

# Business models for sustainability: An analysis of religious accommodations' evolutionary dynamics

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## Abstract

There is an urgent need to understand how to develop business models for sustainability given the current socioeconomic and ecological challenges for firms' competitiveness, especially in the tourism sector. Significantly, research has identified the particularities of religious accommodations as a sustainable tourism niche, but little is known about the processes driving their business model. This signals the lack of theoretical perspectives for holistically understanding the dynamic role of this sustainable business model and, consequently, its associated benefits for firms, destinations, and society. In response, we integrate the business model literature with the coevolution concept for conducting a longitudinal analysis of 10 Italian religious accommodations. We focus on the dynamic of the interdependencies between internal and external influencing factors. The findings provide a co-evolutionary framework in which lifestyle entrepreneurship plays a key role in religious accommodations' sustainable business model driving processes. This approach may help entrepreneurs and policymakers creatively reinforce sustainability.

**Key words:** Tourism business model, Sustainable development, Multilevel coevolution

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## 1. Introduction

An important aspect of firms' performance and sustainability is how they conceive and use their business model (BM) given the ever-growing complexity of socioeconomic and ecological challenges (Barile et al., 2013; Costantini et al., 2022; Donna, 2018; Ferrando, 2019; Filser et al., 2021; Frey, 2018). The evolving tourism research and practice point to the contributions of sustainable business models (SBMs) of tourism firms (particularly SMEs) in destination competitiveness and development (Reinhold et al., 2019; UNWTO, 2019) according to the shared value concept (Porter and Kramer, 2011). It is repeatedly stressed by the 2030 Agenda that recognizes, both implicitly and explicitly, sustainable tourism as one of the major drivers of prosperity.

Still in its infancy, tourism research on BM draws extensively on the strategic entrepreneurship domain (e.g., Foss and Saebi, 2017; Teece, 2010). Attention has been devoted mainly to analyzing features of tourism BMs, identifying various configurations of their value elements (i.e., value proposition, creation and delivery, capture), consequences, and influencing factors. Significantly, particularities of religious accommodations as a sustainable tourism niche emerging worldwide from the creative enhancement of cultural real estate heritage are identified through case-based analyses (e.g. Kim and Yang, 2021; Shackley, 2004). Such evidence indicates new opportunities for sustainable tourism paths through heritage management approaches aimed at offering experiential authenticity and informed by lifestyle entrepreneurship (Ateljevic and Doorne, 2000; Caselli 2012; Dias et al., 2020), i.e., entrepreneurs mainly interested in improving the quality of life for themselves, their firms, and local communities rather than to merely achieve economic goals.

However, a general explanation of their SBM is still missing, thus the main features of its value elements remain elusive. This seems to be in contrast with the growing interest over the last decades in tourism literature on the topic regarding the way in which heritage is being used (Bourdeau et al., 2017; Cantino and Alfiero, 2015; Montella, 2015) and the highlighted link with sustainability of tourism firms (Paniccia and Baiocco, 2021). Considering that 70% of the enormous Italian historical and cultural heritage is preserved in churches (around 30,000), diocesan museums (around 700), sanctuaries (around 200), numerous monasteries and convents spread throughout the country (CEI, 2016), religious accommodations seems to have great potential for full expression.

Also, the processes that guide the SBM of religious accommodation, in particular, and of tourism firms in general, are not yet addressed (Andrianto et al., 2021). This signals the lack of holistic theoretical perspectives able to explain the complex socioeconomic and ecological dynamics driving the BM of tourism firms (Reinhold et al., 2019).

The importance of addressing religious accommodations' SBM and understanding its driving processes is thus twofold. First, it can help to clarify the dynamic role of the SBM of these accommodation firms and associated sustainability benefits for firms, destinations, and more in general society. Second, and even more

important in practice, it may help religious entrepreneurs but also policymakers creatively reinforce sustainability in the face of the ever-growing complexity of socioeconomic and ecological challenges, thus facilitating SBM dissemination by expanding sustainable tourism niches.

In addressing this gap, this article integrates the BM literature (e.g., Dias et al., 2020; Geissdoerfer et al., 2018) drawing extensively on the coevolution concept (e.g., Abatecola et al., 2020). We emphasize the dialectical nature of the accommodation firms-destination relationship (Benson, 1977; Cafferata, 2016) and the conceptualization of sustainability as a co-evolutionary development process between society and nature by the seminal and still influential Norgaard's *Development Betrayed* (1994). On this basis, we can jointly and dynamically analyse the interdependences between religious accommodations-specific (i.e., internal) and environmental (i.e., external) factors influencing processes driving the SBM of these firms. The study develops a longitudinal analysis of 10 Italian religious accommodations posing the following research questions: *What are the main features of the religious accommodations' SBM value elements and why and how do they change? What are the main internal and external factors influencing their SBM toward greater sustainability?*

The findings provide a general understanding and a co-evolutionary framework for explaining the main processes driving religious accommodations' BM for sustainability in which lifestyle entrepreneurship plays a key role. It links the variation, selection, and retention processes of this SBM with internal and external influencing factors. This results in new sustainable organizational practices, such as novel appropriate services, heritage lock-ins, improved efficiency, and adequate policies that creatively reinforce sustainability, thus competitiveness.

The findings suggest conceiving the SBM of religious accommodations as a virtuous co-evolutionary process through effective co-adaptations between all stakeholders involved at multiple levels within the destination. This approach may help entrepreneurs and destinations progress toward greater sustainability through SBMs that create prosperity.

This study is among the very few that integrate research on BM with co-evolutionary studies adding new elements to the SBM literature and practice. Moreover, it highlights the phenomenon of religious accommodation emerging worldwide and its contribution to sustainable tourism.

## **2. Theoretical background**

### ***2.1 Business model for sustainability in tourism studies***

The research on SBM in the tourism field is still in its infancy, especially as far as the accommodation sector is concerned (Breier et al., 2021; Nosratabadi et al., 2019). However, drawing extensively on the strategic entrepreneurship domain (e.g., Foss and Saebi, 2017; Geissdoerfer et al., 2018; Osterwalder and Pigneur, 2010; Teece, 2010), some theoretical and empirical studies have settled the groundwork.

In particular, the following interconnected issues were considered relevant for this study.

First. The meaning of the BM of a tourism firm as a comprehensive configuration of how it does business (Teece, 2010) through its interconnected and interdependent value elements - namely, value proposition, value creation and delivery, and value capture - has seemingly reached scholarly consensus to date (Reinhold et al., 2019). Following Osterwalder and Pigneur (2010), some tourism studies (e.g., Broccardo et al., 2017) argue that: the value proposition concerns what the firm offers that is of value to tourists, meaning that tourists' needs and behaviour are to be carefully considered, given the influence on their choices; the value creation and delivery require identifying key activities, resources, and partners as well as distribution channels in order to achieve better performance; value capture considers both cost structure, and revenue streams to achieve profitability. On this basis, various BM configurations of different tourism organisations have been identified including travel firms, firms dealing with food tourism, tourist attractions originating from the use of industrial heritage, and destination management organisations (Hjalager and Madsen, 2018; Reinhold et al., 2019). What emerges is the need for holistic perspectives to properly analysing the complex interconnections around the BM value elements of tourism firms as for a long time suggested in the broader BM research (e.g., Filser et al., 2021; Zott and Amit, 2010).

Second. The BM of tourism firms integrating the economic, social, and environmental dimensions of sustainability (Norgaard, 1994) into their value elements are conceived as SBM (Nosratabadi et al., 2019) in accordance with the academic research on the sustainability of BMs (Geissdoerfe et al., 2018). In this regard, evidence is still controversial. On the one hand, proof of the efficiency and effectiveness, for both tourism firms and various stakeholders, of SBMs has emerged. Most studies point out the positive consequences of BMs on tourism firms' economic performance also during periods of great uncertainty (Breier et al., 2021; Harms et al., 2021). Other studies highlight the importance of considering the social and environmental effects (Buffa et al., 2018; Nosratabadi et al., 2019). Few scholars examine the contribution of tourism BMs on all three sustainability dimensions (Broccardo et al., 2017). On the other hand, criticalities for longer-term good of societies have been highlighted. Examples of this are the defensive or passive way through which the degradation of natural resources is tackled through BM (Presenza et al., 2019), the increase of job losses due to work activities replacement by new digital technologies, legal issues in money flow such as tax fraud (Hjalager and Madsen, 2018). Thus, understanding how tourism firms can contribute to a more sustainable future (and present) through their BM seems lively to date. Interestingly, over the last two decades, sustainable tourism niches have increasingly emerged worldwide from creatively enhancing cultural real estate heritage (e.g., Bourdeau et al., 2017; Cantino and Alfiero, 2015; Montella, 2015). In particular, we refer to the phenomenon of religious accommodations conceived in prior studies as a new sustainability-oriented hospitality model informed by lifestyle entrepreneurship (Ateljevic and Doorne, 2000), aimed at satisfying the needs of

individuals, families, and groups of any or no religious affiliation (Kim and Yang, 2021; Paniccia et al., 2017; Shackley, 2004). This type of accommodation firms re-uses prestigious historical and cultural buildings (e.g., convents, monasteries) as contexts of experiential authenticity, rooted in areas rich in traditions while involving various stakeholders in value co-creation processes. In doing so, these firms have favoured the construction of sustainable tourism niches within their destinations (e.g., Paniccia et al., 2017) that reinforced their resilience, helping persistence during periods of great uncertainty such as the COVID-19 pandemic (Romagosa, 2020). However, while the characteristics of these firms have been identified, a general explanation of their SBMs as well as of the processes driving their sustainability is still missing (Andrianto et al., 2021).

Third. The value elements of the SBM of tourism firms interact with each other over time according to a circular evolutionary dynamic of shared value creation (Dias et al., 2020; Porter and Kramer, 2011). In this view, various firm-specific (i.e., internal) and environmental (i.e., external) factors capable of influencing SBMs have been highlighted without considering the possible interdependences and temporal dynamics as well as the reciprocal influences that exist between them. Internal factors concern some tourism firms' specific features, such as business dimensions (Buffa et al., 2018; Coles et al., 2017), entrepreneurial mental models (Ateljevic and Doorne, 2000; Dias et al., 2020; Souto, 2015), resources, and capabilities (Hjalager and Madsen, 2018). While research has begun emphasizing the role of the BM of tourism SMEs in the sustainable development of destinations, the influence exerted on their SBM by some of their specific features (e.g., financial and human resource scarcity and connected lack of preparedness in the face of unforeseen challenges) are still scarcely explored. External factors ranging from institutional, technological, and industrial to natural and cultural types, are identified at the macro and local levels. Regarding institutional factors, policies have emerged as particularly relevant (Reinhold et al., 2019). They can support SBM through incentives such as those encouraging tourism entrepreneurial initiatives that revitalise real estate heritage (Hjalager and Madsen, 2018) or aimed at recovery during periods of severe crises (Sigala, 2020). Regarding technological progress, the role of digital technologies in influencing the SBM is particularly emphasised (Pappas et al., 2021). Considering industrial factors, co-creating value by involving tourists and other external actors is considered particularly useful in periods of great uncertainty for securing external commitment and resource access (Harms et al., 2021). Finally, regarding natural and cultural factors, two issues emerged as relevant in relation to this study. The first one is about the strong dependence of tourism SBM on local natural resources and their ability to progress toward greater sustainability during periods of greater uncertainty (Angeloni, 2021; Pencarelli et al., 2020). The second concerns cultural real estate heritage, which is incorporated into the production-distribution processes of religious accommodations and, consequently, into their offering (Cantino and Alfiero, 2015; Freytag and Hjalager, 2021). Thus, it emerges as the main element of their value proposition.

In summary, the sustainability issue of the BM of tourism firms has received increasing interest in tourism literature due to its link with the transformation to a

more sustainable and competitive destination. However, the SBM of religious accommodation has not yet been addressed. Moreover, although internal and external factors have been identified as capable of influencing the SBM value elements, the interdependencies between them and with the dynamic of the SBM have been neglected. This signals the lack of holistic theoretical perspectives to understand the processes underlying tourism SBM according to a dynamic view of sustainability (Andrianto et al., 2021). It also reduces the possibility to extend in practice the highlighted positive consequences associated with its dissemination. This is why in the next section we comment about the coevolution concept and its diffusion in tourism studies.

## ***2.2 A co-evolutionary perspective to tourism sustainable business models***

To analyse processes driving the SBM of tourism firms, such as religious accommodations, can constitute a substantive opportunity for understanding why and how, in practice, some SBMs persist in the face of the ever-growing complexity of socioeconomic and ecological challenges contributing to greater sustainability, while others do not (Coles et al., 2017).

In order to do so, the co-evolutionary perspective to the study of the relationships between organizations and their environment (e.g., Cafferata, 2016; Abatecola et al., 2020) seems particularly useful. Owing to its intrinsic nature, a coevolution lens looks at the organizations-environment relationship as circular with reciprocal influence, stressing the dialectic and dynamic nature of the interdependences between them. Thus, coevolution allows us to jointly and dynamically grasp the main reciprocal influences of the highlighted internal and external factors surrounding the SBM of religious accommodations.

As known, the coevolution concept has its roots in the Darwinian processes of variation, selection, and retention of useful variants which point out the reciprocal evolutionary change in interacting species driven by natural selection (Cafferata, 2016). Over time, it has been increasingly adopted, importing fully or partially the Darwinian processes, in management and organization studies (e.g., Abatecola et al., 2020) as well as in economic literature (e.g., Lewin and Volberda, 1999), and some of its various subfield such as ecological economics (Kallis and Norgaard, 2010; Norgaard, 1994), and economic geography (e.g.; Ma and Hassink, 2013) for better understanding organizational evolution. The investigated units of analysis (i.e., entities that co-evolve) range from behaviors of humans or groups of humans, to characteristics of firms, including their BM, and other complex organizations, such as tourism destinations, sectors of economic activity, and the whole local and national systems. Relevant interpretations for different but related phenomena have been proposed, including firms' birth, survival, success/advantage, crisis and death, sustainability, and innovation.

This literature reinterprets the concept of organizational adaptation as a joint dynamic result of managerial intentionality and environmental pressures, reducing the long-standing dichotomy between strategic voluntarism and environmental

determinism (Abatecola et al., 2020; Hrebiniak and Joyce, 1985). Organizations and their environments are interdependent competitive forces, with reciprocal influence and feedback at multiple organizational and spatial levels (Ma and Hassink, 2013; Volberda et al., 2014) that jointly define adaptation and, thus, organizational evolution. Therefore, they are the subject and object of evolutionary change simultaneously.

Such a relationship is dialectical in that it can favour (or limit) unexpected, successful social constructions; for example, a new BM oriented toward sustainability that expands the benefits connected to variety. An important issue that requires more attention is how organizations deal with natural environmental pressures, especially today (Porter, 2006).

Drawing on the conceptualization of sustainability as a co-evolutionary development process between society and nature recognized as desirable by humans (Norgaard, 1994), some management scholars have recently addressed this issue in research on tourism (Paniccia and Baiocco, 2021) and BM (Schaltegger et al., 2016). The former has identified and investigated the main determinants of effective adaptation processes between tourism firms, destinations, and tourists driving sustainable tourism. These determinants are strategic intentionality, systemic approach, tourist experience, and social responsibility. The latter has identified core evolutionary processes of BM variation, selection and retention, and four evolutionary pathways (growth, replication, merger and acquisition, and mimicry) for the diffusion of SBMs in the mass market.

Based on the above, we argue that a coevolution lens is useful for understanding the processes driving the SBM of tourism firms, such as religious accommodations, in a holistic and dynamic view of sustainability. It can provide a valuable contribution to investigating the variations of the SBM value elements that have been selected and retained for sustainably creating, capturing, and disseminating value, thus contributing to the sustainable transformation of destinations and society.

### **3. Methodology**

To successfully reach the article's aim, we conducted a longitudinal multiple-case study analysis following a qualitative approach (Yin, 2018), and interpreting the results through coevolution lenses.

Following suggestions for a methodological fit (Edmondson and McManus, 2007), this methodology is particularly appropriate for co-evolutionary explanations (Abatecola et al., 2020), and is recommended for research aimed at exploring complex phenomena in evolution within their real-life context, still scarcely investigated in prior literature. Moreover, the longitudinal nature of this study enables documenting the development of interactions over an adequate period of time, and then observing and understanding those processes that take time to produce their effects.

This research took into account single religious accommodation as unit of

analysis. Positioned in long-term investigations on this type of accommodation firms located in Italy (Paniccia et al., 2017; Paniccia and Baiocco, 2018), it was conducted from October 2020 to March 2022 during the COVID-19 pandemic emergency period. From a methodological point of view, this choice was driven by the aim to find a representative case of SBM of tourism firms that have successfully overcome severe challenges maintaining themselves sustainable and competitive. Thus, the COVID-19 pandemic is a context that provides useful evidence of SBM changes. In this view, it has been acknowledged that micro and SMEs seized the opportunity offered by the pandemic to rethink their BM and innovate it toward greater sustainability (Pencarelli et al., 2020).

The research was carried out in the following main steps.

First, Italian religious accommodations were identified using the latest available data (Table 1).

**Table n. 1 - Italian religious accommodations**

	March 2022		2021		2019	
	Firms (n)	Beds (n)	Firms (n)	Beds (n)	Firms (n)	Beds (n)
Italian accommodation offering (excluding hotels) <sup>a</sup>	<i>na</i>	<i>na</i>	194,653	2,922,092	185,597	2,915,313
Religious accommodations	3,223	202,444	3,313	210,133	3,500	232,896

<sup>a</sup> Source: Istat (2021)

<sup>b</sup> Source: Association for Italian religious accommodations (2021, 2022)

The available data from 2019 to 2022, show: a) the gradual decreasing of the total number of religious accommodations (-8%) and beds (-13%); b) the contribution of religious accommodations to the total bed space offering (excluding hotels) durably over 7%.

Second, 10 religious accommodations located in Rome were selected for the following main interconnected reasons; Rome: i) is the Pope's city and Vatican See, and has been one of the main destinations of Christian pilgrimage since the Middle Ages when pilgrims were hosted at religious houses run by priests and nuns as a sign of Christian charity (Paniccia et al., 2017); ii) is characterized by the remarkable cultural relevance of its religious heritage which currently attracts pilgrims but also individuals, families, and groups of no religious affiliation from all over the world; iii) has the highest concentration of religious accommodations' bed-places in Italy (Association for Italian religious accommodations, 2022) that satisfy a significant portion of tourist demand of both believers and non-believers (Paniccia et al., 2017). Thus, 10 cases were selected (see Appendix 1) according to the following criteria: i) use of historic and cultural real estate heritage; ii) relevance to and consistency with

the study's purposes, iii) information relevance and completeness; iv) successful overcoming of the COVID-19 pandemic; v) sustainability goals; vi) services offered; f) authenticity of context.

Data collection was mostly obtained through retrospective interviews related to the October 2020-March 2022 period with key informants who belong to the selected cases (religious entrepreneurs and secular people involved in the management activities) of the selected cases. Interviews were conducted in person between April and May 2022 according to a semi-structured protocol designed to obtain information on: a) changes in ways of doing business due to the COVID-19 pandemic emergency; b) challenges faced and opportunities seized; c) relationships with tourists, institutions, local community, and other actors within the destination; d) future vision.

A verbatim transcription process was conducted for all interviews. The main data patterns from the interviews were identified through qualitative content analysis, both deductively and inductively. Due to the research questions and the study's theoretical foundation, raw data from transcripts were thematically analysed using the identified influencing internal and external factors at macro and local levels. Thus, statements about influencing factors were coded according to the literature, but new categorisations were left free to emerge.

Finally, to strengthen the validity of the findings, data were triangulated with information from other sources (e.g., websites of religious accommodations and national associations, newspapers, and COVID-19 national regulations).

#### 4. Results

The results from the analysis allowed us to identify the main features of religious accommodations' SBM value elements (Table 2) as well as the main internal and external factors influencing its driving processes toward greater sustainability during the COVID-19 pandemic emergency period (Table 3 and Table 4).

**Table n. 2 - Main features of the SBM of the investigated cases**

Value proposition	Value creation and delivery	Value capture
Accommodation in carefully restored historic convents and monasteries; various authentic tourist experiences (e.g., involvement in celebrations and local traditional festivals)	Religious heritage as a resource of knowledge incorporated into the production-distribution processes; relationships with religious orders, inhabitants, institutions, associations, and tourists	Revenue streams generated from the sale of unique tourist experiences with societal and environmental benefits; cost reductions through subsidies

Source: Personal elaboration

Carefully restored historic convents and monasteries, and their underlying religious and ethical values, constitute the main element of religious

accommodations' SBM value proposition as well as the main resource of the production-distribution processes, and revenue generation. Their knowledge, culture, and practices are transferred to pilgrims but also tourists, institutions, local community, and various actors of the destination involved in the production-distribution processes of their unique tourist experience, i.e. accommodation in authentic monastic rooms and spiritual activities that enhance the religious, cultural, and historic traditions of the destination in which they are rooted. These levels of contact contribute to enhancing the quality and variety of the tourist experiences, thus tourists' loyalty and satisfaction, and to developing cooperative relationships among the stakeholders involved, with positive societal and environmental benefits.

**Table n. 3 - Main religious accommodation-specific factors influencing SBM**

<b>Code</b>	<b>Description</b>
Size	- Small size (Buffa et al., 2018; Coles et al., 2017)
Entrepreneurs' mental models	- Perceptions on ways to use, combine, and exploit resources and capabilities (Souto, 2015) - Lifestyle entrepreneurs (Ateljevic and Doorne, 2000; Dias et al., 2020)
Resources and capabilities	- Human resources with appropriate skills (Souto, 2015) - Re-skilling of employees (Hjalager & Madsen, 2018) - Historical and cultural heritage (own elaboration)
Knowledge	- Knowledge about the pandemic (own elaboration)
Sustainable tourism culture	- Firms' values and behaviours for addressing sustainability issues (own elaboration)

*Source: Personal elaboration*

**Table 4 - Main environmental factors influencing SBM**

<b>Code</b>	<b>Description</b>
Policies	- Incentives for entrepreneurial initiatives based on real estate heritage revitalization (Hjalager and Madsen, 2018) - Directives, guidelines, recovery measures (Sigala, 2020)
Digital technologies	- Digital technologies for new solutions (Pappas et al., 2021)

Tourism demand	- Tourism demand collapse (Sigala, 2020)
	- New tourists' behaviors, concerns, and needs (Sigala, 2020)
Cultural and natural resources	- COVID-19 pandemic as novel crisis (Angeloni, 2021; Pecarelli et al., 2020)
	- Historical and cultural heritage of places (Cantino and Alfiero, 2015; Freytag and Hjalager, 2021)

Source: Personal elaboration

Overall, 12 influencing factors emerged in a deductive way according to prior literature about tourism BM and three in an inductive way. Then, the dynamic of the interdependences between internal and external influencing factors have been interpreted through a co-evolutionary lens focusing on the religious accommodations–destination relationship. These factors and their effects on religious accommodations' SBM are discussed below, also through the use of interview quotes.

The findings show that the unexpected outbreak of the COVID-19 pandemic caused great dismay to all the interviewees, given its unprecedented threats to their traditional way of doing business. Following the immediate total lockdown and consequent halts in tourists' arrival, almost all religious entrepreneurs wondered what the future of their firm would have looked like. They soon realised that such terrible situations went beyond their knowledge. Understanding available information, often conflicting and changing daily, is complicated. Moreover, the perception that policymakers did not take appropriately into consideration their needs was widespread. *"According to them, we had stopped our activities from one day to another. We need more time to organize or it's all a waste of resources,"* one religious entrepreneur affirmed.

To address these new challenges, almost all the interviewees promptly devoted time and effort to understanding available information, government measures, and new tourist needs. Various institutions and associations favoured niches for learning through webinars, ongoing website updates, and free online courses. Knowledge sharing over the first months of the pandemic has helped most interviewees understand needed activities (e.g., safety practices to be implemented) and available resources (e.g., measures to be applied for) for creating and delivering value. Although considered helpful in facing financial pressures due to tourists' halted arrival and expenses for adhering to new directives, subsidies often arrived after new practices were already implemented. Their amount was largely valued negatively in relation to the sharp decline in revenues. One religious entrepreneur claimed that, at the beginning of the pandemic, they were inevitably forgotten by government directives on measures. To bring their needs to the attention of policymakers, the help of association experts on their millenary tradition of accommodation was (again) crucial.

Moreover, almost all religious entrepreneurs attempted to sense new business opportunities to create value by identifying emerging needs during the lockdown.

Most of them perceived their offerings to be well positioned to respond to needs of restoring well-being through spiritual experiences. The quest for spiritual well-being and the fact of being located in one of the main destinations of Christian pilgrimages have played an important role in restoring religious entrepreneurs' trust in future tourist flows. *"We were on our knees, and not for praying"* indicated an interviewed *"but I rolled my sleeves up to guarantee safe experiences to all people longing to visit the Pope's city to find spiritual comfort after the lockdown."*

To seize new business opportunities, almost all religious entrepreneurs have firstly made their accommodation compliant with COVID-19 protocols by adopting new safety practices, including measuring guests' temperatures, restricted access to indoor areas, and a high cleaning frequency of high-touch surfaces. Then, more flexible booking and cost refunding policies were set, given the uncertainty of government directives on border closures between countries and internal regions. Finally, almost all the entrepreneurs ceased experiences carrying more risk of contagion, and designed new ones. New cultural and spiritual walking tours in their surroundings were proposed. In most cases, organization members are mobilised to capture value by combining local identity with digital solutions. In some cases, long-stay offerings for remote working have been implemented. In addition, virtual experiences such as daily prayer, and reflections have been proposed. Integrating digital solutions into new practices has come along with various challenges, especially those associated with the costs of employing new solutions, availability of appropriate skills, and connection issues. The results show that government subsidies have been used to activate some of the new services or adapt spaces and structures to offer remote workstations. Moreover, most of the investigated cases perceived the need for a better understanding of new business opportunities emerging from integrating digital technologies. *"I realized we could reorganize the check-in without meeting our guests by providing them with digital key-rooms through their mobile phones,"* one of the interviewed claimed.

Despite all the highlighted critical issues, the attempts of religious entrepreneurs to reorganize business operations by combining external and internal knowledge with rapidity contributed to strengthening their relationships with local policymakers and communities. This helped them offer new seamless and safe experiences that appropriately satisfy emerging tourist needs. Moreover, what emerges from the interviews is that tourists seemed to appreciate more than ever some peculiarities of the investigated cases, particularly the fact of taking care of resources in the area for the well-being of guests and residents.

The behaviours of the selected religious entrepreneurs were even more attentive to sustainability issues and animated by a spirit of solidarity. Since the early stages of the pandemic, all interviewees did their best to ensure the health and safety of their guests and employees, also addressing the needs of the most vulnerable. This contributes to social cohesion and equitable resource distribution, triggering positive community changes. *"I hosted for free families in need giving them the chance to attend Papal celebrations and restore their well-being,"* one religious entrepreneur recalled. Moreover, in most cases, the prices were kept at pre-COVID levels, when not lower, and employees were not laid off despite the overwhelming loss of income.

Government measures play an essential role in avoiding the consequences of redundancy.

Moreover, some interviewees worked with other local firms and associations to help those in need. Most religious accommodations, for example, tried to aid who had lost their jobs by giving notice of various vacancies at their facilities through the portal of the Association for Italian religious accommodations. The emerging awareness of the COVID-19 pandemic as an opportunity for more inclusive, sustainable, and responsible behaviours has gradually strengthened the relationships between all the actors involved in the selected destination. However, to be effective, integration requires appropriate knowledge and competencies to manage many relationships of mutual functionality. To this end, the role of religious entrepreneurs and institutions is crucial. Evidence shows that they favoured the exchange of culture and good practices capable of stimulating solidarity. Interestingly, most of the interviewees were planning to maintain most of the new practices to address social needs after the pandemic.

## **5. Discussion and implications**

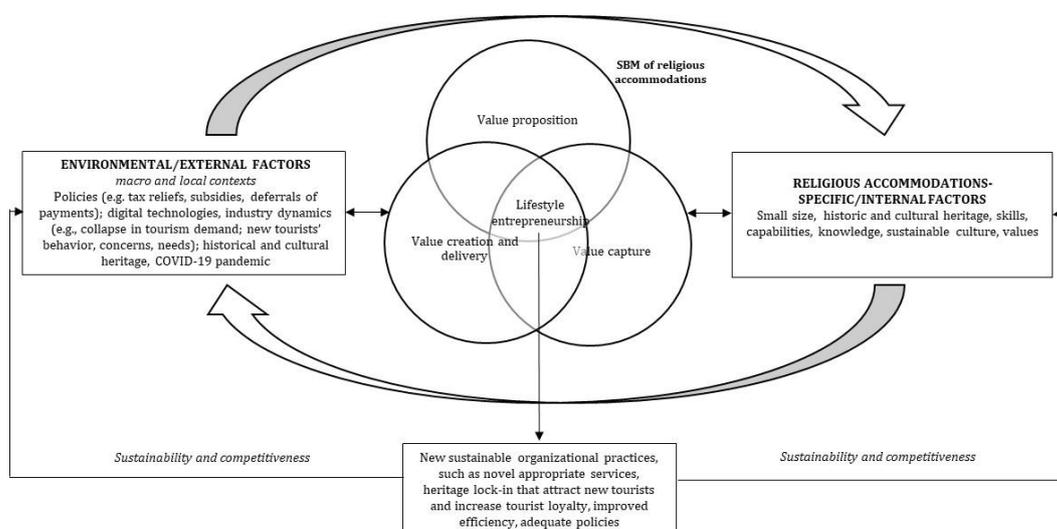
This study adopts a co-evolutionary perspective to holistically explain the dynamic role of religious accommodations' SBM and its associated benefits for firms, destinations, and society. In doing so, a longitudinal analysis of 10 Italian religious accommodations during the COVID-19 pandemic emergency period was conducted, focusing on the dynamic of the interdependences between internal and external factors influencing processes driving the SBM of religious accommodations toward greater sustainability. The analysis has shed light on the variations of SBM value elements that have been selected and retained for improving sustainability. Accordingly, we derived a co-evolutionary framework that suggests conceptualising the SBM of religious accommodations as a virtuous co-evolutionary process through effective co-adaptations between all stakeholders involved at multiple levels within destination. This means that socioeconomic and ecological values are created at different organizational and spatial interdependent destination levels.

The framework is illustrated in Figure 1. This includes the main results achieved in this study and is discussed below.

Religious accommodations develop their SBM toward greater sustainability during the COVID-19 pandemic emergency period according to a circular evolutionary dynamic of dialectic nature and mutual influence between the various stakeholders at multiple levels within the destination. This affects destination evolution. The COVID-19 pandemic has affected the dynamics of the interdependencies between internal and external factors influencing the processes driving the SBM of religious accommodations. The results are new or modified perceptions, behaviours, and choices that determine variations in the SBM value elements over time, which in turn influence the factors themselves. Within this dynamic, lifestyle entrepreneurship plays a crucial role in linking the variation, selection, and retention processes of religious accommodations' SBM with internal

and external influencing factors. This results in new sustainable organisational practices that attract new tourists and also increase loyalty of existing ones, improved efficiency, and adequate policies with positive effects on religious accommodations and destination competitiveness. The main theoretical implications of this study's results are discussed below.

**Figure 1 - A co-evolutionary framework of religious accommodations' SBM**



Source: Personal elaboration

First. In line with Broccardo et al. (2017), Freytag and Hjalager (2021), Osterwalder and Pigneur (2010), Paniccia et al. (2017), the main feature of the SBM value elements of the investigated religious accommodations emerging from a co-evolutionary exploration is that its value proposition results from and contributes to forming local historic and cultural heritage through ongoing interactions between heritage, and the production-distribution processes of these firms. In these processes, employees, residents, tourists, and policymakers are involved as co-protagonists of unique and distinctive tourism offerings that enhance the identities of firms and regions. These interactions also influence the other SBM elements. Thus, new combinations of value proposition, value creation, and value capture emerge over time according to the circular evolutionary dynamics of shared value creation.

Second. Following Breier et al. (2021), Filser et al. (2020), Harms et al. (2021), Pencarelli et al. (2020), the results show that socioeconomic and ecological challenges exert selective pressures on the survival of religious accommodations. In facing these challenges, religious entrepreneurs exploit the capabilities embedded in their religious accommodations but also develop new ones about how new lasting

opportunities can be grasped by creating and capturing value through heritage. This allows addressing the emerging needs and expectations of employees, local communities, and tourists (Sigala, 2020) effectively combining local context identities with new technologies, sustainable tourism culture, and responsible behaviour. Thus, the novelty and quality of the investigated religious accommodation value proposition is reinforced through heritage lock-ins, as is tourists' loyalty (Hjalager and Madsen, 2018) which plays an important role in fostering sustainability.

Third and connected to the previous points, in line with Ateljevic and Doorne (2000), Caselli (2012), and Dias et al. (2020), the results confirm the key role of lifestyle entrepreneurship for proactively searching timely solutions to the COVID-19 pandemic severe challenges. Through responsible choices and behaviours, religious entrepreneurs contribute to share knowledge among various actors of the destination and to address the demand for safe tourist experiences with the offer through new sustainable organizational practices; recover with development and sustainability.

Consequently, what becomes crucial is to grasp the opportunities offered by the consciousness that relationships of reciprocal functionality exist within religious accommodations and between them and their destination as well as that the nature of these relationships is contradictory. It is crucial to better understand and manage the processes driving the SBM of religious accommodations, thus to facilitate their dissemination, contributing to the sustainable transformation of firms, destinations and society.

This study can thus provide decision makers, but also policymakers, with a useful perspective to exploit the capabilities embedded in religious accommodations and develop new ones to grasp new lasting opportunities by sustainably creating, delivering, and capturing value through the historic, and cultural heritage of destinations. Its main managerial implications are:

*i)* To promote effective decision-making processes that enable responsible strategies and shared policies more aware of the role of the SBM of religious accommodations in achieving effective sustainable transition;

*ii)* To holistically and dynamically organise and manage multiple relationships of mutual functionality among various actors (religious accommodations and their SBM, institutions, local communities) within and across destinations through exchange of knowledge, sharing of values, and mutual feedback;

*iii)* To promote cooperation being aware that a virtuous circular relationship can exist between sustainable tourist experiences demanded and the way religious accommodations do business and that in this relationship tourists - with their behaviors, concerns, and needs - are an important co-evolutionary component;

*iv)* To develop SBM by managing religious accommodations and destinations as communities, thus considering socioeconomic organisations within a wider natural system which is reactive.

Decision makers and policy makers should carefully consider these managerial implications to define priorities, orient strategies, allocate resources, and find

solutions with beneficial social and environmental effects in the face of the ever-growing complexity of socioeconomic and ecological challenges.

## 6. Conclusions

It has been argued that religious accommodations can develop their SBM for greater sustainability in the face of severe challenges through effective multilevel continuous co-adaptations within destinations that create socioeconomic and ecological value for all stakeholders involved. These interdependencies and reciprocal feedback allow the selection of variations in the SBM value elements, resulting in new sustainable organizational practices, which are retained for successful variation of the SBM. Within this dynamic, lifestyle entrepreneurship plays a key role in creatively reinforcing sustainability, thus competitiveness.

The study presents some new aspects. Research on BM has only recently been applied to the tourism sector and SBMs are particularly understudied as far as accommodation firms are concerned, including religious accommodations. Moreover, little is known about the processes driving the SBM of tourism firms, notwithstanding the urgent need for their better understanding in the face of the current socioeconomic and ecological challenges for tourism competitiveness and development.

The results achieved in this study, although they are not to be generalized and could be improved, are interesting from a theoretical point of view as well as for practitioners and policymakers. Regarding the theoretical aspect, this study links the BM literature with research on SBM in the tourism field, shedding light on main features of religious accommodations' SBM. Further, building on co-evolutionary studies in economics and management, it develops a framework that allows explaining the main processes driving religious accommodations' SBM in a holistic and dynamic view. On this basis, a conceptualisation of SBM of religious accommodations as a virtuous co-evolutionary process through effective co-adaptations between all stakeholders involved at multiple levels within the destination is proposed. When so conceived, religious accommodations' SBM during and post COVID-19 pandemic depends on the capacity of lifestyle entrepreneurship to act as the linking pin between the internal and external factors able to influence the aforesaid processes. This approach may help entrepreneurs and policymakers creatively reinforce sustainability in the face of the ever-growing complexity of socioeconomic and ecological challenges, thus to facilitate SBM dissemination, contributing to the sustainable transformation of firms, destinations and society.

This study is not intended to be conclusive or exhaustive. Its main limitations are as follows. First, it focuses on a sample of 10 religious accommodations located in Rome, assessing their evolution and effects during the COVID-19 pandemic emergency period. Future investigations may extend the cases considering religious accommodations operating nationally in other Italian tourism destinations but also in international contexts and focus on the transferability and scalability of research. Further, this study relies on an exploratory approach given the limited topic

coverage in prior literature. Thus, research can benefit from statistical and quantitative analyses aimed at investigating the usefulness of the proposed co-evolutionary framework. Finally, future studies on the topic can be supported with qualitative analyses of tourism demand, through structured interviews with pilgrims and religious tourists and the use of statistical tools such as, for example, historical data of tourist flows in the investigated areas.

### Appendix n. 1 – Case studies characteristics

Case	Foundation year	Real estate heritage used	Rooms	Beds
1. Casa Bonus Pastor	2000	Convent (beginning of the 20 <sup>th</sup> century)	89	200
2. Casa San Giuseppe	2003	Convent (17 <sup>th</sup> century)	21	55
3. Casa Santa Brigida	2000	Convent (15 <sup>th</sup> century)	20	40
4. Casa Santa Francesca Romana	2008	Convent (15 <sup>th</sup> century)	37	84
5. Casa Santo Spirito	1998	Convent (19 <sup>th</sup> century)	13	38
6. Domus Australia	2011	Monastery (built on the remains of a 1 <sup>st</sup> century BC house)	32	68
7. Foresteria Monastero San Gregorio	2000	Monastery (18 <sup>th</sup> century)	30	40
8. Il Rosario	1998	Convent (19 <sup>th</sup> century)	35	58
9. Istituto Immacolata Concezione di Lourdes	1988	Convent (19 <sup>th</sup> century)	-	24
10. Santa Maria alle Fornaci	1996	Convent (17 <sup>th</sup> century)	54	102

Source: Personal elaboration

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