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Eco-Tourism Residences in Iran: a Multiple Case Study Research with a Creative Tourism Approach

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Abstract

This paper aims to introduce a business model for eco-tourism residences based on Osterwalder's canvas business model with a creative tourism approach. Despite of the significance of creative tourism and business model of eco-tourism residences, there is still a lack of sufficient attention to this issues in the literature. Moreover, regarding the growing tourism industry in Iran and the importance of creative tourism in cultural and adventure tourism, it is necessary to seek new ideas to improve service quality and the business owners' knowledge of their industry. In this regard, this multiple case study research is conducted by semi-structured interviews with seven eco-tourism residence owners in Iran. Open and axial coding methods were adopted for data analysis. This research identifies the main components of nine blocks of the Osterwalder's canvas business model for eco-tourism residences, including, value proposition, customer segments, customer relationships, channels, key resources, key activities, key partners, revenue streams and cost structure. The results of this study show that the supply factors of creative tourism framework including diversity of world cultures, the provision of unique culture, infrastructure, local crafts, hospitality, creative industries, cultural tourism resources, and more types of tourism are connected to the value propositions in the presented business model.

Keywords: Business model, Value proposition, Eco-tourism residence, Creative tourism, Multiple case study.

1 | Introduction

One of the most significant facilities and infrastructure in tourism industry is accommodation services. Hotels, guest houses, and eco-tourism residences play a pivotal role in providing hospitality services to tourists. Therefore, accommodation service providers should provide their services to satisfy tourists' expectations [1]. Moreover, according to Ferreira and Sousa [2], tourists tend to be involved in creative experiences and activities during their trips. Early tourism and hospitality was considering as creating value for guests and travelers with products and services as well as the joy and money earned were relatively simple in the last centuries: a shelter for the night, food and drink and enjoyment, visiting around and helping them find their way, or sharing local tales for entertainment, all in exchange for cash or barter goods. This simplistic view of tourism and hospitality might still hold some truth in isolated pockets of today's market, but this is not the reality of tourism businesses

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nowadays [3]. The combination of actors, activities, and transactions involved in creating value for people who travel and capture value from those activities has become much more complex [3]. This combination can be defined as a business model in tourism industry, which could be based on potentials of a place and customers' needs.

Iran is a country that is rich in cultural and historic diversity, representing a recorded human history that stretches back some 10,000 years [4]. Moreover, the people who inhabit this country have a long history of involvement in tourism with considerable evidence for hostels that dates back to at least 2000 BC [5]. Old houses in historical cities, with their unique indigenous architecture and monuments attracting a great number of tourists [6]. Old houses, mansions, palaces, caravanserais, baths, and cisterns are some of the well-known manifestations of traditional Iranian architecture, because of that the country of Iran makes up the geographic boundary of this study.

Eco-tourism residences as a major part of tourism industry, have an important role in terms of job creation and revenue [7] for locals and are one of the key attractions in destinations. The services that are provided by these residences, such as the cleanliness [8], staff, management, nearness to the tourists, play an important role in extending the tourists' stay in the destination [9]. This is stated that providing hospitality services for visitors cannot exist without some crucial elements in their basic structure. Some of these elements are including pampering the guests, calling guests by their first names to create an intimate atmosphere, expecting the guests' needs [10], working attentively to ensure the guests are comfortable, patience and tolerance in the case of potential differences with guests, encouraging the guests to participate in different activities and adventures [7], treating the guests as politely as they greeted them at the beginning [11]. Customer satisfaction cannot be measured unless the factors affecting it are determined [12].

Moreover, creative tourism is one of the most important indications of heritage hybridization in urban contexts [13]. Creative tourism is an approach that has been adopted and going through various stages of development in diverse locations around the world, the United State and Canada in North America, New Zealand in Oceania, Taiwan in Eastern Asia, and Spain and Austria in Europe being examples of countries which have successfully adopted the approach. It must be noted that not all the mentioned countries see creative tourism in the same way. However, there are a number of key hallmarks, such as development of creativity, and creative authentic experiences which are almost invariably found in the localized versions of creative tourism everywhere [14]. With the study of the civilizations, cultural heritage, customs and traditions, and indigenous businesses that found in Iran, business actors may identify some ways to engage tourists in to the unique experiences that can be provide by the various businesses that are available in the tourism destinations. These experiences are mainly "creativity-based" and related to everyday life, with traditional visual arts, local dishes, perfumes, painting, and folk dance [15].

The lack of an academic pathway to establish eco-tourism residence in Iran causes some issues for the tourism industry. Firstly, the number of eco-tourism residences which have become established in an inappropriate way is increasing rapidly. Secondly, historical houses which are changed to eco-tourism residences are endangered by unsuitable renovating. In this regard, in order to providing a solution to these problems this study contributing to represent a new business model for eco-tourism residences in Iran, which is connected to a creative tourism business model. Based on the purpose of this research, there are two main questions as follows:

- I. What are the factors of nine dimensions of business model for eco-tourism residences in Iran?
- II. How can value propositions of an eco-tourism residence be connected to creative tourism business model?

2 | Literature Review

The systematic literature review method has been largely adopted in the tourism and hospitality researches [16]. Thus, a literature review is done to assess the theoretical definitions of the key concepts, and to choose the most appropriate business model. The literature review in this paper includes some indicated theoretical definitions as follows.

2.1 | Business Model

Scholars agree that generally, a business model can be described as a logic based on creating and presenting value to customers to earn money. Thanks to the business model, businesses are able to employ new ideas, create new value, and meet customer needs better [17]. Moreover, the competitiveness of a business in the market is settled not by its products or services, but by a successful business model [11]. Several definitions exist for the concept of business model in the literature, some of the most comprehensive of which will be presented here.

A business model is a conceptual instrument for understanding how a company does its business. With this view, it is possible to use a business model for analyzing, comparing, evaluating, managing effectively, transferring, and informing about a business to others [18], [19]. A business model may be defined as the value that an organization creates and then offers to its various customer clusters, in addition to the hierarchical structure the organization develops along with its partners to create, promote, and make the value widely available in order to creating, or increasing, its revenue streams and succeeding in maintaining them consistently [20].

In an organization, the business model is a microcosm of the activities being carried out as part of the organization's main operation. The model is expected to explain how the organization creates the value (e.g., products, services, or even information) that it does through the various means it has at its disposal. Furthermore, the model should describe how the organization uses its customers and market share to achieve and maintain a competitive advantage over its rivals. Moreover, the business model can be extremely flexible and adaptable, as it needs to take into consideration, and effectively cope with the changes that organization goes through both internally and externally [21].

Several researchers recognize the factors which influence the success of the business model in the hospitality industry [11], [22], [23]. The research by Bowen [23] emphasized a market-driven approach to the business development and service improvement in the hospitality industry. According to this approach, getting feedback and information from customers and involving customers in the hospitality business development will lead the hospitality organizations to choose the right segments and create more value propositions for them. Kandampully [22] identified the essential factors for the hospitality business model to operate effectively: technology, external orientation, value, products, efficiency, relationship, empowered employees, uniqueness, networks, services and internal coordination. According to the Langvinienė & Daunoravičiūtė [11], there are six factors which influence the success in hospitality business models most: innovation, empowered employees, customer relationship management, technology, value propositions, and internal marketing.

2.2 | Creative Tourism

Creative tourism goes beyond the general tourist gaze [2], [24]. Although creative tourism is generally perceived as a form of cultural tourism, it is essentially different from the mainstream cultural tourism as will be elaborated further in the paper. While traditional cultural tourism is based on "viewing," "seeing," and "contemplating" (e.g., visiting museums, art galleries, concerts, ballet performances), creative tourism is based on "experiencing" [2], [25], "participating," and "learning" (e.g., not only observing icons or icon painting but taking courses in icon painting in the destination). This puts creative tourism as the next generation of cultural tourism that satisfies the higher level need of self-actualization with a primary focus

of active skill development. Furthermore, creative tourism is not so place-bound as cultural tourism in general is, because creative tourism utilizes tourist resources that are processes, such as dancing, singing, doing crafts, painting, participating in festivals [26]. It “offers visitors the opportunity to develop their creative potential through active participation in courses and learning experiences which are characteristic of the holiday destination where they are undertaken” [27].

The growing competition that exists between businesses in the tourism industry forces the suppliers to add more experimental elements to unify their products and services. However, those who win in the competition are those who are able to invest in what the tourists expect, because these are the unique experiences that are considered to be the value of a business. However, the development of more creative tourism experiences is often a part of the supplier’s approach [28]. The two factors of supply and demand directly affect the business model in creative tourism. The demand side factors include cultural interaction, deep link with culture, cultural heritage conservation, creativity, interaction, cultural travel and innovation, and credibility. However, supply factors include everything that is available in a tourist destination, such as the diversity of world cultures, the provision of unique culture, infrastructure, local crafts, hospitality, creative industries, cultural tourism resources, and more types of tourism [29].

Regarding the demand and supply factors, a product or service that is produced in creative tourism can be divided into tangible and intangible categories. Tangible factors include capitalization, market development, innovation, protection of the heritage, stability, job creation, brand creation, and export. On the other hand, the intangible benefits include the creation of regional identity, social capital, the protection of cultural values, the preservation of cultural heritage, the cultural exchange, the cultural diversity of the region, the spiritual values, the national pride and the sense of touching it, which ultimately results in a creative tourism boom, the success of businesses, as well as the increase of social welfare in the destination of tourism [29].

2.3 | Different Approaches to Business Model

A business model generally addresses the company's core structures which include the value structure (how value is created), resource structure, and transaction structure. To explicate these components, researchers have adopted a variety of approaches. Design approaches are factor-based [30], resource-based approaches focus on the structure of the company and its key activities [31], [32], the storytelling approach focuses on describing key organizational outputs [33], the innovation approach puts the emphasis on open innovation with the purpose of transforming functions [34], the organizational turnover approach emphasizes intra-organization flow and transactions [35], [36], and the opportunity-based approach focuses on activities conducive to creating and exploiting opportunities in the organization [37]-[40]. In each of these approaches, in accordance with the researcher’s field of choice, a certain definition of business model is presented whose components and the way these components combine to form a whole (i.e., business model) are different. Osterwalder focuses on factors internal to the enterprise [41].

Regarding the main purpose of the research that is to introduce a business model for eco-tourism residences to improve their service quality, the Osterwalder business model canvas was selected as the most suitable one. Osterwalder's business model is comprehensive, usable by businesses in diverse industries [42], and features adequate indexes to measure each of the model’s dimensions.

2.4 | Towards the Conceptual Model

A desirable conceptual model is a model that includes the various dimensions of the subject under investigation and illustrates the relationships of the components to pave the way for the analyst [43]. If a company’s executives intend to get past these obstacles and try a fresh type of business model, how should they start their endeavor? An excellent approach is to develop a flowchart of business models, identify the elements and activities that shape them, and then tweak these underlying elements and

activities and observe the differences they cause by doing this. A prime example of such an approach has been proposed by Alex Osterwalder, a recognized authority on the subject of business models [34]. Osterwalder business model canvas, consists of four general pillars and nine building blocks as listed below:

Customer segments are people or companies on which an organization set its sights to do business with them. Value propositions refer to a group of products and/or services which a company creates to meet the demand of its customer base. Channels are the means of communication a company establishes with its customer base and through which it introduces and markets its value propositions. Customer Relationships refer to the type of bond a company means to form with its customer base. Revenue Streams are simply the money a company makes through interaction with its customer base (clearly, to determine the net earnings we must deduct the costs of gross revenues). Key resources are the crucial resources a company needs to make its business model function. Key activities are the crucial tasks and projects a company carries out to make its business model function. Key partnerships consist of suppliers, retailers, and delivery services with whom the company forms partnerships to make its business model function. Finally, cost structure describes the total costs a company needs to cover to make its business model function. In this study, Osterwalder's business model is proposed as the model of choice to conduct the study. According to the literature, there is no study that makes a connection between a business model and creative tourism, therefore, this study contributes to connect the value proposition dimension in business model with the supply factors of creative tourism to improve service quality in eco-tourism residences.

3 | Methodology

In view of the main objective of this study, which is to introduce nine dimensions of an eco-tourism business model that can improve the service quality of eco-tourism residences with considering the creative tourism, the research methodology is qualitative with an applied approach. Applied research is a systematic research method which, at its most basic level, emphasizes the practical use of science. Applied research makes use of theories, sciences, methods and techniques introduced by research institutes to achieve practical purposes such as business success. Moreover, it deals with solving practical problems using mostly empirical methods [44].

3.1 | Multiple Case Study

To achieve the main purpose of the study, the authors needed to analyze more than one case study to identify different aspects of an eco-tourism residences. Therefore, the method of multiple case study was used. According to the Gray [45] surveys focusing on collecting data on a limited range of topics. On the other hand, case studies can explore many themes and subjects, but from a much more focused range of people, organizations, or contexts. Case studies can prove invaluable in adding to understanding, extending experience, and increasing conviction about a subject [46]. For multiple case study research, the cases need to be similar in some aspect or share some common characteristic or condition but each case gets organized and analyzed around the specific research question it is expected to answer. In a multiple case study, the researcher examines different activities in cases. Besides, multiple cases have significant advantages compare with single case study research, they offer the prospect of producing results that are less likely to be deemed individualistic or unscientific. The evidence from multiple cases is often considered more convincing, and the results tend to be more robust [47].

3.2 | Participants

The statistical population of this research is the eco-tourism residences in Iran that already established their business and are well-experienced in the tourism industry. According to Strauss and Corbin [48], "Sampling should be open to those persons, places, situations that will provide the greatest opportunity to gather most relevant data about the phenomenon under investigation." Therefore, to select the most appropriate case studies, some critical conditions would be considered: 1) the eco-tourism should be in Iran, 2) the location of the cases is preferred to be in historical cities that attract more tourists and 3) the interviewee

should have a great knowledge of the procedures of the business and customer experiences, therefore we chose the business-owners to interview. The purpose of the interviews was explained to the interviewees and the right to use and publish the information of their businesses is allowed.

According to these conditions, the participants of this research is composed of the owners of eco-tourism residences in seven different cities in Iran; Isfahan, Yazd, Kashan, Iva, Khor and Biabanak, Shiraz, and Choupanan, each interviewee had a code number I1, I2 to I7. We use the snowball method to recruit business owners [49]. Sampling was completed when the theoretical saturation was reached, that is, when the most recent piece of information obtained is the same as the one already obtained from the previous interviews. In this case, the researcher continues the interview process until theoretical saturation is achieved in such a way that, the closer he gets to the final interviews, the less new data are generated regarding the research subject [43].

3.3 | Data Collection

Initially, the information needed for this study was gathered through library research and surveying the applied literature in the field [50]. Further information was obtained by conducting specialized and semi-structured interviews with field experts in tourism and hospitality fields [51]. In this study, the interview questions were first extracted from Osterwalder's Value Proposition Design Book [52]. The interview questions are divided into 9 categories according to 9 dimensions of the business model. Each category contains special questions about the related dimension of the business model. For instance, the questions of the first category are related to the first dimension of the business model.

3.4 | Validity and Reliability

In an attempt to evaluate their validity, were submitted to field experts so that the latter should make the modifications they deem necessary to make sure the questions comply with the research subject [52]. Additionally, the interviewees were asked beforehand to express their opinion on each question they are asked during the interview and also ask questions themselves if they need further clarification as to the questions in order for the answer to be precise and consistent with the research objectives. Data research was also performed in a systematic manner, while the rationale and theoretical foundation behind the identified categories and the process in which they were extracted have all been recorded. The final pattern, therefore, was obtained solely from the collected data. A significant point as to the validity of the model proposed in this study is the multiple revisions and analyses performed on the data.

It was ensured that a suitable data collection method i.e. deep semi-structured interviews as well as a sufficient statistical sample would be used to reach the point of theoretical saturation. Furthermore, to ensure the reliability of the data, following each of the answers given by the interviewees and again at the end of each interview, the interviewer stated her understanding of the answers so that the interviewees would have the chance to clarify potential confusions or misunderstandings to make certain that their answers were all recorded and interpreted correctly [52]. Finally, according to the interview questions every question was asked to identified the structure of a specific block in the business model and, Theoretical coding was continued up to achieving the final model, to identify each dimension of the business model.

4 | Findings and Discussion

The owner-managers of seven businesses i.e., traditional residences were interviewed to collect the corresponding data of each business regarding the aforementioned nine building blocks of the business model. The businesses were located in different historical cities of Iran; the interviewees were labeled with (I1:I7) to further analysis.

4.1 | Data Analysis

The open and axial coding techniques were used to conduct data analysis [53]. This stage in the qualitative analysis of the research data is carried out immediately after the first interview. In other words, following each interview, the researcher attempts to find concepts and then determines appropriate labels for them and, finally, combines the concepts associated with each interview. Open coding is a part of the qualitative analysis where the data and phenomena are individually named and categorized after meticulous examination and then compared to find the possible similarities and differences between them [54]. Finally, relevant questions are asked about the categories of data. The first step in open coding labeling (naming) the phenomena; in this process, each paragraph is split into certain parts and each event or idea is given a name. It is very easy for researchers to merely repeat the main points and sentences, yet what happens here is not brainstorming, but summarization. The next step in open coding is the discovery of categories. When particular phenomena are identified in the data, the concepts are grouped based on the phenomena. This reduces the number of units that need to be worked with it.

The process of classifying the concepts is such that similar phenomena are placed in the same category. The category that contains relevant codes (labels) is given a conceptual name. It is important that this name be more abstract than the names given to the concepts (codes) the sum of which constitutes the categories. The categories have conceptual power because they are able to collect other concepts around themselves. The technical features of the tool are summarized by two qualities: validity and reliability. A sample of data coding is given in the *Table 4*.

Table 4. Data code sampling.

Dimension	Axial-Code	Open-Code	Verbal Proposition	Case
Revenue Stream	Sale of lodging services	Residential	Providing welfare services is	11
		services sales	the first way to earn from a residence	12
				13
				14
				15
	Providing advertising spaces	Providing space for various events	With providing space for advertising	11
				16
				17
				11
				12
Hosting events café and restaurant	Providing restaurant and cfe services	Providing a hoe-based café and restaurant is another wa of earning money in low seasons	13	
			14	
			15	
			15	
			16	

4.1.1 | Final conceptual model

Value proposition

After reviewing the value proposition questions in the interviews, open coding was conducted on the verbal statements [54]. According to the interviewees, travelers expect to see the following in the eco-tourism residences: First of all, cordial and hospitable staff “a residence becomes special with its good treatment of guests, not its state-of-the-art facilities.” Moreover, the interviewees addressed that calm environment, guaranteed security, interaction with local people and experiencing their way of life are important factors in the eco-tourism residences. Besides they mentioned that hygiene and discipline play a pivotal role in a residence “the residence should be clean and tidy both on the inside and outside.” Another important point is participating in or observing local events “the most attractive type of entertainment a residence can provide for its guests is either hosting region-specific events inside the establishment or taking the guests where such events are held”. Finally, possibility to buy local arts and handicrafts and to try local cuisine

were important for the interviewees “this helps create job opportunities for the locals and introduces the guests to the region's culture in the best possible way.”

Any free-of-charge services, no matter how trivial, from a free drink to free Wi-Fi, is often quite pleasing and exciting to the guests. The high quality of services is subject to continuous training of the staff so that customers are kept completely satisfied from the moment of arrival until check-out. Residences hosting foreign guests could have customized arrangements according to the guests’ nationalities and cultures, an example of which being the placement of the flags of the travelers’ countries of origin in the courtyard. Eventually, the following twenty-four open codes were extracted from the interviews: peripheral recreational activities, use of earthenware, seasonal dishes, free tea, free Wi-Fi, bedroom cleanliness, outdoor space cleanliness, high service quality, recreational facilities, cooling and heating systems, interaction with the locals, food quality, valuing different nationalities, creating a sense of security in guests, relaxed atmosphere in the establishment, experiencing local way of life, staff cordiality to guests, employment of locals, simplicity and authenticity, watching the night sky, feeling of traveling through history, Korsi¹ lodging, and daily nature trips. Next, the resulting open codes were divided into the following eight axial codes: local events, supplying handicraft, supplying local cuisine that can also refer to where the food is produced and varies if the raw materials can be produced in the area or are growing naturally in the region compared to plants or animals not naturally found in the area, but are instead imported into the region. Free-of-charge services, compliance with sanitation standards, service quality, honoring the guests’ cultures and nationalities, and creating unique experiences.

Customers

From the point of view of business owners, “nature adventurers are the regular customers of eco-tourism residences” and “most of the peak season guests are foreign tourists;” while Iranian travelers, non-staying visitors, foreign travel agency managers, researchers and historians, tour operators looking for new destinations, and music bands are some of the other recognizable customers of eco-tourism residences who were identified and extracted as open codes from the interviews. Finally, foreign guests, domestic guests – including staying travelers, non-staying visitors, and adventurers – foreign travel agency managers seeking to find potential clients or to sign contracts, researchers and historians traveling to historic villages, tour operators and music bands are considered as axial codes.

Customer relationships

To establish a close rapport with the visiting tourists, business owners apply the following eleven solutions: “letting the guests participate in simple chores like setting the table and preparing food,” text messages, needs assessment (corresponding with upcoming visitors to find out what they need), starting campaigns and photography competitions on Instagram using relevant hashtags, promoting the business by taking part in exhibitions and on Twitter, TripAdvisor, Telegram channels, websites, promotional emails, and electronic catalogs and brochures, which are included in the customer relations section of the study’s open codes. After thoroughly examining the open codes, the following seven axial-codes were obtained: visitor participation in events, text messages, telephone calls, social networking events, surveys, “contacting customers to conduct needs assessment is a crucial element in establishing an effective rapport with them,” exhibitions, catalogs (“publishing electronic catalogs and brochures helps us keep communication with our customers on a monthly basis”).

Channels

Communication, distribution, and sales channels comprise a company's interface with customers. Channels are customer touch points that play an important role in the customer experience. In the

¹ A type of low-table with a brazier or electrical heater underneath and blankets on top

business model of eco-tourism residences, sales are handled directly or through partners. The organizations' exclusive channels may be directly handled, such as the domestic sales manager or the website manager. In general, if the services are sold in person, online or by phone, they are considered direct sales. On the other hand, the sales handled by retail stores owned or managed by the organization are considered indirect. Other ways of sales are through travel agencies, sales websites or tour operators; "travelers can book their residence and pay for it through TripAdvisor. They can also use the website to learn more about their destination." This distribution channel is considered as sale through partners.

Key resources

According to the interviewees' responses to questions on key resources, over 70% of the interviewed owner-managers self-financed the initial capital required to start their traditional residence business, most of them purchased the property outright and believe that, if possible, renting must be avoided at all costs. Some of the interviewees stated that they had bought their historical house with the help of facilities provided by banks and the cultural heritage, handicrafts and tourism organization of Iran and then set up their business. Specialized staff in the reception, housekeeping and purchasing departments and the kitchen are some of the important human resources of a traditional residence. The reputation of a residence is also part of the spiritual capital of the business "over time, customer satisfaction has risen to the value propositions of our resident at the national level and gradually increased internationally", while restoration and maintenance experts could be considered valuable corporate resources. The open codes of this section include: specialized staff in the reception, housekeeping, purchasing, and kitchen, reputation of the residence, and restoration experts. Axial codes include: physical resources, financial resources, human resources, brand (Ibid) and corporate resources.

Key activities

All the activities a firm carries out to create customer value is in this building block of the business model. The key activities business owners engage in at the start and during actual operation include: registration of the historical house as a national heritage, acquiring permission to alter the land usage of the historical house, acquiring work permission from the municipality, refurbishment and restoration of the structure, continuous training of the staff, "pre-employment and post-employment training programs for the staff to instruct them on how to best interact with the guests so as to achieve the targeted value proposition," and regularly updating the website.

The above activities were grouped into the following six axial codes: national registration (strategic), altering land usage, acquiring permissions (strategic), restoration, training, and updates.

Key partnerships

A partnership is a voluntary cooperative agreement between two or more companies to initiate joint ventures based on previously negotiated terms and conditions. The key partnerships building block of the business model, which also compose the axial codes obtained by analysis on the data, include private partners, business partners, raw material suppliers, and service providers. Over 85% of the interviewees had started their businesses without a private partner. Their business partners included travel agencies, TripAdvisor ("when a customer books their trip through TripAdvisor, the website automatically deducts a percentage as commission fee"), tour operators ("freelance tour operators who have a contract with us and bring their tourist groups to our residence") music bands, raw material suppliers, in addition to restoration and maintenance companies.

Revenue streams

The income model measures the company's ability to convert value proposition presented to customers into money and income streams. The company's income model can consist of different revenue streams,

each of which having a different pricing mechanism. The income of traditional residences is generated through selling lodging services (“providing welfare services is the primary way of a traditional residence to make money”), renting advertising spaces, “the café and restaurant of the residence help us stay afloat in low seasons,” while some residences generate additional income by hosting various events.

Cost structure

In the proposed business model, the costs are divided into two categories: administrative, marketing and sales costs, and value proposition costs. Administrative, marketing, and sales costs in this model include those associated with the human resources (“the most expensive cost is the cost of human resource. Education and salaries and wages include Human resource costs.”), advertising and marketing, the annual TripAdvisor subscription fee, as well as utilities and maintenance. The second category, value proposition costs, includes the purchase of raw materials, consumer goods, and services.

The purpose of this study was to design a business model for Iranian Eco-Tourism residences to improve the quality of services with a creative tourism approach. The first step in this research, was to select an appropriate research model using a qualitative method following an extensive survey of the literature on the subject. In this process, the research method of choice consisted of deep semi-structured interviews along with field research. The case studies for the field research were successful traditional and eco-tourism residences in the provinces of Yazd, Isfahan, and Fars. The number of interviewees was initially unclear and the situation remained unchanged until theoretical saturation was reached. Despite reaching theoretical saturation with the sixth interview, it was decided to conduct one further interview and end up with a sample of seven businesses. Finally, after analyzing the data and concepts extracted from the interviews, the desired business model components were identified.

4.2 | Discussion

Considering the main purpose of this study which is to provide a business model for eco-tourism residences, that is connected to creative tourism, nine blocks of Osterwalder’s canvas business model are identified. As the first block of Osterwalder’s canvas the customer segment includes foreign customers such as international tourists, domestic customers such as national visitors [55], music bands, researchers and historians, tour operators [56], and foreign travel agency managers. The second block, customer relationships are formed and maintained through catalogs [60], text messages, telephone calls, social networking events, surveys, exhibitions and engaging the tourists in the organized events. The third block channels contains hospitality services that are sold directly by the owner-manager of the residence and indirectly through hotel booking websites [56] or by partners. To create the value propositions block, eight values were found: organizing traditional events, supplying local handicrafts [29], and cuisine [57], providing free-of-charge services, compliance with sanitation standards, high service quality [11], also, Ali et al. [58] stated that the customer satisfaction is directly related to the service quality in hotels. The last identified value proposition is honoring the guests’ nationalities and cultures that Lam et al. [59] notes that considering cultural diversities of the guests is one of the vital issues for customer satisfaction in the hospitality industry. Key activities include national registration as a first step for establishing the eco-tourism residence, altering land usage as administrative works for registration of the business, acquiring permissions, restoration [60], and regular training of the staff [61], and updates.[3], [62]. Key resources of the business model include the historical house, human resources [3], financial resources, corporate resources, and brand, as Ardakani et al. [63] state the brand of the hotels as a corporate resource which is directly connected to the human resource of the hotels. The key partners of the business model can be categorized in three groups: business partners to expand the business, private partners in the starting stage of the business, and suppliers to supply the needed materials. The revenue streams of eco-tourism residences are generated by selling lodging services [29], advertising areas, and providing food and beverages in restaurant and coffee shops of the eco-tourism residence. Two separate cost structures were identified, including administrative, marketing and sales costs, and value proposition costs [60]. *Fig. 4* demonstrates the business model for a traditional eco-

tourism residence. Since this study employs a creative tourism approach, the supply factors are compared with the value propositions. Regarding “cultural events” “local cuisine” and “creating unique experiences” as value propositions can be connected to the diversity of world cultures, cultural tourism resources and unique local culture in supply factors of creative tourism [64]. Moreover, “supplying handicrafts” is directly related to the creative industries, local arts, local tourism [18], [64], [65]. As “honoring the guests’ nationalities and cultures” refers to different cultures and nationality of tourists, this value proposition can be connected to global culture. One of the important supply factors of creative tourism is hospitality that can be connected in to “Free services” “high service quality” and “Sanitation standards” as the value propositions of an eco-tourism residences.

Key Partners <ul style="list-style-type: none"> • Business partners (travel agencies, TripAdvisor, refurbishment and restoration companies) • Private partners (investors) • Tour operators • Raw material suppliers • Service suppliers 	Key Activities <ul style="list-style-type: none"> • National registration (strategic) • Altering land use (Strategic) • Acquiring permissions (strategic) • Restoration • Training • Updates 	Value Proposition <ul style="list-style-type: none"> • Events • Supplying Handicrafts • Honoring the guests’ nationalities and cultures • Free services • Sanitation standards • High service quality • Local cuisine • Creating unique experiences 	Customer Relationships <ul style="list-style-type: none"> • Catalogs • Text messaging • Telephone calls • Social Networks • Surveys • Exhibitions • Guest participation 	Customer Segments <ul style="list-style-type: none"> • Foreign travelers • Domestic travelers • Researchers and historians • Music Bands • Tour Operators • Foreign travel Agency managers
	Key Resources <ul style="list-style-type: none"> • Physical resources • Financial resources • Human resources • corporate resources • Brand 		Channels <ul style="list-style-type: none"> • Direct sales • Indirect sales • Sales through partners 	
Cost Structure <ul style="list-style-type: none"> • Administrative, marketing and sales costs • Value proposition costs 		Revenue Streams <ul style="list-style-type: none"> • Sale of lodging services • Providing advertising spaces • Hosting events • Café and restaurant 		

Fig. 4. Business model for Eco-tourism residences.

5 | Conclusion

According to the written literature there is a lack of attention to the business model for eco-tourism residence and creative tourism. Additionally, a business model for eco-tourism as a road map for business owners may help them to improve their service quality. Considering these issues this paper firstly tried to provide a business model for eco-tourism residences (e.g., Fig. 4). Secondly to consider creative tourism approach, the supply factors of creative tourism business model were connected to the value propositions of the eco-tourism business model. The present paper introduced a business model for Eco-Tourism residences based on Osterwalder canvas business model with a creative tourism approach. A qualitative approach with a multiple case study design was adopted to answer the research questions of this study. Seven semi-structured interviews with eco-tourism business owners of different historical cities in Iran were conducted. After adopting open and axial coding, the data analysis indicates the main components of nine blocks of the Osterwalder’s canvas business model. These main components are value proposition, customers, customer relationships, channels, key resources, key activities, key partners, revenue streams and cost structure. Finally, the results show that each item of introduced value propositions of this business model can be related to supply factors of creative tourism framework. The supply factors of the creative tourism framework include diversity of world cultures, the provision of unique culture, infrastructure, local crafts, hospitality, creative industries, cultural tourism resources, and more types of tourism are connected to the value propositions in the presented business model.

6 | Implication and Future Research

Through the answers to the research questions, this article contributes to the literature of business model, eco-tourism residences, hospitality and creative tourism. This paper, tried to fill the existed gap of the connection between business model studies, eco-tourism residences and creative tourism. Moreover, the authors believe that the introduced business model for eco-tourism residences in Iran would maintain these historical houses, increase job creation in small towns, and it can be considered as a road map for the actors in the hospitality industry. It can also be implemented to existing eco-tourism residences in order to adopting creative tourism and increasing guests' satisfaction. Ultimately, this new business model would suggest value propositions which could be effective in improving the service quality of eco-tourism residences. In addition, what makes this study novel is that it is conducted on Iranian eco-tourisms context with a creative tourism approach as there is no similar study so far.

The literature on tourism business models still has the potential to expand and grow. Researchers are expected to anticipate the components of tourism business models and pioneer the implementation of academic solutions [66]. Considering the importance of incoming tourism in Iran, conducting comprehensive research works to evaluate the application of creative tourism approach in attracting foreign tourists seems essential. Since every region across Iran possesses its own unique culture, architecture, art, etc. owing diverse climatic and demographic characteristics, it is suggested that business owners pay sufficient attention to these features and take them into consideration when designing a business model for their eco-tourism residences. Since there is a great potential to launch various businesses in historical houses, it is suggested that different business models can be designed and implemented in future research works. To this end, cooperation of researchers in art, architecture, and entrepreneurship fields together could be an optimal start to help use the many valuable historical houses in Iran in the best possible way.

6.1 | Limitations

Limitations of this study include the lack of cooperation of some business owners, their lack of familiarity with the business model, the rarity of internal research related to the subject, and the lack of evaluation of the profitability of the designed business model.

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