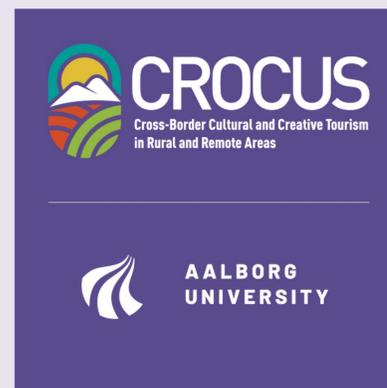


Analysing Sustainability Issues in Cultural and Creative Tourism Business Models

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Introduction to CROCUS

CROCUS (Cross-Border Cultural and Creative Tourism in Rural and Remote Areas) is a Horizon Europe project that supports the development of sustainable and inclusive cultural and creative tourism by prototyping and strengthening business models through eight cross-border living labs.

Each living lab is organised as an open, real-life innovation ecosystem led by a local coordinator and a core development team with representation from both sides of the border, bringing together relevant cultural, civic, public and business stakeholders to co-create solutions to locally specific challenges. Innovation work is structured through a responsible design thinking process (empathising, defining, ideating, prototyping and testing), with CROCUS focusing on moving from in-depth context analysis and stakeholder understanding (secondary indicators plus surveys/interviews with citizens, businesses and tourists) to clearly articulated problem framings and actionable parameters for new or adapted business models.

The Sustainable Business Model Canvas provides the shared analytical language for this process, while the CROCUS typology of cultural and creative tourism business model “ideal types” is used in definition workshops to diagnose existing models, identify constraints and opportunities, and decide where innovation is most needed (e.g., value propositions, channels, partnerships, or revenue logics).

Cultural and creative tourism business models

Looking & Listening business models involve relatively passive interaction between tourists and a cultural object or practice, such as visiting a museum or attending a performance. The business models are typically owned by public bodies or private businesses and revenue is primarily generated through ticket sales or entrance fees to cultural sites or performances. Sustainability concerns typically focus on the preservation and protection of tangible cultural resources like historical sites or artifacts and the authenticity of performances.

Making & Doing business models involve users actively performing a cultural or creative practice, such as learning a craft. Ownership of the business model often lies with community-based initiatives or artisans offering hands-on cultural experiences. Revenue is based on experiential offerings such as workshops, classes, or events related to cultural practices. Social sustainability is a key concern, emphasising community involvement and traditional skill preservation.

Touring business models involve visitors traveling between places associated with a particular cultural practice or type of heritage. The business model owners range from public organizations promoting cultural routes to private entrepreneurs managing tourist movements between cultural destinations. Revenue sources vary - some rely on ticket sales for guided tours, while others highlight attractions for self-driven visits. Environmental impacts may arise from increased tourist traffic, particularly in self-driving models, while socio-economic sustainability issues are often associated with the distribution of benefits.

Buying & Consuming business models involve users acquiring and consuming aspects of cultural heritage, such as eating regional cuisine or buying cultural objects. The business model owners are typically small private entrepreneurs who offer cultural products or services, sometimes with the support of DMOs. Economic sustainability issues are linked to ensuring fair remuneration for local suppliers and producers, while environmental concerns relate to sourcing and production methods.

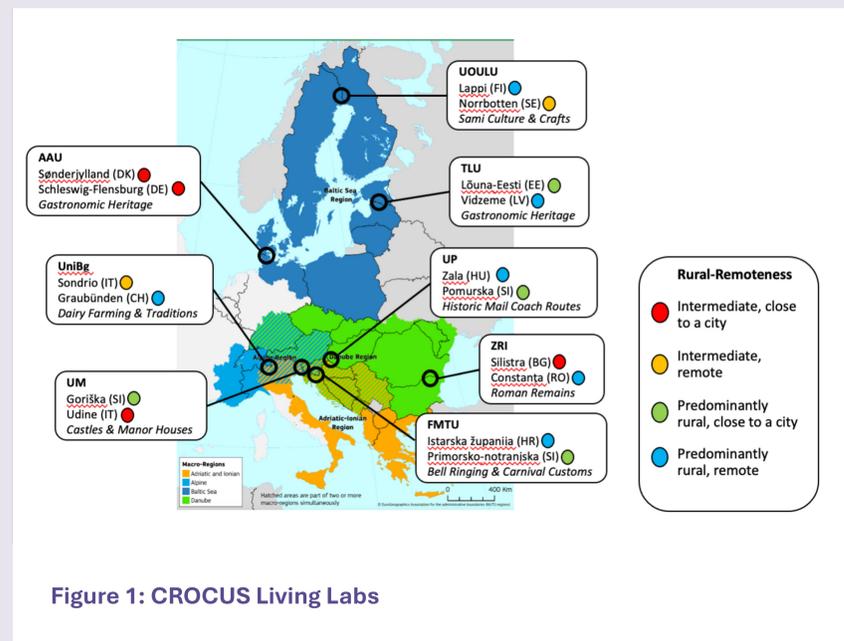


Figure 1: CROCUS Living Labs

What are business models?

‘a structural template that describes the organization of a focal firm’s transactions with all of its external constituents in factor and product markets’ (Zott and Amit, 2008, p. 1)

‘a coherent set of activities that creates value for customers and defines mechanisms for the business to profitably sustain itself’ (Reinhold et al, 2019, p. 1120)

‘A business model articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value’ (Teece, 2010, p. 179).

Sustainable business model innovation in CROCUS

1. **Sustainability Enhancement** involves refining existing business models to improve economic, social, and environmental sustainability. By optimising resource use, stakeholder collaboration, and operational efficiency, the approach aims to enhance resilience and long-term viability.

2. **Ecosystem-Centred Interconnections** focuses on the synergies within a network of business models linked to a shared cultural resource. It promotes collaboration among stakeholders to achieve collective goals such as resource preservation, accessibility, and branding, strengthening the cultural resource’s value within the local economy and community.

3. **New Value Creation** entails developing sustainable business models around previously unused cultural resources or creating unique, cross-cultural offerings. This approach fosters creativity, cultural exchange, and the preservation of heritage while appealing to new audiences.



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