, its strong destination focus makes it more similar to the high end approach. There are very shy attempts to use experiential and tailor made approaches, but these are not considered indicative of the agency overall offer, whilst its explicit definition of what is the paid service includes it in those that have intermediary as second approach. The overall design of the internet site is pleasant, and the navigation is well designed.

²⁹ <http://www.butterfield.com/>

³⁰ <http://www.carrier.co.uk/>

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
UK	World	High end	Luxury Intermediary	€293.69

Charming Italy

Charming Italy³¹ is in some way easy and at the same time difficult to define. Its approach is clearly the Intermediary one, presenting itself as a high end Booking. But looking at the offered proposals the typical offer is lower than the minimum to categorize it as high end. The offered services are probably in line with the tailor-made secondary approach, but this does not emerge from the site. Thus the agency does not appear to be eligible for any of the secondary approaches.

There seems not to have been an extensive work of site design, perhaps indicating an offline first approach, but this is only a guess.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
Italy	Italy	Intermediary	None	€117.80

Goodacre & Townsend

This agency³² is one of the few for which it has been impossible to find a pricing list in the site, thus becoming eligible in particular for the tailor-made approach, that is the obvious choice due to the overall agency offer. As secondary approach Goodacre & Townsend is defined as experiential, because of the extensive storytelling of the possible travel experiences that uses not only words but also videos, despite a more old style overall interface, that makes it clear that the Agency focus is probably on the offline segment. It must also be noticed the overall focus on luxury, through the (rare) descriptions of the special and over the top accommodations and experiences.

³¹ <http://www.charmingitaly.com/>

³² <http://www.goodtown.co.uk/>

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
USA	World	Tailor-made	Luxury Experiential	Unknown

Gray & Co.

The agency³³'s CEO has worked many years in Butterfield & Robinson, and this explains why the company offers are so much alike. Given the absence of a pricing list on the site, and the overall focus on customization the company puts its obvious focus on Tailor-made solutions, even if it has a strong (but not accentuated as in Butterfield & Robinson) focus on Experience. Also the few travel solutions explained are usually over the top. The company is probably High end, but its lack of a pricing list does not allow to clearly put it in this category.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
USA	World	Tailor-made	Luxury Experiential	Unknown

Journeys à la carte

This agency³⁴ is some sort of outsider in this list, and its presence is justified by its numbers and awards more than the effective online offer, which is almost absent. For this reason the company has been assigned the Tailor-made approach, even if the the travel customization ability is made clear only by its lack of specific travel offers. Also, the agency does not have the requirements for any of the other secondary approaches. The overall design is extremely outdated.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
UK	World	Tailor-made	None	Unknown

³³ <http://www.grayandco.ca/>

³⁴ <http://www.journeysalacarte.co.uk/>

Le Baccanti

Le Baccanti³⁵ is the only analysed Italian competitor for Delicanto, but its offers focuses much more on one day experiences, that justify the relatively low prices (that do not include accommodation for the night), and would probably justify an High End Approach. The selling proposition is based on short and quite standardized experiences, with a strong storytelling activity, that focuses not only on the experience itself but also on the luxury dimension and the number of additional high end features included. It is interesting as a benchmark for luxury but not high end approach.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
Italy	Tuscany (Italy)	Luxury	Experiential	€231.80

Select Italy

This agency³⁶ immediately presents itself as an Intermediary. What is interesting is the relative variance of the daily rate, that more than doubles in some cases, and shows a cost-based approach more than an experience-based one, that accentuates its Intermediary approach. Despite this, the company has a very extensive customization tools, that puts the attention on the role of the operator, and makes it eligible for a Tailor-made secondary approach.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
USA	Italy	Intermediary	Tailor-made	€198.36

Sovereign Travel

The agency³⁷ somehow tricks in an initial approach into believing that its main approach is the Luxury one, and this is probably due to different definitions given to the word (in fact Sovereign actually won several awards for top luxury agency in UK). Despite this, its focus on the hotels, and on the discounts makes it eligible to be the

³⁵ <http://www.lebaccanti.com/site/>

³⁶ <http://selectitaly.com/>

³⁷ <http://www.sovereign.com/>

perfect example of Intermediary, with Luxury Only as secondary approach.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
UK	World	Intermediary	Luxury	€198.36

Worldwide Escapes

This agency³⁸ is particular, because it seems to follow almost every approach without actually having any remarkable attributes that could put it univocally in one. Since their definitions, the most conflictual approaches are the Tailor-made and the High End ones, both based on price requirements. In this case, due to its lack of a pricing list, Worldwide Escapes is put into the Tailor-made category, and High End is the only secondary approach it lacks, despite its focus on destinations.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
UK	World	Tailor-made	Luxury Experiential Intermediary	Unknown

Delicanto

The last agency³⁹ seen is obviously Delicanto, and its approach is quite easy to understand. Its main offer is centered on the Experiential approach, with strong elements of Tailor Made and High End. It must be noticed the lack of a luxury approach, because the offer is designed to be special in a different way from the luxurious “over the top”. The internet site has been designed according to the most recent guidelines to improve the quality of interaction.

Country of Origin	Destinations	First Approach	Secondary Approaches	Average Price
Italy	Veneto (Italy)	Experiential	High End Tailor-made	€709.67

³⁸ <http://www.worldwideescapes.co.uk/>

³⁹ <http://www.delicanto.it/>

5.3.1. Data Synthesis

There will be now an attempt to aggregate the collected data into one spreadsheet to have a quick vision of the ordered information by approaches, starting from the First Approach. Has it has be seen before, to every analyzed agency only one first approach has been assigned.

Luxury	High end	Tailor-made	Experiential	Intermediary
Le Baccanti	Abercrombie & K. Carrier	Artisans of L. Goodacre & T. Gray & Co. Journeys à la C. Worldwide E.	Butterfield & R. Delicanto	Charming Italy Select Italy Sovereign T.

One first glance to the aggregation table gives some interesting insight. The first one is that there are actually many agency that have a strong Tailor-made approach to business. This is a small confirmation of what has been found in the first chapters of this dissertation: the real added value of an agency comes from its direct interaction with its customers, before anything else. What is strange is, despite the fact that most of these agencies advertise their Luxury focus, actually only one has this specific approach as primary. This could mean two things: the first one is that the Luxury definition given was too strict; the second one is that this communication is more about marketing than the real value proposition of the agency.

Luxury	High end	Tailor-made	Experiential	Intermediary
Abercrombie & K. Artisans of L. Butterfield & R. Carrier Gray & Co. Sovereign T. Worldwide E.	Artisans of L. Butterfield & R. Delicanto	Butterfield & R. Select Italy Delicanto	Artisans of L. Goodacre & T. Gray & Co. Le Baccanti Worldwide E.	Carrier Worldwide E.

The secondary approach list seems to balance the observation made, at least for the fact that the Luxury approach comes many times in the list, and this means that, despite they doesn't meet the strict requirements that have been put for it as a first approach, it

is actually very important in the business model of these agencies.

Apart from this, at a first glance there are less interesting observations to be made, and this could depend on the fact that the secondary approach is somehow less perceived, even if still relevant to this analysis.

5.4. Relations between Approach to market and pricing strategy

In this paragraph the relation between the developed approaches and the pricing strategy of the firms will be investigated.

In particular there will be the attempt to compare primary and secondary approach to the found pricing strategies, to explore the market tendencies, and evaluate Delicanto one.

First of all it will be indicated, for each approach, the average price for every agency. This could help in the individuation of some recurrent patterns (all the price indicated are in €).

Luxury	High end	Tailor-made	Experiential	Intermediary
231.80	258.94 293.69	1263.70	709.67 758.58	117.80 181.40 198.36

Sadly there are many difficulties in creating this table. The first one is that many of the agencies that use a Tailor-made approach do not actually publish their prices, and thus make it difficult to evaluate a sample of this kind. The second is that the only Luxury agency, Le Baccanti, has a slightly different offer from the other (daily tours without accommodations), thus a greater analysis would probably evidence that the real price per day is actually much higher. Also, the small dimension of the sample actually makes it difficult to give definitive results.

Despite this, what emerges is that there is a relatively homogeneous concordance in the prices by approach, where it can be seen how a strong Tailor Made focus seems to lead to a greater value, followed by the Experiential ones, while an intermediary approach leads to the lowest premium price.

In the following table the same analysis will be made for the secondary approaches.

Luxury	High end	Tailor-made	Experiential	Intermediary
181.40	709.67	198.36	231.80	293.69
254.94	758.58	709.67	1263.70	
293.69	1263.70	758.58		
758.58				
1263.70				

As to be expected there seems to be no relationship at all, or even a generic range of prices that connect the secondary approach to the average price, apart maybe the High End one, which was to be expected due to the fact that it is the only one that puts limits on the price.

This could lead to two possible scenarios⁴⁰. The first one is that there is only a relationship between the First Approach and the Price, and no relation at all between any secondary approach and the price.

The second one is that the final price is somehow generated by a mix of Primary and Secondary approaches, and there supposedly is some formula that correctly connects the different approaches and the average price of the agency services.

Sadly the datas collected during this research are not enough to understand if such a formula does exist, but the simplest, general setup of the problem gives some interesting insights. The most important is that, given the analysis by Approaches, the agencies that are most similar to Delicanto are essentially two: Artisans of Leisure and Butterfield & Robinson. Also, Delicanto price positioning seems to be coherent with the 2 agencies above, and this could open to some further considerations.

5.5. Competitors' Value Proposition

The observant reader will surely have noticed that the overall Approaches system, used to analyze the competitors, does not grasp their value proposition. The method has been designed this way to put the attention not just on the value proposition, or the marketing channel or the overall business model, but on a comparative value of more measurable aspects of the competition environment.

⁴⁰ Again, the only way to understand which one is actually correct is to widen the analysis with a much greater sample, and probably also consider the cost of the factors, like the net margin for day instead than its average cost.

What can be done now is to confront Delicanto with its most near competitors, found in the previous paragraph, and make some considerations about the respective value propositions. These will be used in the final chapter to understand how this effect Delicanto overall pricing strategy.

In this paragraph the value proposition of the two agencies above will be seen in further detail, and confronted with Delicanto one.

5.5.1. Artisans of Leisure

The core focus of this agency is providing highly customizable, private solutions for unique travel experiences. As written in the About section of the Internet Site,

Artisans of Leisure tours are private and highly personalized, created for discerning travelers who expect the highest level of luxury, service, and attention to detail from the minute you begin planning your trip, to the day you return home. Touring is flexible, with your own expert guide and driver in each destination, and each day is tailored to your personal interests, schedule, level of energy, and travel preferences.⁴¹

This makes everything extremely clear. It is easy to find in this short statement each of the elements that create value out of the work of a travel agent in the Internet era, identified in the first chapters of this dissertation.

What appear a small element of discontinuity is the overall interface of the site, that does not belong to the *Internet First* approach, that characterizes Butterfield and Delicanto: Artisans of Leisure is a traditional travel agent up until the end.

For this reason, despite its *custom first* approach, its offer could be a little oversized. In fact, both Butterfield and Delicanto, with an average price that is about 500€ less per day, have a strong custom approach.

Another difference between Artisans of Leisure and the other two agencies is the Luxury focus, which is central in the first one, much more peripheral in Butterfield and completely absent in Delicanto, and could be justify the over-the top price.

5.5.2. Butterfield & Robinson

By admission of Delicanto, this agency is not only a competitor, but an important benchmark that helped the agency in shaping its overall offer, despite the completely

⁴¹Source: http://www.artisansofleisure.com/luxury_travel/DeluxeToursStyle_1_oTravel.php

different Experiential segment that addresses.

The B&R difference is the best biking and walking routes in the world's most incredible places. It's the most capable and genuinely friendly guides you'll find anywhere. It's the most interesting hotels the region has to offer. It's amazing culinary experiences. It's state-of-the-art equipment, great wines at dinner, a water bottle that's always filled, route suggestions you won't find in any guidebook, et cetera! Are you starting to get the picture?⁴²

From the Approaches analysis the two companies are almost identical. A small price difference could be justified by the luxury that characterizes the Butterfield offer.

On the other hand the companies have very different targets. Butterfield addresses the walking and biking community. This could seem to be a limitation, but allows the Agency to create very specialized experiences with a strong backing community. On the other hand Delicanto's choice, that is more general, could also mean that it would be difficult to create a solid customer base.

It's Internet site is design with a contemporary approach, and as Delicanto indicates that the company main channel is the digital one.

5.5.3. Competitor panorama and Unique Selling Proposition

Even if the three agencies are extremely similar from the Approaches perspective, they have very different unique selling propositions.

This could help Delicanto in understanding if its positioning in term of price is correct, or if the agency should modify it, for example focusing more on specific experience niche, or focusing more on the tailoring of every single experience.

But before this there will be an analysis about the communication patterns of these agencies through digital channels, because this will greatly influence the strategy developed by the Agency.

⁴² Source: <http://www.butterfield.com/why/>

Chapter 6

The value of the words

The Internet is information.

It is not simply about selling things online, or providing digital or physical services: the most important feature of the internet is that it allows to exchange information in a seamless and extremely fast way. The other things are consequences: this allow people to have information on a product in real time, and then give the correct information to the provider of that product to buy it.

In the travel market this is especially true. The planning phase of a trip involves the gathering of many information, that not necessarily involves the work of a travel agent. The question one should ask himself, if he works in this market is: *is that ok?*

If it is true, as it has been said in the previous chapter, that the work of the travel agency involves an high level consultancy service about the experiences, one could argue if this process should not start from the marketing phase.

In this chapter the communication patterns of the main players of this market will be explored, if there are some standards that it is good to follow, or the agents should improve their communication.

6.1. About digital marketing and new media

Some introduction about these channels must be made in order to understand the evaluations made in this chapters about the benchmark. The Internet is a strange world, that follows special rules, and those who do not obey them often suffer unpleasant consequences. These rules will now be explained and contextualized.

6.1.1. Channels

There are many channels, or *social media*, existing on the Internet at the same time. They are more different that just different newspapers, for example: every social media is a media by itself, with its own rules and specifics. Saying that facebook is similar to twitter is about the same that saying that a newspaper is similar to the radio.

Understanding every channels, its characteristics and its user base is fundamental to exploit it.

6.1.2. Time

The flow of time on the Internet in general is different from the one in real life. Social Media consultants usually tell that one minute on the internet is one hour on the social media, and a weekend is a geological era. This is usually helpful to make people understand what really means 24/7 when talking about social media, and also that it's important that the interactions are extremely fast, or else they become meaningless.

Usually enterprises needs quite a long time to prepare some information content: it must be evaluated by different people inside the enterprise, and the planning phase easily becomes long. On the Internet this is just not possible.

6.1.3. Personification

On the Internet firms do not actually exist. What exist is their avatar, or the representation of the enterprise itself in a real or fictional position, connected to the internal role of the social media manager. This means that on the internet every enterprise is just a person. Spending money will help it to reach higher ranking on advertised platforms, but that is just it, because it has the same voice of everyone else. This has profound implication on the *tone of voice* used in its communication: it must understand which is its role and how to be consistent to it. This fact has strong implications with direct user engagement.

6.1.4. Crises

There are many other rules, and most of them depend on the context. When a rule is broken this could cause a negative overreaction, and this is commonly considered a social media crisis, with sometimes strong negative effects on the brand itself. This is not explained because it is expected to find trace of many crises in the travel market (which, on the contrary, as it will be seen in the next paragraphs, is calm and undersized), but to establish simple and general rules that are able to set a standard for what is good and what is not on the social platform, standard that has been used as a basis to create the Delicanto communication strategy, that will be detailed in the final chapter of this dissertation.

6.2. Competitors' benchmark

In this chapter the communication style of the competitors will be analyzed in detail for each interesting platform.

A special attention will be reserved to those agencies that have been considered to be extremely similar to Delicanto in the previous chapter.

Abercrombie & Kent

The entire digital communication for this agency is based on travel opportunities, which are valorized by descriptions and discounts. Apart from those directly described, the agency also uses Youtube (with shots that describe the destinations, and highlight them in an emotional way), Google+ (used the same way as facebook), Pinterest (used to categorize and advertise travel offers), a Magazine (focused on destinations descriptions) and a Newsletter.

The overall communication style of Abercrombie & Kent is colorful and neat and the same time, and gives a positive feeling, from the overall design to the language used through the several channels. The communication is prevalently based on the travel offers, that are many and frequent. On the other hand direct interaction with customers, and even their own traveller community is almost absent, as the main communication channel is managed in a *push* way, more than a social one.

Blog. The blog, which features articles at an irregular intervals (from zero to 3 posts per month) can be considered an example of Destination Storytelling (even if sometimes with a Corporate approach). This is perfectly in line with the *High End* approach seen in the analysis of the previous chapter, based on the destinations, and is used to promote travel offers toward specific places.

Facebook. The overall activity on Facebook is quite frequent (an average of one post per day), but with a low level of interaction: the majority of posts are just share of new travel offers or blog posts, with a little additional content. Also, the page administrators do not answer to the comments on the page, showing a lack of attention for community management.

Twitter. The activity on Twitter is extremely similar to the Facebook one, also the post frequency is the same. On Twitter the agency shares also some information about

its corporate activity, even if it is a minority compared to its destination storytelling.

Instagram. Some of the photos are the ones present on the travel offers (professional shooting), but there seems to be also some corporate storytelling.

Artisans of Leisure

This company's activity is quite simple, and uses a very standard communication pattern, which is in line with its global offer. The Internet site itself does not impress for its design, but it is clean and easy to navigate. The general idea it conveys is that the agency puts only a marginal attention to its management.

The social channel are used in an extremely basic way, without special efforts to differentiate between different platforms, or even to engage the community a little. For its price range Artisans of Leisure underestimates a lot the potentiality of social channels.

Blog. The blog focuses its post on world areas, told through the activities organized in the trips. The links to the trip pages themselves are quite common. The average post frequency is about one every week. The language used is descriptive, and does not have any relevant aspect.

Facebook. The Facebook activity of the firm is quite similar to the one of Abercrombie & Kent. The post are quite frequent (about one per day), and the content are related to both travel offers and corporate activity of the firm. Also the interaction is lacking, and there are almost no efforts to create some direct engagement with customers or potential ones.

Twitter. Artisans of Leisure uses Twitter in the exact same way of facebook, with the same posts, even the same words. In the same way, the interaction activities are absent.

Instagram. Also Instagram is used in the same way, with the photos and descriptions of the above platforms.

Butterfield & Robinson

As previously admitted in the chapter about the business model and positioning, this agency influenced Delicanto a lot, and this is also true for what concerns the communication. Butterfield and Robinson has a fresh approach to digital media, an

engaging and “cool” interface and a community approach that is focused on creating engagement and interest. Saying that this is the main benchmark means that this is perceived by Delicanto (as will be further discussed in the final chapter of this dissertation) as the company to surpass and to improve onto.

Apart for the usual social media the company also uses Google+ (in a very similar way to Facebook), and the structure of the URLs tells that there has been an accurate design work for the SEO of the site⁴³.

The overall site makes great use of advanced techniques of storytelling, for both travel description and community engagement, with a smart use of language.

Blog. Butterfield and Robinson manages its blog with great attention and an engaging approach. The frequency of the post is quite high (about 2 per week), but the interesting thing is that every post tells a personal tale by one of the columnists that manages it. It is about personal experiences, places, and also travel offers, always with a special attention for their core focus: outdoor activities.

Facebook. Butterfield and Robinson has a special way of telling its stories through facebook, which uses to engage the community. The posts are about one or two per day, and have a good interaction by the community. They usually are blog shares, but there are many corporate posts that are characterized by much funnier tone of voice, that contributes in the creation of the engagement.

Twitter. Butterfield and Robinson doesn't seem to exploit Twitter very much, but it uses it in the same way as Facebook and Google+.

Instagram. Instagram is used mainly to do corporate storytelling: many of the images are already of the other media, and some are reposts of the Butterfield and Robinson agents.

Carrier

The agency is in many ways extremely similar to Abercrombie & Kent, in both business model and communication patterns. The overall design is more luxury-centered, and in general the luxury element is more present (also the special offers are somehow less evident), but apart from this element, the company are almost

⁴³ This is worth noticing: in fact, apart from Delicanto, it is the only agency with such a clean URLs structure. In the Appendix 1 there is a small collection of URLs that can be used to make an idea of what this means.

Identical.

Despite a very coherent design, Carrier online activity is extremely timid and laid back. The agency would probably be able to exploit its channels to create engaging and luxurious experiences, and possibly to change its business model from High End to Luxury, improve their custom services, and thus justify a premium price⁴⁴.

Blog. Carrier blog present itself as a *lifestyle magazine*, but it is actually a blog, characterized by a very infrequent post rithm. Actually, if this channel was managed in a more considerate way (more posts per month, better SEO), it would be probably a good tool to position Carrier more on the Luxury and Experience side of the chart. The news section, which is different from the magazine (but still a blog) is more focused on the corporate activity of the agency.

Facebook. No official account has been found on this platform.

Twitter. No official account has been found on this platform.

Instagram. No official account has been found on this platform.

Charming Italy

This agency is structured as a simple booking service (like the same Booking.com), specialized on Italy, and with a special care of more high level accommodations. There is nothing worth noticing in its communication style, which seems to have been suspended from July 2014.

Apart from the Facebook and Twitter channels, there are some other channels open, like Google+ (interrupted), Pinterest (used as a travel blogging board), StumbleUpon (as a channel to promote offers), Tumblr (interrupted), and Youtube (shootings to describes the offered accommodations). The overall activity is poorly coordinated, as it is managed by several different people. This creates a negative feel about the overall platform and communication.

Blog. The last post of the blog suddenly stopped during July 2014. Before that the activity was set up as in a classical travel blog, with a moderately intense activity (an

⁴⁴ It must be noticed that, has been evidenced in the chapter about competitors' business model, Carrier is one of the Travel Operators which prices are the lowest, despite its apparent focus on the luxury market. For this reason it can be said that this is connected to marketing, and is not a real value proposition, like happened for Artisans of Leisure, and for this reason it has been selected as High End, and not Luxury Approach.

average of two posts per week), mainly about destinations. In the blog posts there was a great attention to SEO.

Facebook. On the opposite of what happens on the site, Facebook activity seems to be extremely intense, with several posts per day, with a focus on new destinations and offers from the internet site. Despite the activity, the page does not seem able to engage its users.

Twitter. The activity on twitter is the same as Facebook, with almost identical posts between the two platforms.

Instagram. No official account has been found on this platform.

Goodacre & Townsend

The communication style of this agency makes it quite clear that its focus is on the offline segment of the demand, with a Tailor-made and luxury approach with a strong experiential side. This is emphasized by the scarce attention to the SEO in the various sections of the site. In the same way also the social channels (Facebook and Pinterest) are used in a very standard and basic way, that involve only the reproduction of the site contents.

Blog. The agency has not a blog in the strict sense of the way, but the travel offers are presented in a bloglike fashion, with descriptions of the offered experiences. It is difficult to evaluate the frequency of the posts, due to the poor structure of the site, but they seem to appear an average of once per week.

Facebook. There is no sensible activity on facebook apart from the posting of site content (that helps in evaluating their frequency, which is one per week). The community in the page is extremely small, and the social interaction is almost absent.

Twitter. No official account has been found on this platform.

Instagram. No official account has been found on this platform.

Gray & Co.

This agency seems to live off an offline community, that is possible to spot through the online communication, which is extremely irregular, and entirely based on their travellers' contributions.

Blog. The activity on the blog seems to be suspended by summer 2014, and up until

that time has been extremely irregular, based on the storytelling of travel experiences, with some links to travel offers.

Facebook. The activity on this channel is managed in an extremely irregular way, and it is entirely based on the community, with photos that seem to be taken by participants of the travels themselves.

Twitter. No official account has been found on this platform.

Instagram. No official account has been found on this platform.

Journeys à la carte

The design of the digital presence of this agency seems to come from the nineties era, before the advent of Web 2.0, for both interaction design and communication patterns. The company seems not to be particularly interested in new media. This, as well as what it has been seen for Goodacre and Townsend, seems to indicate that the company is focused only on the offline market. The agency publishes also a magazine, which focuses on the destinations, and, apart from Facebook and Twitter, seems not to be active on other channels.

Blog. It is difficult to understand the blog activity, which presents a storytelling of travel experiences in first person, as it was a corporate activity. It is not clear the post frequency, due to the poor site design, but they seem quite rare.

Facebook. Facebook is used as a corporate channel, with a small effort (about one post per week), and a very low level of engagement from the community. The overall activity seems not to be worth of notice.

Twitter. Twitter is used in the exact same way as facebook, with posts about the corporate activities. There is no interaction that is worth noticing.

Instagram. No official account has been found on this platform.

Le Baccanti

Apart from Delicanto, this is the only tour operator in the analyzed competitive landscape that has a similar business model (travel consultant, not just intermediary) and is from Italy. Apart from this, the agency is not worth noticing for its communication style, and even seems to have been completely interrupted on the site, and being extremely rare on other channels. The only special feature is the presence on

Tripadvisor as “activity in Florence). It has some interesting and original features in the communication style, but does not seem able to exploit them.

Blog. The activity on this channel has been suspended on July 2014, but even before was not worth noticing. With an average of one to two posts per month, it contained simple descriptions of the destinations, which contained links to direct offers. The activity has then been moved on Blogspot⁴⁵, and is focused on the corporate market, with more activities storytelling.

Facebook. Facebook is almost ignored by the agency, that uses it both to publish some corporate news, and to link general news that involve the agency, in both corporate and generalist way.

Twitter. This platform is used to engage the community, apparently during some of the events organized by the agency. Despite this, the activity is quite rare and extremely fragmented. As facebook, it is also used in a corporate and generalist way.

Instagram. No official account has been found on this platform.

Select Italy

The agency has a noticeable and intensive activities on few, selected channels, which indicate a good design work in the communication phase. Apart from the classical media, Select Italy is quite active on Youtube, and thus generates an interesting feedback on how to focus on few channels in a great way. It also publishes a Newsletter.

Blog. The objective of the blog seems to be the assessment of expertise about Italy by the firm. The SEO in the blog is well managed, and the activity is quite intensive, with two to three posts per week. The main theme is the storytelling of the destinations around Italy, but there are also more generalist posts about travelling or lifestyle.

Facebook. Facebook is mainly used to publish posts from the blog. It’s worth noticing that the level of interaction both by number of fans and number of interactions per post is much higher than the average of the agencies seen up until now (in line with Butterfield and Robinson)

Twitter. Twitter is used in a very similar way of Facebook, and also to generate some discussion and interaction.

Instagram. No official account has been found on this platform.

⁴⁵ The blogging platform by Google.

Sovereign Travel

The activity of this agency is focused on new offers and some selected social channels. Apart from the classical ones, it's possible to find Google+, and ne Newsletter. The agency chooses not to publish a blog, but to focus on its brochures, which is set up like a magazine, that apparently is published four times per year. It also has a Youtube channel and a Google+ page (that seems abandoned)

Blog. Sovereign Travel does not publish a blog.

Facebook. The facebook page has an interesting level of interaction (similar to Butterfield and Robinson, and Select Italy, but with an even greater level of engagement per post) and an intensive level of activity (one post per day). The posts are mainly emotional photos, and describe some possible travel experiences, possibly relative to their tours.

Twitter. The use of Twitter is extremely similar to the Facebook one, but it is interesting to notice that the level of interaction is much smaller (possibly because on Facebook there is some budget spent in advertising).

Instagram. The Instagram account is intensively used by the firm, with different content from the Facebook and Twitter page. The activity seems to be less intensive (two or three posts per week), and creates a small level of engagement.

Worldwide Escapes

This agency seems to have started only in the middle of January 2014 a serious activity of online communication, that makes it impossible to evaluate in its overall effectiveness. For this reason there will be only partial considerations about it.

What can be said is that the overall communication and design style is coherent with its Tailor-made and Luxury Approaches

Blog. With only two post present, one per week, Worldwide Escapes seems to focus on its corporate activities.

Facebook. The platform is used in a way that is usually not liked much by user: it features almost only post from the Twitter stream. Also, the post intensity in its first days of activity is extremely high, probably too much (more than ten posts per day). It is

not possible at this time to evaluate its interaction levels.

Twitter. Apparently Twitter is the main channel used by this agency. The contents, despite being too much, seem to focus on Corporate activities and Travel Storytelling.

Instagram. No official account has been found on this platform.

6.3. Benchmark analysis

The datas collected by the qualitative analysis about the competitors will be now collected and synthesized to understand the patterns in the communication of the travel operators, as an evaluation parameter of the strategy of Delicanto.

6.3.1. Topics

The first element of analysis is how the important digital channels⁴⁶ are used by Delicanto competitors. As for the previous qualitative analysis of their business models by Approaches, also the online communication style has been categorized into 5 different approaches, that are hereby described.

Travel Storytelling. This communication activity is focused on the detailed description, preferably with storytelling elements (that require emotional involvement, even if this is not a strict requirement) about the activities that are related to the overall travel experience. These could be eating, or shopping activities, as well as sports or cultural excursions.

Corporate Storytelling. This activity is focused on the description of the activities of the agency itself, from the involvement of their partner to the travel planning and delivery. The aim of this communication is to reduce the distance between the agency and its customers, for example talking about its “people”.

Destination Storytelling. As opposed to the Travel Storytelling, this activity focuses on the destinations of the travels. There is a subtle but important difference between the two things: the destination storytelling is about aspect of the destinations that aim to create curiosity and attention, but may even not object of a specific tour. It is a more general type of storytelling that aims to create curiosity and interaction more than direct and emotional involvement.

⁴⁶ The “importance” is given by Delicanto interest in these channels, considered strategic in their offer. The presence of other possible channels will be highlighted and used to evaluate the use of possible different instruments.

Community Driven Communication. This kind of activities are the most difficult to manage, yet the ones that involve people the most. Creating a community means managing an interest, gather and interact with people involved with that specific interest. This creates a direct and special involvement between people and the firm.

Other. There is no rule that states that travel communication should be only about travel (even if it is an easy topic to create involvement). It is possible, even if rare, that some agencies use different patterns of communication to reach their customers.

6.3.2. Main channels

These categories will be used to explore the content used in the main platforms and evaluate possible implication of the use of a specific communication style in a specific platform.

Blog. This is considered the primary benchmark for several reasons. It improves the SEO (Search Engine Optimization) of the site, and can be an important trigger to community engagement, but as opposed to other social media is completely controlled by the enterprise.

Travel Storytelling	Corporate Storytelling	Destination Storytelling	Community Driven	Other
Artisans of L. Journeys à la C.	Carrier World. Escapes	Abercrombie & K. Butterfield & R. Carrier Charming Italy Le Baccanti Select Italy	Butterfield and R. Gray & Co. Le Baccanti	Carrier Select Italy

Facebook. Today Facebook is the most used and widely spread social media in the world. The presence of this media is almost an obligation for every enterprise active in the digital era.

Travel Storytelling	Corporate Storytelling	Destination Storytelling	Community Driven	Other
Artisans of L. Sovereign T. World. Escapes	Artisans of L. Butterfield & R. Journeys à la C. Le Baccanti World. Escapes	Abercrombie & K. Charming Italy Select Italy	Gray & Co.	Le Baccanti Select Italy

Twitter. Despite having a much smaller user base than Facebook, Twitter is well known and active. There are many examples in several industries as an effective instrument for user engagement between firms and consumers, even better than Facebook.

Travel Storytelling	Corporate Storytelling	Destination Storytelling	Community Driven	Other
Artisans of L. Sovereign T. World. Escapes	Abercrombie & K. Artisans of L. Butterfield & R. Journeys à la C. Le Baccanti World. Escapes	Abercrombie & K. Charming Italy Select Italy	Le Baccanti	Le Baccanti Select Italy

Instagram. Property of Facebook, Instagram is a social network entirely dedicated to photo sharing. If an image is worth a thousand words, this media is perfect to convey the ideas of feelings and experiences connected to travelling.

Travel Storytelling	Corporate Storytelling	Destination Storytelling	Community Driven	Other
Artisans of L. Sovereign T.	Abercrombie & K. Artisans of L. Butterfield & R.	Abercrombie & K.		

After examining the datas collected it is possible to reach some preliminary conclusions about the content used in social media by different travel operators.

The first thing it is easy to notice is the use of some channels more than others, like the Blog and Facebook. But even more interesting is how arguments shift between one

platform and another. For example, it is easy to understand why Travel Storytelling is not much diffused (it is probably present already in the tour descriptions), while the blogs focus more on the destinations, while social platforms are most used to create personal connections through the narration of the human sides of the agencies themselves.

All these insights will be particularly helpful while understanding the general trends of online communication, that will be the useful benchmark to elaborate a strategy for Delicanto.

6.4.2. Other Channels

It is interesting to notice that there are some other channels that, despite not being considered in the original Delicanto strategy⁴⁷, are worth mentioning for their possible strategic implications.

Google+. The social network connected to the great search engine is today underdeveloped, and its interactions aren't worth noticing. Despite this, a presence of this channel could be good to improve SEO, and thus some agencies use it, even if in the majority of times, in a very similar way as Facebook.

Youtube. The video sharing service, again by Google, is the most used in the world for watch and share videos. Apart from the fact that it helps SEO, Youtube a video is an immediate channel to the hearts of people. The only real downside is that every video requires professional shooting, and thus is a sensible marketing investment.

Tripadvisor. The service dedicated to online reviews is actually used also by some travel agencies to create attention around their activity. This is a very risky choice, mainly because of the rating system that is extremely difficult to manage, but could bring some interesting results.

Magazine. Apart from the classical blog activity, some travel agencies actually distribute the digital edition of their personal printed magazines. Creating a magazine instead of a more simple blog could give the impression of being an expert in a field. Also, the delivery of a printed magazine to selected customers could help in improving their engagement.

⁴⁷ The only exception to this statement is the Newsletter, which despite being present in the Delicanto strategy has not been analyzed from a content point of view, and is therefore considered only in this more simple version of the analysis.

Newsletter. A newsletter is similar to a blog in many ways, but indicates a more direct involvement by the one that chooses to receive it. The use of a newsletter is quite a common practice, together with the writing of a blog, that firms use to gather their community.

Other Media. As stated before there are an incredibly high number of social media, and some are used by the firms. Although there will be no more specific analysis, it will be presented a list of the other channels used to engage community:

- Pinterest
- StumbleUpon
- Tumblr

Google+	Youtube	Newsletter	Tripadvisor	Magazine	Other Media
Aber. & Kent Butter. & R. Charming Italy Sovereign T.	Aber. & Kent Charming Italy Select Italy Sovereign T.	Aber. & Kent Butter. & R. Le Baccanti Select Italy Sovereign T. World. Escapes	Le Baccanti	Aber. & Kent Journ. à la C. Sovereign T.	Aber. & Kent Charming Italy

Some channels are extremely easy to understand, some others are a little less. The newsletter, for example, is a standard practice, that is created with basically two objectives in mind: create an alternative for the blog, to engage users (engagement objective) or to push onto users promotions, offers or “selected picks” (sales objective).

Google+ ad Youtube are also extremely easy to understand: if the second one has a much greater user base, both are involved in the site positioning on Google (which today is the most used search engine in Western countries), and thus can be used to improve the SEO.

Tripadvisor is an interesting choice, despite being unique. As seen before, Le Baccanti actually does focus much of its offer on one day activities. These could be surely planned, but apparently a good positioning on Tripadvisor (which takes much of its force by its local dimension) could help the agency in being found as *Activity* during a normal travel, and thus this could be an noticeable marketing channel for this specific segment.

Other Media are other specific cases. As for today being present on a minor social media sounds like a big gamble: it could explode, or it could just focus on different market niche than the ones targeted by the agency. These roads should be explored only if the resources for social media management inside the agency are good enough.

Finally, the online magazine, as different from the blog, seems quite a strange choice. On one side, more than the blog, it gives an idea of expertise in the field of tourism. On the other hand, it is a typical offline instrument, it does not contribute to SEO, and in general the experience it offers is inferior of that of a blog. It could probably be better delivered with a specific design in a newsletter.

All these channels are or may be important in some way, but it would be interesting to try to understand if there are some patterns in the use of the different platform, how these are structured, and eventually how can be exploited to improve the overall Delicanto communication strategy.

6.5. Qualitative considerations

Even more than the business model analysis, object of the Chapter 5 of this dissertation, the communication analysis helps in understanding what are the strong points and what the problems of traditional agencies that offer their services online.

6.5.1. Overall communication environment in the travel market.

Probably the most unexpected discovery in this analysis is that the travel agency in this specific market segment, with few exceptions, do not actually invest much efforts in digital communication, in a good Google positioning. This is especially unexpected because travel market is actually the third contributor to Google adwords revenues⁴⁸, and few of the selected competitors actually seem to invest many efforts in a good SEO.

Most of the companies analyzed do not follow at all the rules stated to make a good communication on the digital channels. Most of these are extremely easy to superate, in term of quality in the use of the media.

One could reasonably ask if this is necessary. In the chapter about the consumer it has been clearly stated that the typical Delicanto traveller is a Baby Boomer, and not younger than an X Generation. It's common perception that this demographic segment

⁴⁸ The datas are from 2011, source: <http://www.wordstream.com/articles/google-earnings>

has yet to be conquered by the internet, while many still use offline means to plan and book their travel.

Actually this could probably be the case, at least in the eyes of tour operators. Thinking about Artisans of Leisure for its extremely high prices, even compared with an high level benchmark, it is easy that, even if someone in its mid twenties would probably appreciate one of those travels, it would be probably impossible for him or her to actually pay more than twenty thousand dollars for a ten days trip. This would probably be possible for an executive, or at least someone with a quite high revenue per year, that is unlikely at a young age. And this would explain the reason behind this specific choice.

On the other hand, current research show clearly that the percentage of users for social media is steadily growing, not only in the youngest generations, but especially in the elder ones⁴⁹. What does this mean? Are travel agencies currently underestimating the Internet and its opportunities?

This is a possibility to be considered, given the fact that most of the seen competitor are traditional travel agents that were active much before the advent of the Internet. The process of adaption in mature market to new technologies is known to be relatively difficult.

For Delicanto this becomes an opportunity. It means the possibility, with a specific and aimed effort, to have a great feedback on relatively small marketing investments.

Another mention must be done on the special value of Twitter. This platform is considered to be the best tool for providing specific customer services, and there are many cases of firms that actually exploit it to create an incredible added value for their customer, as well as a positive brand experience⁵⁰. What one could have expected is that one or possibly many of the agencies analysed actually used Twitter to provide information on the go during travel, or real time suggestions. Actually, none of them does it, making twitter the most underestimate platform in this market niche.

6.5.2. Communication patterns

The communication analysis has given the opportunities to understand if there are specific patterns in the use of the channels. Breaking down the various elements, it can

⁴⁹ Source:

<http://www.pewinternet.org/2013/08/05/72-of-online-adults-are-social-networking-site-users/>

⁵⁰ Source: <http://www.socialmediaexaminer.com/exceptional-customer-service-on-twitter/>

allow to build some concept on how the communication can be ideally managed, based on the experiences of the benchmark.

Popularity. More than a real pattern, this simply puts together the most common choices in term of popularity, meaning that the most agencies follow these suggestions. Following this lead means just following the same of other, and probably does not have a great added value, if not the fact that can help in understanding what people expect from the interaction with a tour operator. This means that the most relevant thing on the internet site, apart from the contents of the travel themselves, are the descriptions of the destinations. This is not surprising, and seems to be a simple online transposition of the typical travel magazine. On the other hand social platforms are more used to develop a corporate storytelling, meaning that the agencies perceive the need of let themselves be known as groups of people, not just faceless enterprises.

Also, if the company focuses on a specific niche of interest, it should be reasonable to exploit it, at least developing the blog in this direction, with the valorization of user generated content.

Blog	Destination Storytelling (strong effort) Community Driven (small effort)
Facebook	Corporate Storytelling (strong effort) Travel Storytelling (strong effort)
Twitter	Corporate Storytelling (strong effort)
Instagram	Corporate Storytelling (small effort)
Other Media	Newsletter Google+ Youtube

Tour-centric. This communication strategy is based on the quite common choice to invest more on the tour descriptions than on the blog or corporate description, meaning that the company is entirely focused on explaining travel experiences and possible destinations. Its focus is almost entirely on the Travel Storytelling through the travel proposals, and with a small and a low intensive blog activity about destinations.

This approach is extremely simple, but is able to convey a strong attention around

what is really important in the agency: the travel itself. This means that with a little budget for communication it can give great results and be successfully used to create a solid user base through the social platform, that can successively be exploited through the use of more complex and resourceful travel plans.

The important thing in this kind of communication is to correctly follow the *rules*. It must be said that, despite many agencies following a communication plan similar to this one, few are those that actually use the social media at their best.

Blog	Destination storytelling (small effort)
Facebook	Travel Storytelling (strong effort) Destination storytelling (small effort)
Twitter	Travel Storytelling (strong effort) Destination storytelling (small effort)
Instagram	Travel Storytelling (small effort)
Other Media	Newsletter

The Expert. Almost opposed of the previous strategy, this one focuses great attention of the development of a communication plan that clearly indicate that the operator is an expert. This means managing time and resource consuming activities that involve people, information gathering, coordination.

The communication plan should not focus only on the Destinations, but also on other travel related issues, like lifestyle.

Blog	Destination storytelling (strong effort) Other (strong effort)
Facebook	Destination storytelling (strong effort) Other (strong effort)
Twitter	Destination storytelling (strong effort) Other (strong effort)
Instagram	Destination storytelling (small effort)
Other Media	Newsletter Google+, Youtube Pinterest

Community-centric. This strategy is related to the valorization of the community in the market niche in which the agency is active. The objective is to directly involve the travellers in sharing their own content, writing about their experience, and in general exploit all the user generated content to leverage the communication and involve people in sharing and word of mouth activities. This is possibly the most difficult strategy to achieve, especially in a startup phase, due to the small user base, so it is probably better to develop this line of communication in a more advanced time of the life of the agency.

Companies that actually use community-centric strategies focalize on their blogs, and use the social media to share also some information about themselves, in an example of corporate communication. This is especially important: it is impossible to ask for personal and sensible information to use for marketing if there is no direct connection between the travellers and the people of the agency, and this happens only if the agency itself is able to open up and share its values in a way that puts the accent on its human side.

Blog	Community Driven (strong effort) Corporate Storytelling (small effort)
Facebook	Corporate Storytelling (strong effort) Community Driven (small effort)
Twitter	Corporate Storytelling (strong effort) Community Driven (small effort)
Instagram	Community Driven (strong effort)
Other Media	Newsletter Pinterest

User Empowerment. Slightly different from the community-centric approach, this strategy is based on those aspects that are perceived as “lacking” in the communication plans applied by other companies. The intention here is to take what does not work well, and improve it.

This means, basically, that what must be taken are the best concepts from other strategies, and design them to create a truly unique experience.

Starting from the blog, this means focus on several arguments, which have the objective to create traffic to the site. Destinations and Community Driven contents are good, but it would be good to remain open to Other possibilities (also apart the more simple lifestyle).

The other channel must be differentiated. Even if Facebook and Google+ could be used in similar way, to adapt to the slightly different communities, Twitter should be used in a completely different way. More specifically, Facebook should be used to create the direct engagement with the community, and this should be its main objective. Not only improving the shares and the likes of the post, but especially the user generated content, and for this reason it should be the channel preferred for the communication about the agency values.

On the other hand Twitter should be the Customer Care service is so good being. This surely means interact with users in a more marketing approach, but find how to use it to deliver useful information to the user in a very specific time. Mail can be also used this way, but also Twitter is perfect from this point of view.

Finally Instagram as an instrument of storytelling is best to tell the tale of the travel, and thus focus about photos of places and experiences involved in the proposed tours. And like images, also videos are perfect to convey emotions, thus Youtube is a good channel for this kind of communication

Blog	Destination Storytelling (small effort) Community Driven (small effort) Other (small effort)
Facebook	Corporate Storytelling (strong effort) Community Driven (small effort)
Twitter	Other (strong effort) Community Driven (small effort)
Instagram	Travel Storytelling (strong effort)
Other Media	Newsletter Google+, Youtube

Chapter 7

Strategy of Delicanto

Up until now this dissertation focused on what is happening now in the Luxury travel market, or to be more precise, in a specific niche. For this reason it was important to understand the market itself, its boundaries, and how it has changed in the past twenty years, after the advent of the Internet. Describing Delicanto was only the first step, because also its competitor had to be taken into consideration.

The work done with delicanto involved especially the dimension of the communication. Who are these people? How can a startup reach them? What do the competitors do? These were the questions asked by Delicanto, that this research aimed to answer.

What is still missing is probably the most sensible problem: what should Delicanto do now? In this final chapter there will be an attempt to answer this difficult question through the information accumulated during the analysis. These will not be definitive, for obvious reasons, but can be considered a starting point to explore the possibilities that a startup can exploit to reach its objectives.

7.1. Key Resources and Activities exploitation

What emerged from the analysis of Delicanto business model generates many levels of improvement. The first step to elaborate a strategy involve the management of Weaknesses and Threats of the SWOT analysis. This will create several possibilities involving the overall business model.

7.1.1. Startup status

The negative aspect in being a startup is not just the inability to write on the internet site “*best travel agent since 19xx*”. It is about lack of money, lack of specific know how, lack of a good users base.

To sum it up, lack of many things that actually matter in an enterprise.

The only thing to successfully fight this problem is invest in communication. This does not necessarily means spending money on marketing (mostly because this is not an option), but invest in the creation of specific competences that can help in improving the relationship with all the stakeholders. As seen, Delicanto has several stakeholders, and everyone of them ha specific needs.

Customers. In this channel the marketing plays a fundamental role. The further paragraphs of this chapter will focus specifically on how to deliver the best communication mix to the consumer segment of the market.

Potential Investors. Funding in this stage would greatly help Delicanto in developing its business model, and especially in having a budget for marketing. What is needed now is not really seeding (the founders have previous experiences in creating a startup and managing an enterprise), but venture capitals. For this reason the agency is looking for several funding opportunities, like:

- European funding
- Italian venture capitalists (like IAG)
- opportunities created by Expo 2015

One specific need as perceived for the agency is improve the ability to communicate in a very quick way what is the real value proposition of Delicanto, and how it is different from other agencies, as well as from other digital startups focused on tourism. This configures the need for a specific work of communication design to improve their relationship with potential investors and venture capitalists.

Partners. Delicanto is easily able to gain the trust of their key supplier, because of the extremely favorable conditions they live in. For them Delicanto is a free marketing channel, and as it is can create only positive opportunities. The real threat for Delicanto are those intermediary agencies that sell their travel offers to final customers, and that could only gain by disintermediate the agency.

The strategy to fight this behaviour involve two sets of actions:

- improve the relationship with intermediaries, set advantageous conditions for them, improve the relationship with actions that would benefit both
- increase the barriers to entry: develop the relationship with local partners, especially those difficult to reach, and create complex tour, difficult to imitate.

Explore solutions to asses the unicity to Delicanto experience

7.1.2. Business segment opportunities

The agency is still evaluating the opportunity to explore the business segment of the market. At the present time there are some requests for incentive programs, but the small number allows them to be managed as special, tailor-made tours. But the business market segment is interesting, and the incentive programs are an high end, very profitable market segment that easily involves small groups at a time. The expertise of Delicanto in local culture and their extensive network could also allow Delicanto to differentiate their business model (while maintaining their value proposition), offering services not strictly related to travel, such as:

- Organization of events, fairs, special setups
- valorization of partnerships through special collaborations with different enterprises
- creation of culture-related business models
- consulting in the development of communication for partners

It is clear that these ideas are still in a design phase, but having seen (in the second chapter of this dissertation) what is the value of culture also from an economical point of view, Delicanto is exploring these possibilities with a great attention.

7.1.3. Externalities

Some of the main risks that could affect Delicanto are partially out of the reach of its planning, other completely. The creation or development of other italian agencies specialized in the same market as Delicanto, for example, is critical but somehow manageable with coordination and win-win collaborations. The case of new completely digital operator is emblematic: what happens if a new italian startup comes out with a new groundbreaking technology that could affect Delicanto business model?

What Delicanto can do nothing about is the potential risk of the “committee against huge ships” (*comitato grandi navi*). This for Delicanto is a complete negative externality that is impossible to manage and could possibly have a sensible negative impact on travelling in the Veneto region.

7.2. Customer Journey design

During its launch phase, Delicanto approach to communication was a traditional

one, based on demographic data of the prospect users. After exploring the possibilities offered by design thinking, it actually evolved to a more holistic approach, based on Personas, touchpoints and, especially, customer journeys. This pattern has been developed during the preparation of this dissertation, and thus what has been presented is still an initial, incomplete version of a full customer journey. There are many ways to improve it, and this will require a further work of analysis, and several steps of reviewing.

7.2.1. Improving the Personas and creating new ones

The Personas analysis is based only on three models, which are connected (to simplify the further narrations), but this means that it is extremely incomplete. Also, it is based only on the demographic segmentation, with very little focus on the touchpoints.

For this reason a further step is the development of several other personas, that could also be based on interviews of real customers.

It is worth noticing that increasing the absolute number of Personas is not necessarily good. It would be virtually possible to create a Persona for each customer, but in addition to being extremely time intensive, it would reduce its effective synthesis ability.

The number of Personas that can be explored in a definite activity is variable. It is considered quite useless to have less than three, but having more than twenty for a startup with a small user base is probably too much. Probably, for an agency like Delicanto 8-10 personas could be a good number, being them major and minor roles. To recall what has been seen in this dissertation, Russell Wright should be a main Persona, while his daughter and son-in-law, even grandchildren could be minor Personas.

The number of leading roles could vary, but it is probably best to have less than five, to concentrate the most efforts in redesigning the journey through their eyes⁵¹.

To improve the effectiveness of Personas their design should follow the customer journey itself, or creating attention around its critical points. This means that a Persona is helpful if it is coherent with the business model, and its interaction with the agency is meaningful and can give interesting insights about how to improve the service, and how to manage the relations. Some examples of more personas to develop could be:

⁵¹ Given its value proposition, this should be extremely easy for Delicanto!

- Anna from Sweden. She speaks a perfect English, and likes mountain destinations during summer. She loves to practice outdoor activities.
- Francis from UK is an architect with the passion for Italian furniture design
- Li is a Chinese wine dealer that is interested in the Italian culture to export it in China

And so on. As seen, this analysis can also surpass the boundaries set by the demographics, due to the focus on touchpoints.

7.2.2. Improve the touchpoint analysis

Touchpoints have been explored in their most general dimension, but a good level of analysis could generate interesting insights, and help in improving Personas and customer journeys.

For example, it can be imagined to focus on the “Dark Tourism” segment, in particular on those people that love to visit places that are renowned to be infested by ghosts. In Veneto there is one of the supposedly most haunted places of the world, the island of Poveglia⁵². Venice itself is probably one of the cities with the higher density of legends, horror stories and tales to be told.

Now, there is a specific community of people that love this kind of experience, and often travel around the world with expensive equipment, or in groups just to visit these places, and explore their legends. Understanding how this specific community acts, what are the places (in physical and digital world) where they gather, learn their language and how to talk to them means creating a special contact with a small niche of experiential tourists. Understanding their need would mean redesign their personas and explore the possibility of create special services, or just to correlate already existing offers to improve their experiences.

As for the Personas analysis there is an important point to be considered: the more the touchpoint is specific, exceptional, particular, the more it becomes a niche, and thus it affects less and less people: it is important to find the correct level of analysis to exploit its utility at best.

7.2.3. Create a detailed and extensive scheme of customer journey

⁵²Source: <http://www.hauntedrooms.co.uk/21-most-haunted-places-in-the-world>

There are many ways to build a meaningful customer journey. The one used in this dissertation, based on the journey narrative, is the most simple to elaborate through writing. Usually, to build a narrative words are not enough, and for this reason images and sketches are used: this is a basic version of a storyboard.

There are two main levels of analysis possible in the customer journey.

The first one has been set up, and is relative to the Persona point of view throughout the journey. In this dissertation it has been used an Empathy Map [Osterwalder, Pigneur, 2010], but there are several variations of it, like the Actions / Motivations / Questions / Barriers model⁵³, which is slightly less complex, but is better in evidencing the flow of the different steps of the journey. There is no model that is absolutely better than another in this kind of research, when it comes to design thinking is best to use the most known and preferred tools to make the research more easy and understandable.

The second approach to customer journey is based on touchpoints, and involve the analysis and redesign of how the people interact with the various touchpoints throughout the journey. Again, there are many ways to do this analysis⁵⁴, and the final results is obviously more complex the more the interaction between the customer and the firm is long and has different touchpoints. This approach has been developed only through the Narration activity, because it normally involves a more advanced level of understanding that can be gained through techniques like Shadowing⁵⁵, the direct observation of customers during their purchasing process and overall interaction with the firm [Czarniawska, 2007].

Technically, these two types of Customer Journey analysis can be combined to create a complex, yet exhaustive model that is extremely useful to improve its design. Such a detailed work may not be necessary for a startup, but, as seen before, its simple setup already gives some insights on customers.

7.2.4. Reiterate the analysis at fixed intervals

One interesting (and insightful) thing about these tools is that their first application starts a recursive process that naturally improves the whole model. As seen, Personas

⁵³ Source: <https://hbr.org/2010/11/using-customer-journey-maps-to/>

⁵⁴ Some are shown at this source: <http://www.servicedesigntools.org/tools/8>

⁵⁵ More exhaustive explanation of the shadowing technique and more reference can be found at this source: <http://designresearchtechniques.com/casestudies/shadowing/>

are developed through their demographics, and through their touchpoints, but also the shadowing technique, that is typical of the customer journey study, helps in redefining them, improving their accuracy in describing reality. And surely Personas influence touchpoints, as well as a good customer journey study, that helps in understanding how to design the touchpoints themselves.

And naturally customer journey is based on Personas and touchpoint, so is directly affected by their understanding and specifications.

Every component of this “UX design” analysis is mutually influenced, and generates a naturally recursive process that in the very first phase is good to reach a satisfactory understanding of the customers, on the other hand can be replicated at regular intervals to analyze possible changes in the market segments.

This is an extensive and highly intensive activity! Doing it once every three months would pose useless and costly requisites. It is believed that, after the first study, and considered the market segment, this reiteration should happen once every two or three years, unless a new, groundbreaking technology emerges and changes drastically the competitive panorama (in a very similar way of what happened with the advent of the internet).

7.3. Approach and Pricing

One of the requests made by Delicanto was to analyze the competitors’ pricing strategies to understand if the agency price was coherent with other companies, and its positioning was correct.

A first preliminary analysis, that considered only the absolute prices of the tours, revealed that the firm was in the middle-high segment of the offer. The small refinement seen in the Appendix 1, based on the prices per day, instead of the price per tour, showed that it was actually in the highest segment of the offer,

For this reason emerged the need to create a tool to help the agency to decide if their positioning was correct, and thus the Approach analysis was developed.

7.3.1. Strategic pricing

The Approach analysis helped in understand which companies business model was actually similar to Delicanto, and which are not.

The reached conclusions are obviously influenced by the attributes selected in the approach, that have been developed in collaboration with the firm, to reach a shared and observable way to describe the market structure in the most objective way possible. For this reason the attributes of the approach are based on observable characteristics on the firm, and when many approaches could be applied (in the case of the first ones) an extensive explanation of the choice has been made.

The Approach analysis shown that there are between those perceived as direct competitors only a very small number of “similar” firms: *Artisans of Leisure* and *Butterfield & Robinson*.

The fact that these agencies are the only ones active in the highest end of the market together with Delicanto (and even higher) means that the price positioning itself seems to be right⁵⁶.

In this sense the pricing of Delicanto seems even too low, and could be increased a little (an average of 50 to 100 € per day), to enhance its appearance of exclusiveness, or be kept as it is to retain a price advantage.

The first choice appears to be more convincing, especially for the fact that the market focus is not extremely price sensitive, and cost rarely is a leverage for more transactions. Also, it must be considered that the different change from USA and UK could be misleading for users that are not familiar with value exchange⁵⁷.

Conversely also the second choice does make sense. Delicanto is a newborn agency, and does not have the reputation of an older tour operator. This fact alone could justify a slightly lower prices than the closest competitor. Again, this difference is much more prominent between Delicanto and Artisans of Leisure than Delicanto and Butterfield, and thus this could open to different opinions.

7.3.2. Approach redesign

Could an approach redesign help Delicanto in applying a premium price, for example positioning itself between the two close competitors?

⁵⁶ Actually it could also mean that the all Approach analysis is biased by the agency itself to justify its high prices. Despite it being unlikely, this kind of analysis could surely be refined by finding even more objective parameters to select and categorize approaches.

⁵⁷ This actually gives an interesting insight about UX: prices should be set in different currencies, depending on the location of the user, and allow him to choose currencies different from the Eur.

This is a difficult question to answer, and this greatly depends on one's opinion, but some considerations can be made, to make the problem more explicit.

As noticed in Chapter 5, *Artisans of Leisure* offer seems to be too high, when compared to all other agencies. This could be explained by many reasons:

- It's primary approach is the Tailor-made, not the experience (sadly, it is the only enterprise with this specific primary approach and public prices, so there is a lack of benchmark to understand if the high price is due to this or other reasons)
- the level of luxury it provides is higher than the others. Without a specific description of the accommodation this can only be guessed
- It offers more collateral services to the travel, like 24/7 guides or support
- It focuses on a market segment that is less price sensitive than the other agencies.
- It focuses on personal tours, not on small or larger groups.

The simple presence of the Luxury approach does not seem to create a great differentiation. In fact, also Butterfield & Robinson has a Luxury as secondary approach, but the average price of its tours is only about 50€ more per day than Delicanto. The great difference in the approach side seems to be the substitution between Tailor-made and Experiential, but this is not convincing as only cause of about 500€ of price gap.

The only possible redesigns of Delicanto's offer would imply using also a Luxury approach, or to change the main offer from Experiential to Tailor-made, but this is not recommended: it would change Delicanto Value Proposition, thus damaging the firm instead of improving it.

What can be done, recalling the object of the customer analysis, is understand the presence of special touchpoint and market segments, that are not or less served by other agencies. Luxury is special, and for Luxury good are not sensitive to price changes, but this is true also for highly experiential tours.

And if Butterfield & Robinson has explored the more *active* segment already, there are more that can be analyzed, understood and exploited, and this in a long run could lead to apply premium prices more similar to Artisans of Leisure.

7.4. Communication

The analysis of competitors' communication gave Delicanto many important insights and best practices to work on.

As opposed as what seen for price positioning, there is no risk in doing “more than the others” when talking about social participation. On the contrary, some of the action seen in competitors can easily be adapted and improved to cope with Delicanto needs.

The problem now is the lack of intensive funding for Delicanto, that is not enough to justify a full scale effort in communication with a 24/7 presence and a high density of contents. For this reason the company will focus on few channels for now, with the idea of make the communication more intensive in a future time.

7.4.1. Blog

Delicanto will not use a blogging platform at the beginning of its social activity. The SEO will be managed through the tour descriptions.

The agency is exploring the idea to use a social blogging platform like Tumblr to manage the blog. This kind of choice has the same management issues than a normal blog, but is worse in term of SEO. Conversely, it is better for the presence of a strong community, even if in general its out of the range of Delicanto target⁵⁸. Giving the fact that the agency does want to focus on other social activities this could be a good compromise.

In addition, Tumblr APIs could be, eventually, used to create a blog on the site itself (in a similar way of what happens with Wordpress).

7.4.2. Facebook

The advanced targeting options of Facebook ads and its wide community make Facebook the easiest platform to invest in at this stage of the life of the agency. With a focus on Experience and destination storytelling, as well as some other and more general topics (that are coherent to the interests touchpoint, and in general with its travel offer), the activity is intensive, and the user base is already bigger than much other travel agencies seen.

7.4.3. Twitter

Exploring its more corporate and tours side, Twitter can be used especially to create small engagement and discussion. As previously seen, its use as a customer care support instrument will be pursued by the agency.

⁵⁸ Source: <http://www.businessinsider.com/tumblr-and-social-media-demographics-2013-12?IR=T>

Due to its smaller user base the attention the agency is dedicating to it is much less than Facebook, and this is understandable.

7.4.4. Newsletter

The Newsletter channel is important. The benchmark did not cover the newsletters, thus its design has been made based entirely on the perceived needs of the customers. This means that it will focus on new travel proposals and an editorial about special destinations. The idea is to use it to engage directly the potential customers and create expectations about the Delicanto experience.

7.4.5. Instagram

The social network for photo sharing is an interesting tool to convey emotion, but the scarce presence on the other firms in this platform has convinced Delicanto to focus its efforts on the other, much more frequented, media.

Despite this, the account management is planned, even if to have a good reach it is necessary to use intensive resources and presence. A good shortcut could be involving an Instagram travel star in helping the agency and spreading its contents.

7.4.5. Other Channels

If those seen before are the main channels, that are already being used, many other could follow, when the resources will allow it.

Google+. The social network by Google, despite not being highly frequented, gives positive advantages in term of SEO.

Youtube. As well as the SEO advantages given by Youtube, professional videos have a great marketing impact. They require professional shooting, and a relatively important investment.

Pinterest. The social network of interests is surely interesting for travelling. Its demographic activity shows that is used mainly by women, and thus could lead a some specific forms of advertisement.

Tripadvisor. This service could be explored in future for its ability to be a marketing channel for same day activities.

7.5. Conclusion

The original objective of the work with Delicanto was to create a serious communication plan. This actually generated this whole research work, and it is interesting to know that all started to some relatively simple questions.

Given the fact that Delicanto is a startup, which digital channel should it use and how? What are the best ways it has to reach its customers?

This brought us in asking ourselves how competitors communicate. But to understand their communication pattern was important to understand them, and this justified the work of analysis on the competitors and their approaches.

Again, when the competitive advantage has been outlined, it was still not clear who the customer, who were planning these activities for, were. This generated an insightful work of analysis that brought us to exploit all the information we had about Delicanto market segments, to reach a general understanding of their purchasing patterns.

And this brought us to question the very business model of the agency, searching for alternatives, analyzing its opportunities and threats, exploring the possibility of a business market segment, and so on.

In the end, despite this chapter order, this dissertation was actually be researched from its conclusion to its beginning! This may seem strange, but in fact it appeared completely normal to start from one point and to research its causes every time, when trying to understand a phenomenon to partially redesign it. It's only when explaining after that is more functional to start from the causes!

This has been an incredibly valuable and insightful experience, and i sincerely hope to have the possibility to expand it further and deepen this research.

Appendix 1

Pricing Strategies

In this Appendix will be included all the datas connected to the pricing of the competitors, used in Chapter 5 of this work.

A.1. Methodology notes

The average price per day will be decided using a standard procedure to exploit the information found in the internet sites of the competitors.

There will be a selection of the 5 most recent submissions for solutions that have Italy as destination. The price per day will be calculated dividing the total price by the number of days per capita (when possible it will be considered the price per couple, and divided by 2). This will probably produce a small error due to the potential travel expenses, that are difficult to quantify (and thus it's left to another further work to refine this analysis with more in depth research).

These will be averaged and the resulting number will be considered a pricing average.

The final price will be indicated in its original currency, and then converted in Euros, using 2014 average exchange rate⁵⁹. Following are the found yearly rates that are used in this analysis.

Euro to US Dollar. 1.334725

Euro to Pound. 0.807584

A.2. Agencies

Following is the list of the agencies and the found datas.

Abercrombie & Kent

<http://www.abercrombiekent.com/>

⁵⁹ <http://www.ozforex.com.au/forex-tools/historical-rate-tools/yearly-average-rates>

http://www.abercrombiekent.com/travel/?tid=6021	\$429.75
http://www.abercrombiekent.com/travel/?tid=6022	\$399.75
http://www.abercrombiekent.com/travel/?tid=6101	\$319.04
http://www.abercrombiekent.com/travel/?tid=6133	\$289.75
http://www.abercrombiekent.com/travel/?tid=6132	\$289.75
Average	\$345.61
Average in € (exchange rate=1.334725)	€258.94

Artisans of leisure

<http://www.artisansofleisure.com/>

http://www.artisansofleisure.com/tour/Italy_tours_luxury_travel_2Highlights.html	\$1,705.50
http://www.artisansofleisure.com/tour/Italy_tours_luxury_travel_Essence_private.html	\$2,027.50
http://www.artisansofleisure.com/tour/Italy_tours_luxury_travel_Exclusive_private_Italy.htm	\$2,016.25
http://www.artisansofleisure.com/tour/Italy_tours_luxury_travel_Italy_in_a_Week.php	\$1,615.71
http://www.artisansofleisure.com/tour/Italy_tours_luxury_travel_Family_Tour_of_Italy.php	\$1,068.50
Average	\$1,686.69
Average in € (exchange rate=1.334725)	€1,263.70

Butterfield & Robinson

<http://www.butterfield.com/>

http://www.butterfield.com/trip/piemonte-biking/	\$915.83
http://www.butterfield.com/trip/puglia-bistro-biking/	\$765.83

http://www.butterfield.com/trip/amalfi-coast-walking/	\$1,332.50
http://www.butterfield.com/trip/italian-lakes-walking/	\$1,165.83
http://www.butterfield.com/trip/tuscany-biking/	\$882.50
Average	\$1,012.50
Average in € (exchange rate=1.334725)	€758.58

Carrier

<http://www.carrier.co.uk/>

http://www.carrier.co.uk/itineraries/europe/italian-art-cities/?from=2008	£167.00
http://www.carrier.co.uk/itineraries/europe/southern-italy-sojourn/?from=2008	£236.00
http://www.carrier.co.uk/itineraries/europe/a-taste-of-italy/?from=2008	£214.00
http://www.carrier.co.uk/itineraries/europe/milan-the-italian-lakes/?from=2008	£265.00
http://www.carrier.co.uk/itineraries/europe/regent-classic-riviera/?from=2008	£303.89
Average	£237.18
Average in € (exchange rate=0.807584)	€293.69

Charming Italy

<http://www.charmingitaly.com/>

http://www.charmingitaly.com/hotel/palazzo-barbarigo-sul-canal-grande	€80.00
http://www.charmingitaly.com/hotel/charming-house-dd724	€90.00
http://www.charmingitaly.com/hotel/jw-marriott-venice-resort-and-spa	€176.00

http://www.charmingitaly.com/hotel/hotel-greif	€79.00
http://www.charmingitaly.com/hotel/castel-fragsburg	€164.00
Average	€117.80

Goodacre & Townsend

<http://www.goodtown.co.uk/>

This agency doesn't publish any price guide or price list. The travel offers are custom-made.

Gray & Co

<http://www.grayandco.ca/>

This agency doesn't publish any price guide or price list. The travel offers are private and custom-made.

Journeys à la carte

<http://www.journeysalacarte.co.uk/>

It has been able to find only one price for this agency, that is not considered as indicative to understand its offer. The travel offers are private.

Le Baccanti

<http://www.lebaccanti.com/>

http://www.lebaccanti.com/site/smart-7-Brunello-Wine-Tour.html#.VlRwsuqG_Qo	€295.00
http://www.lebaccanti.com/site/smart-8-Day-Cooking-Class-in-Florence-with-Anna.html#.VlRws-qG_Qo	€165.00
http://www.lebaccanti.com/site/smart-9-Florence-Market-&-Gou	€128.00

rmet-Food-Tour.html#.VlRwtOqG_Qo	
http://www.lebaccanti.com/site/smart-11-Chianti-Wine-Tour.html#.VlRwt-qG_Qo	€285.00
http://www.lebaccanti.com/site/smart-13-Barolo-Wine-Tour.html#.VlRWuOqG_Qo	€286.00
Average	€231.80

Select Italy

<http://selectitaly.com/>

http://selectitaly.com/browse/packages/package/id:81/croatias-dalmatian-coast-cruise	\$413.88
http://selectitaly.com/browse/packages/package/id:87/istria-experience--a-five-day-getaway-from-venice	\$299.80
http://selectitaly.com/browse/packages/package/id:38/veneto-at-your-fingertips	\$167.50
http://selectitaly.com/browse/packages/package/id:27/the-all-in-one-amalfi-coast	\$190.50
http://selectitaly.com/browse/packages/package/id:51/eternal-love	\$252.10
Average	\$264.76
Average in € (exchange rate=1.334725)	€198.36

Sovereign Travel

<http://www.sovereign.com/>

http://www.sovereign.com/holiday-offers/europe/Italy/?action=repaginate&pageSize=50	£94.00
http://www.sovereign.com/holiday-offers/europe/Italy/?action=repaginate&pageSize=50	£112.60

http://www.sovereign.com/holiday-offers/europe/Italy/?action=repaginate&pageSize=50	£311.38
http://www.sovereign.com/holiday-offers/europe/Italy/?action=repaginate&pageSize=50	£104.50
http://www.sovereign.com/holiday-offers/europe/Italy/?action=repaginate&pageSize=50	£110.00
Average	£146.50
Average in € (exchange rate=0.807584)	€181.40

Worldwide Escapes

<http://www.worldwideescapes.co.uk/>

This agency doesn't publish any price guide or price list. The travel offers are private and custom-made.

Delicanto

<http://delicanto.it/>

http://www.delicanto.it/tour/italian-chef-weekend-veneto-edition/	€810.00
http://www.delicanto.it/tour/love-dolomites/	€693.33
http://www.delicanto.it/tour/best-treviso-one-day/	€700.00
http://www.delicanto.it/tour/girlfriends-getaway-veneto/	€662.50
http://www.delicanto.it/tour/vendemmia-grape-harvest-the-abbey-of-galateo/	€682.50
Average	€709.67

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