

The Brand Value in a New Concept of Hotel: The Albergo Diffuso Sextantio Case

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Abstract

The phenomenon of Albergo Diffuso (AD) represents an important development in the competitiveness between destinations and concerns the way in which historical and cultural heritage is used. The concept of AD is a new and innovative meaning of tourism which promotes the sustainable future through the recovery of ancient towns and, in the same time, develops further ways to create entrepreneurship.

The goal of this work consists of the economic valuation model and conceptual defining of brand value referred to one case study of AD, Sextantio. It is made up of two parts: the first consists of a contextualization of one of the traditional formulas of Financial-Standard Method of Brand Value, because of the features of brand value in an economic content; the second part consists of a first classification of elements which are tangible and intangible to a brand of AD, related to the specific elements and based on different key performance indicators (KPI), deriving from elements generally relevant in hospitality tourism, and far more in this new concept than against the traditional concept of tourism.

Keywords: Albergo Diffuso (AD), intangibles, brand value, sextantio

1. Introduction

The concept of brand in literature is characterized by different approaches, thus, brand is defined by different researchers and authors in different ways.

Starting from one of the first definition of brand was referred to a name, a logo, a trademark, or a symbol (Aaker, 1991). Later, *brand equity* was defined as “a set of assets and liabilities linked to a brand, its name and symbol, which adds to or subtracts from the value provided by a product or service to a firm and/or to that firm’s customers” (Giovannini et al., 2017: p. 18). The “assets” and “liabilities” are closely linked to the context and they can be synthesized in brand loyalty, reputation, perceived quality, other values associated with the brand and other unique resources belonging to the brand.

Branding as “*endowing products and services with the power of a brand*”, thus a brand is a “*perceptual entity that is rooted in reality but reflects the perception and perhaps even the idiosyncrasies of consumers*” (Kotler and Keller, 2006:275). Researchers generally agree that brands are endowed with personalities and that consumers have the tendency to choose brands whose personality fit their own. Generally, brand positioning refers to how the brand is placed in the minds of the consumers and compares to other competing products or services (Chacko, 1997).

Once the brand was assigned to consumer goods but, in the last decades, it is applicable to places and/or attractions (Hankinson, 2004). In this vein, the destination branding (Nickerson & Moisey, 1999; Brent et al., 1998; Henderson, 2007) and lastly the phenomenon of AD have introduced a new winde concept of Brand: in the field of tourism, often refers to the traditional notion of hotel and it is not considered the place where the attractions and hospitality are found (Cooper et al, 2005). One of the last best definition od Destanation brand was the following: “*a set of marketing activities that support the creation of a name, symbol, logo, word, mark or the other graphic that readily identifies and differentiates a destination consistently conveys the expectations of a memorable experience that is uniquely associated with the destination, that serve to consolidate and*

reinforce the emotional connection between the visitor and the destination and that reduces consumers search costs and perceived risk. Collectively these serve to create a destination image that positively influences consumer destination choice” (Blain et al., 2005:337).

The formula of AD are tourists’ attractions which transform historical towns and villages into "destinations with hotel included". In this vein, AD has been gaining importance because it allows opportunities for regeneration related to these sites. This is the reason why that traditional concept of hotel's brand is limited to the only tangible or a few elements of intangible assets.

The present study attempts to identify, in a first step of research into the AD, which factors should be considered in building a process of brand value and subsequently for a future economic evaluation model referring to the specific formula of AD.

2. Theoretical Background

2.1 Towards a New Concept of Hotel: The AD (Albergo Diffuso)

The hotel attributes thought to appeal to customers, are generally studied from three perspectives: 1) before the actual booking, 2) during the stay at the hotel, and 3) after the hotel experience (Dolnicar & Otter, 2003). They are tangible and intangible. Including in the tangible category, are hotel facilities such as the bar/lounge, swimming pool, SPA area, wellness area and so on; intangible attributes include cleanliness, comfort, and security (Atkinson, 1988; Cadotte & Turgeon, 1988; Callan & Bowman, 2000; Dube & Renaghan, 2000; Lockyer, 2005; Poon & Low, 2005; Wilkins, et al., 2007; Haghkhalah et al., 2011; Lin, 2012). Furthermore they are futures to increase customer loyalty such as meal quality, staff attitude, hotel decoration, convenient parking, service customization and reasonable price. Finally, the enhancement of a hotel’s web services (i.e., providing an online reservation system and travel information) can make travel arrangements more convenient for customers, and thus build competitive advantages (Chung et al., 2004; Poon & Low, 2005).

If an hotel can let perceive its intangible value, as, referring to a store: *“those attributes projected by the product’s (store’s) image which lead to the choice of the product (store) may be called determinant, since they determine preference and purchase”* (Alpert, 1971:184). The meaning is that if the hotel’s characteristics or features that appeal to customers include these determinant attributes, then the business has already obtained some of the key factors for business success. These key factors may include cleanliness, location, price, security, service quality, hotel reputation, and value for money (Lewis & Chambers, 2000; Gonçalves et al., 2018; Jerman & Janković, 2018). Absolutely, hotel service quality, staff attitude and professional knowledge are very important for customers during their stay at a hotel (Cadotte & Turgeon, 1988). Thus, in a traditional approach, the service customization, hotel image and value for money should be the focus of hotel managers. Furthermore, people from different cultures may have different preferences (Poon & Low, 2005).

It is widely known, that more and more mass industrial tourism has been strongly criticised as unsustainable. In contrast to this, new forms of tourism have emerged as sustainable tourism, that have been of interest to various categories of stakeholders (Ioppolo et al., 2013; Jamal et al., 2013; Moscardo & Murphy, 2014; Giampiccoli & Saayman, 2014). Tourists themselves have evolved over the years (Kastenholz, 2004) they want a personalised tourist experience (Buonincontri et al., 2017), look for authenticity (Peterson, 2005), they have a great interest in the environment and territory (Lanfranchi et al., 2014; Simone et al., 2018), and view their holiday as an opportunity to improve their knowledge of cultures and places (Villani & Dall’Ara, 2015). These new aspects are reflected in the hotel's strategies based on a co-evolutionary approach from-territory in experiential perspective (Cucari et al., 2019). The Albergo Difuso is one of the best example of this evolution: a new way through old or historic structures. Albergo Diffuso (AD) is “a sustainable and innovative form of hotel that originates in enhancing historical and cultural real estate heritage, characterized by original structures, places (rural areas or small urban centres) and persons involved (both residents and tourists) in the production-distribution process and with experiential authenticity” (Paniccia & Leoni, 2017, p.6). The model of hospitality AD, rigorously a Made in Italy, could be summarised as a solution that respects the environment and the cultural identity of a place (Confalonieri, 2011; Dall’Ara, 2010).

It was born in the Friuli Region, in 1982, in order to create policies that will prevent the depopulation of rural areas and safeguard the landscape and with the intention of restoring houses and small villages with post-earthquake funds. It consists of rooms dispersed throughout different buildings across a town, with each room generally no more than 200-300 mt. away from the central hub, and offers a reception, orientation area and service centre of tourism. More and more, this model of hotel has increased year by year, as a new concept of territorial development, by enhancing the peculiarities of the Italian scenario through the reuse of small historical towns and villages. The goal of these different revitalization tactics is to eliminate the risk of permanently losing

notable heritage including buildings, spaces, culture, history and identities. It also prevents the depopulation of small villages, by enhancing public assets such as history, culture, natural resources, infrastructures and private assets such as private homes, enterprises and manufactures (Confalonieri, 2011). In this model, AD represents a form of integration in the territory, where the community is the main element of the hospitality services being provided (Villani & Dall'Ara, 2015). It has the following features: joint enterprise, a single management hospitality services and related activities; basic services for residents and tourists such as accommodation, breakfast, housekeeping, restaurants, and other similar such as shuttle buses to reach main local tourist attractions, knowledge of local tradition including culture and cuisine that can be reimagined, special events and initiatives organised for the improvement and preservation of the area; residential dwellings located in separate pre-existing buildings, within the inhabited old town centre; limited distance between residential dwellings, rooms and common areas: at most 200-300 meters between them; presence of reception desks in central positions; presence of residents who welcome relationships with tourists and at the same time preserve traditional culture due to their sense of belonging; safeguarding of an authentic environment, characterized by the interaction with the social milieu and local culture; "recognizability" of a place, due to its well defined and homogenous identity, the brand of a territory.

Thus, the AD, according to this conception, is in line with needs related to emerging sustainable tourism, which is increasingly responsive to the environment and local communities (Cater & Lownam, 1994): in order to limit the various impacts on the environment (Vallone & Veglio, 2014). Lastly, another relevant effect of this formula is the promotion of the economic development of the territory: in this way, it can help the economic and community development in areas where often the only valuable resource is just the landscape with its historic heritage and traditions. The first definition of "Albergo Diffuso" appeared in the Regional Law of Sardinia L.R.S. n. 22/1984. It was defined here as facilities characterised "by the concentration in a single building of reception, common areas and possibly a restaurant and kitchen, and by the distribution of the residential units in one or more separate buildings, provided that they be located in the old town centre of the municipality and are not more than 200 metres away from the building where main services are located" (Trombino, 2009). A further contribution from Sardinia came with the law "12.08.1998, n. 27, Article 25" which confers an independent form of accommodation facility to the AD (Vignali, 2010).

This model is interesting as in Italy, where it was born, as also in the many other countries throughout the world where it has been reproduced (Avram & Zarrilli, 2012; Di Clemente et al., 2014; Li aj, 2014; Durkin & Kolari, 2016; Giampiccoli & Saayman, 2016). In this vein, it has changed the concept of Brand referring to the Hotel according to this new solution of tourism hospitality: the AD. This research propose a study focused on a case study: Sextantio. The research questions that guide this paper are:

RQ1: What is the brand value of Sextantio according to the financial perspective?

RQ2: What are the new tangible and intangible elements related to the new concept of hospitality tourism of Albergo Diffuso?

3. Method

The aim of the paper is twofold. The first aim is to illustrate the "traditional" method of evaluating the brand referring to a case study selected in this research. The second aim is to identify the elements linked to a concept of AD, beyond the elements of "traditional" hotels that result in the high quality of tourist hospitality. In order to reach these results, we following first of all, the theoretical model of Esposito De Falco (2012): a firm develops with the territory according to a path that promotes, through a dynamic relationship, both the survival of the firm over time, and the enhancement of local capital. It is also adopted the rating coined by Droli (2013): he creates an analytical model that help select the most attractive and competitive rural hamlets where a business for hospitality duffed could be successfully set up. In order to obtain the goals of the study, this research adopts a case study methodology (Einsenhardt, 1989; Yin, 1994, 2009), as the best method to study this field of research in agreement with other researchers in this vein (Paniccia et al., 2007; Paniccia et al., 2010; Vallone & Veglio, 2014; Presenza et al., 2019; Valeri & Paoloni, 2017). However, the lack of an established theoretical model of AD and the exploratory nature of this research also suggest the use of a qualitative approach.

Therefore, the starting point is to adopt a quantitative approach through the evaluation model of Brand using the most common method: a method based on the cash flow. This study then adopts a qualitative method in order to identify the first element involved in brand definition, in particular reference to the Sextantio case, company, which was among the first to create a model of AD in Italy, starting to the experience of Santo Stefano di Sessanio (province of L'Aquila) and then in Matera, precisely in Grotte della Civita. Exploratory case study is useful when preliminary propositions and hypotheses are absent and it has been used in other studies to describe

the development or management of other Ads, i.e. Borgo Tuf (Del Gatto, 2015); Borgo of Sempronio (Fissi et al., 2014), Sextantio (e.g. Paniccia et al., 2007, 2010; Tani & Papaluca, 2015; Gorgo & Riggi, 2017).

The analysis was conducted in two major stages. In the first stage, the method of royalties was adopted to evaluate the current brand value of Sextantio company. In the second stage a new framework is proposed to include the other factors (tangible and intangible) affecting the tourist perception in a Brand of AD, in a Brand Reputation value related to this innovative formula of hotel born by the regeneration of small villages.

3.1 The Case Study – Sextantio

Sextantio is one of the first AD born in Italy, initially in Santo Stefano di Sessanio in the Abruzzo Region. It consists of a fortified medieval village on top of the hill of Gran Sasso, 1250 mt, surrounded by mountains, within the National Park of Gran Sasso and the mountains of Laga.

At the end of the 1990's, Daniele Kihlgren, an Italian-Swedish entrepreneur, bought part of this village in order to recover its historic, cultural and artistic heritage. He adopted a humanistic and philosophical culture centered on anthropology, architecture and economy, molding the philosophy of this model of AD.

Sextantio was defined as a supreme example of regeneration of historic value together with the revitalization of small historical towns. Kihlgren affirmed that surrounding Santo Stefano di Sessanio there exists more than 20,000 historical small villages and municipalities that have a rich social capital, understood as the set of relation and, above all as underlined by scholars (Putmann et al., 1993), widespread civicness and trust, which facilitates cooperation between individuals. The starting point is the conservation of the original cubing, of the typological implants, destination of use and holes. It is involved the local economies thorough the use of the recyclable materials were taken from the surrounding areas. The various buildings are used to different uses: rooms, areas for conferences, restaurants, shops, areas for free time, etc., all within the same village.

More later, thanks to Kihlgren it was born another site: Matera, the resilient city. Matera can be proud of his historic center designated as UNESCO World Site in 1993 (the first in Southern Italy) an improved and enhanced tourism that has contributed to designated as the European Capital of Culture 2019. Furthermore, the site of Sassi of Matera is among the oldest in the world and proves the continued presence of humans from the Palaeolithic to the present. According to the philosophy of Rural Tourism, the design of tourist accommodation in this area uses traditional building methods and the original types of houses and materials: in this vein, the results is a saving of cultural goods in an innovative way.

Sextantio Albergo Diffuso Le Grotte della Civita was defined by the international press, as one of the most extraordinary touristic destination in the world and this place is among the ten most beautiful hotels in the world (e.g., The New York Times, The Guardian, National Geographic Traveler). In technical terms, the goal of this "hotel formula" of AD is to save any elements of the territorial identity: the architecture and local materials cultures from the craft tradition to the cuisine of the areas in a few words, the history and the entire landscape. Guests will live an atmosphere totally immersed in the cultural and human history of the Sassi of Matera, as confirmed by the comments of tourists. A major online booking platform claims that it is an "incredible opportunity to stay in highly unusual space", "*special experience in staying at caves, going back in time machine*", "*luxurious stay in a unique cave environment*" and "*one of the most memorable places we ever stayed*", with reference to a touristic personalized experience above mentioned (Gonçalves et al., 2018).

Daniele Kihlgren began, with his model of "special AD" has been recognised as an example of Italian excellence. As Kihlgren proudly shares, "*finally, the administrators have understood that in order to protect the integrity of the villages, respecting the existing, using only local materials, not building anything, not adding anything, not changing anything, not increasing the volume, not changing the furniture, at most repairing and to adapting is the only way*" (Cucari et al., 2019, p. 110).

4. Results

The importance of the "Sextantio" brand as an independent asset value in the field of tourism activities, thanks to the high level of differentiation and innovation, as described above, is quite evident. Sextantio identifies a new model of tourist destination, which has become a reference for international quality tourism that is recognizable compared to the others for the added value given to the village territory relationship and to the exclusive recovery and conservation of the existing heritage.

To obtain these goals, Daniele Kihlgren established the following Group:

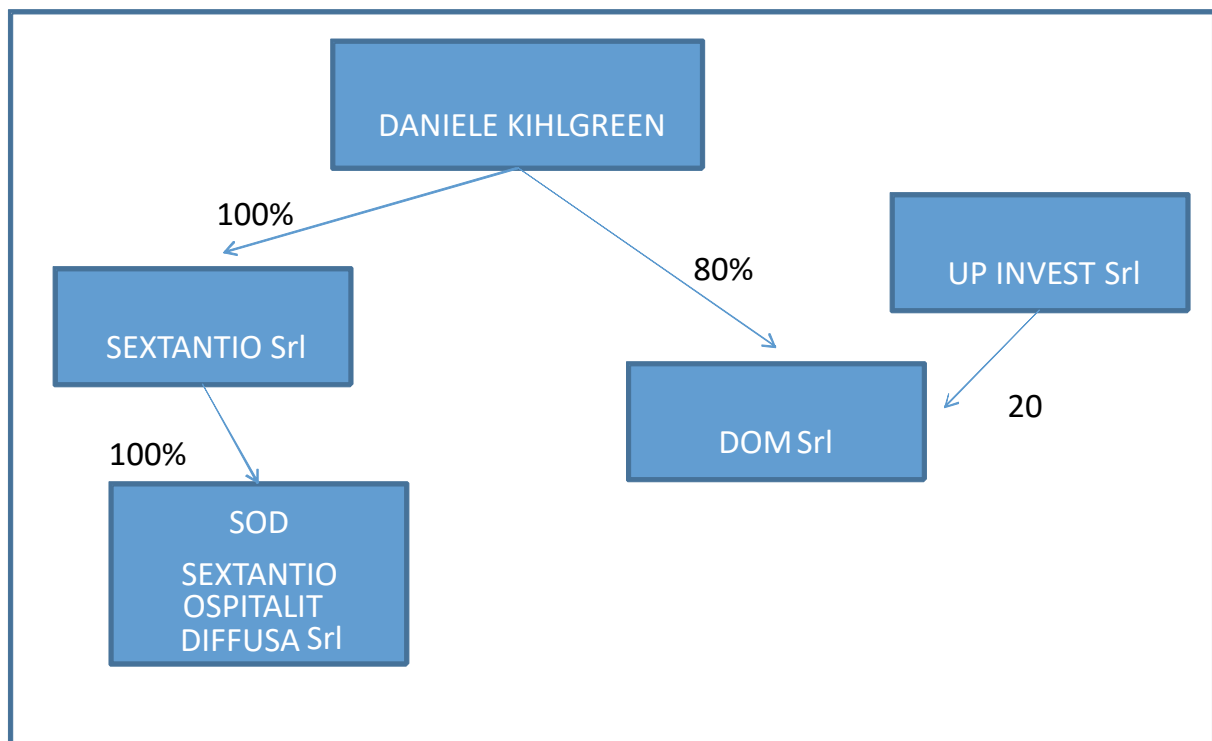


Figure 1. The Daniele Kihlgren Group

4.1 The Process of Brand Evaluation in Sextantio

The literature about the criteria of brand value is divided into two macro-groups: the criteria c.d. "analytical", whose logical construction is supported by documented information; the criteria c.d. "empirical", based on analyses and formulas derived from market trends, percentages or multipliers of given economic quantities, considered basic for the purposes of estimating certain intangibles (Guatri & Bini, 2011).

The most used methods of brand value are following (Zanda et al., 2005):

- the *methods based on empirical indicators* (by the application of a percentage or a multiplier to one variable considered qualifying for the element to be evaluated).
- the *methods based on economic-financial approach* (by the contribution of the brand to profitability by discounting for several years, the differential income made by the brand itself;
- the *cost-based methods* (it considers the historical cost, the revaluated historic cost compared to a ISTAT index, the replacement or reproduction cost, the cost of the loss);
- the *financial methods* (considering the value of the cash flows generated by the brand available in the future years);
- the *methods based on royalties* (the most used in practice of various firms).

The Sextantio brand certainly represents a luxury hotel in hospitality tourism, sharing a completely new perspective: the guest enjoys not just a simple stay, but a complete experience enriched with tastings of products prepared according to recipes and ingredients of the past, cultural routes, the possibility to buy and learn about local handicrafts, etc. In a constantly changing market, and with the emergence of new technologies that will revolutionize the hospitality sector, luxury hotels must move their strategy not only into the traditional tangible and intangible assets, but towards these new values. In this vein, they must offer and provide new exclusive services, supplementing the need to preserve the heritage, as Sextantio has been offering for several years.

For these reasons, considering the activity performed and the availability of data, it was decided to apply the methods based on royalties, as a correct price that anyone would pay to manage an hotel business, making use of the original and particular experience of the Sextantio Group and adapting to already tested standards, relying on the marketing of services for a well-known brand.

The referring formula of this methods is:

$$W_m = \sum_{t=1}^n \frac{[(F_t * r - C_t) * (1 - tax)]}{(1 + i)^t}$$

where:

W_m: current value of the Brand

n: time period considered

F_t: sales expected on a time period corresponding to the residual life of the brand

r: royalty rate;

C: average annual maintenance costs

tax: tax rate

i: discounted rate.

The further steps for application of the royalty-rate method are as follows:

- a) assessment of the royalty rate;
- b) assessment of the useful life of the brand;
- c) assessment of expected sales and turnover growth rate;
- d) assessment of the discounted rate;
- e) final evaluation of Sextantio Brand Value.

a. assessment of the royalty rate

For the esteem of the royalty rate, reference is made to a study made by the HVS in 2013 “Hotel Franchise Fee Guide” where different hotel chains are compared which have adopted the franchising structure based on the royalty rate applied. Analyzing 33 hotel chains belonging to the luxury sector and assuming that the royalties were quantified in the Uniform Franchise Offering Circulars (UFOC) or in the Franchise Disclosure Document (FDD) prepared by each franchisor, it is noted that the royalty percentage applied is between 1.93% and 15.86% with a higher concentration in the range between 8% and 10%. For this reason, it was decided to use the 10% as the percentage higher between the most applied rate by the analyzed hotels.

b) assessment of the useful life of the brand

With reference to the current protection system referred to the brand in Italy and in the European Community, the residual life guaranteed by legal protection is 9 years except for the renewals that occur every ten years. Furthermore, literature and the reference practice suggest a particularly prudent approach in estimating the useful life of the brands given their intrinsic volatility. In particular, a time horizon of 5-20 years with a strong concentration over 5-15 years is identified (Guatri & Bini, 2011; Zanda et al., 2005).

In the Sextantio case, with the peculiarity of the activity that distinguishes it, it is prudent that the esteem of residual useful life of the brand is established in ten years.

c) assessment of expected sales and turnover growth rate

The basis on which the royalty is calculated is represented by the average turnovers estimated over the time period considered by the sale of the services identified by SOD and DOM brands.

Furthermore, the following historical data available and which is reported below, is considered the most significant period for the last five years.

Consolidated data SOD + DOM (in €)	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Total Revenues	1.879.189	1.984.151	2.449.934	2.503.562	2.662.938

It must be considered that DOM has obtained another sub-concession from the Municipality of Matera for the management of another 14 rooms in the Sassi Area in addition to the 18 already existing and they should be operational by 2021.

Therefore, making reference to the income components of the previous years, to the current market conditions

and to the growth forecasts of the activity related to the Brand, the base of an average fair flow of revenues is Euro 2.296.000. It is revalued by five percent per year, except for the year 2021 in which a revaluation of revenues of 30% is applied thanks to the increased accommodation structure of Matera.

Following the expected sales for the years 2019-2028 (in Euro):

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2.296.000	2.410.000	3.133.000	3.290.000	3.454.000	3.627.000	3.808.000	3.998.000	4.198000	4.400.000

d) assessment of the discounted rate.

For the process of Brand evaluation, it is considered appropriate, as the literature and practice suggested, in the case of intangibles with a definite useful life, to use a rate that represents the average cost of the capital invested in the company. This rate is called the Weighted Average Cost of Capital (WACC), defined as follows:

$$WACC = W_e \cdot I_c + W_u \cdot I_u (1-t)$$

where:

W_e : weight attributed to own capital;

I_c : cost of own capital;

W_u : weight attributed to third-party capital;

I_u : cost of third-party capital;

T: average tax rate of the company.

e) final report of Brand Value.

This is an estimate of the "Sextantio" brand through the following parameters:

Parameter	Value
Royalty rate	10%
Average Revenues per year	€ 2.296.000
Annual Growth rate	5% per year ¹
Duration of residual useful life	10 years
Maintenance costs	1% of turnover
Tax charge ²	27,9%
Discounted rate	1,5%

As a result of these parameters identified, the evaluation of the Sextantio Brand is therefore shown in the following table:

	Expected Revenues (in €)	Royalty rate	Royalty 1 (in €)	Maintenance costs (in €)	Royalty 2 (in €)	Tax Rate	Net Royalty	Wacc	Discounted Royalty
2019	2.296.000	10%	229.600	22.960	206.640	27,9%	148.987	5,70	140.953
2020	2.410.000	10%	241.000	24.100	216.900	27,9%	156.385	5,70	139.973
2021	3.133.000	10%	313.300	31.330	281.970	27,9%	203.300	5,70	172.152
2022	3.290.000	10%	329.000	32.900	296.100	27,9%	213.488	5,70	171.030
2023	3.454.000	10%	345.400	34.540	310.860	27,9%	224.130	5,70	169.873
2024	3.627.000	10%	362.700	36.270	326.430	27,9%	235.356	5,70	168.762
2025	3.808.000	10%	380.800	38.080	342.720	27,9%	247.100	5,70	167.628
2026	3.998.000	10%	399.800	39.980	359.820	27,9%	259.430	5,70	166.502
2027	4.198.000	10%	419.800	41.980	377.820	27,9%	272.400	5,70	165.399
2028	4.400.000	10%	440.000	44.000	396.000	27,9%	285.500	5,70	164.005
Total									1.626.277

The economic evaluation of the Sextantio brand, as previously identified, corresponds to Euro 1,626,277 which is mindfully rounded to Euro 1,500,000.00.

¹ With the exception of the 2021 financial year in which revenue growth is estimated at 30%.

² The IRES and IRAP rates currently in force were taken into account for the calculation of the tax burden, as current situation in Italy.

5. Discussion

This study is started with the process of evaluation related to the value of a brand of the Sextantio brand. The process of financial perspective of evaluation of the brand has just been carried out.

But this is not sufficient, as in this sector, throughout the last decades, various concepts of hospitality tourism have appeared against the traditional concept of tourism and hotellerie.

Starting from the RBV theory (resource based theory) which concentrates the development of a company and underlines the need to focus on resources in order to obtain the continuity of the company (Penrose, 1959; Wernerfelt, 1984; Barney, 1991), the development is moved towards the creation of competitive advantage (Porter, 1980), using resources and implementing strategies that cannot be replicated by competitors. The AD develops a unique and inimitable formula, as well as sustainably, socially, and ethically responsible. The competitive advantage that develops with the AD therefore becomes absolute, of a defensible type (Barney, 1991) thanks to resources:

- with value for the market;
- rare, unique or present only with reference the territorial context;
- impossibility of imitability by competitors;
- not replaceable by other resources.

The competitive advantage of an AD will be more developed by the presence and ability to feed the development, as well as by the existence of local capacities, history, knowledge handed down, wealth no longer realizable or reproducible and goods to be recovered and enhanced, from new trades. Based on these elements, an AD can become in operational terms a stock of tangible and intangible resources that characterize a territory and capable of creating a defensible competitive advantage (Lev, 2001). The challenge in this sense is therefore to work towards the implementation of management policies based on the development of exclusivity, as a threat that ADs can boast compared to traditional hotels in rural areas or urban areas.

On the basis of these premises, the results coming from the case of Sextantio.

Its on these lines, that the initial study was inspired by what was observed in Drolì's study, which has identified some typical indicators in his research focalised in other territory, but in refer to AD, at 24 different municipalities. In Sextantio case, there are two municipalities: Santo Stefano di Sessanio in Abruzzo Region and Matera in Basilicata Region.

In this study there are different factors identified as:

1. tourist attractiveness elements of the AD;
2. internal elements of the AD;
3. external factors of the AD.

Following, the first elaboration referring to each of these elements, specifically with characteristic, description and KPI (key performance indicators).

Table 1. Tourist attractiveness elements of the AD Sextantio

Characteristics	Description	KPI
Social tranquility	Low number of crimes against people and against things	<ul style="list-style-type: none"> • No. of crimes against people (malicious injuries, violence, attacks etc.) • Muggings • Thefts
Social relationships	Low population density, passing of knowledge	<ul style="list-style-type: none"> • Inhabitants / km²
Agricultural, artisanal and productive system	Presence of agricultural enterprises, artisans, "ancient" or traditional jobs	<ul style="list-style-type: none"> • No. of agricultural enterprises • No. of artisans • No. of traditional jobs
Animal life	Presence of farm animals, at home, protected species	<ul style="list-style-type: none"> • No. of protected animal species • No. of breeding for repopulation of the fauna • No. of accommodation facilities on education and knowledge of animals • Presence of national parks

Table 2. Internal Elements of the AD Sextantio

Characteristics	Description (presence of)	KPI
Available resources	Historical, naturalistic, environmental and cultural resources	<ul style="list-style-type: none"> • No. of historical resources (monuments, buildings, churches, etc.) • No. of natural resources (types of natural wealth present) • No. of type and variety of natural capital present in the territory (quality of the air, presence of water with high purifying components, presence of land particularly rich in minerals, etc.) • No. of cultural events
Accessibility	Connections to the main cities	<ul style="list-style-type: none"> • No. of connections with buses, trains, other types of connection services • No. of medical-hospital facilities to ensure the first intervention in case of need
Basic health services	Health facilities and / or referral medical services for emergency response	<ul style="list-style-type: none"> • No. of medical-hospital facilities to ensure the first intervention in case of need
Public institutions	Public service to citizens	<ul style="list-style-type: none"> • Type of public services provided by the State
Restaurant	Restaurants and food services	<ul style="list-style-type: none"> • No. of restaurants, trattorias, taverns, pizzerias, wine bars, bars, pubs, ...
Typical local products	Products strictly referred to the territory recipes	<ul style="list-style-type: none"> • No. of typical products • No. of DOP wines • No. of recipes and culinary traditions

Table 3. External Elements of the AD Sextantio

Characteristics	Description	KPI
Human resources	Presence of experienced employee in the development and expansion of the CEO	<ul style="list-style-type: none"> • No. of employees in the AD • No. of other workers that are outside the AD, but functional to the AD's activity
Training	Possibility to train employee outside the CEO	<ul style="list-style-type: none"> • No. of possibilities to adopt public resources to improve the reception of local people • No. of schools that have seen the best advantage of the tourist destination • No. of internships operated with Italian and foreign schools and universities
Further widespread and development of AD	Possibility to recover other areas and / or to expand the accommodation capacity of the place with other neighboring villages	<ul style="list-style-type: none"> • No. of rooms (variations from year to year if there are) • No. of agreements with the families of the village to expand the AD company • No. of recoveries made over the years
Reputation	Possibility of expressing judgment towards the AD	<ul style="list-style-type: none"> • No. of total face-to-face comments • No. of total reviews online • No. of other comments (suggestions, guest tips, etc.) • No. of negative comments on the CEO • eWom support
Networking	Real possibility to create networking with other competitors or with other sectors	<ul style="list-style-type: none"> • No. of agreements in place with other competitors • No. of working agreements with others (visits to educational farms, guided tours with guides, ...) • No. of possible agreements with others

The elements of brand value showed in the above tables through a first classification studied on the Sextantio case, consists of a new way to consider the unique concept of economic value of brand related to an AD.

It is a broader definition compared to the traditional methods, however it is difficult to predict the beset way to identify a prudent method in evaluating this intangible asset, in the new formula of entrepreneurship, as AD.

6. Conclusions

The results of the paper are the definitions of the specific elements of the AD concept, and consequently, AD

brand that differs from the traditional hotel brand; this study aims first to create awareness and to contribute to identifying the impact of these elements on traditional economic valuation models and how they can be incorporated. Because of the complexity of the topic, the hypothesis has been to build a model of synthesis, consisting of two parts: the first for the economic brand evaluation for Sextantio in the traditional formulas, and the second part to a first classifying of elements in the new perspective of wide brand in AD.

The originality of the work is in the definitions of the basic assumptions with which to build an economic evaluation model of the "special brand" referred to an AD, beyond the traditional elements.

6.1 Limitation of the Study

The main limit of the research is that this study is still at an early stage of the building of the framework.

This study, as indeed every exploratory study, presents numerous limitations given by the uniqueness of the case study which, if on the one hand is helpful through its contribution to similar cases, on the other it presents the limits of a possible failure of generalization, despite being, at least in this first phase of research, maintained in a very generic phase and referable also to other cases of AD, in this second part.

The limits are also contained in the quantitative part, since being the first process started in the determination of the financial value of the brand, it is understood that it must undergo successive revisions and modifications.

6.2 Future Research

This study is a starting point in the identification of tangible and intangible elements linked to this new hotel formula of AD, referred to Sextantio, which will have to be further developed and "customized" with reference to this case and "aggregate" the elements of the hotel in Santo Stefano di Sessanio and those of Matera, referred to a unique brand: Sextantio.

It is for this reason that this pioneering study could give rise to new scenarios and new methods of evaluation that will be based on these new identified elements that will have to be quantified on the basis of the determinations of the KPIs that certainly must also be completed and improved.

Further research, referred to other cases of AD, may potentially provide other elements to be included in the above classification about the elements referred to a wide concept of AD brand in order to evolve this framework.

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