



BUSINESS MODEL FRAMEWORK FOR TRANSFORMATIVE TOURISM STARTUPS

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ABSTRACT

This exploratory study seeks to design a service logic business model framework for novice entrepreneurs launching startups in the transformational tourist clusters considering the key stakeholders' interests and understanding the interests of those tourism customers seeking 'conscious travel' to reinvent themselves and the world around them. The research combines phenomenographical and constructive approaches. Based on thematic content analysis of in-depth interviews with 12 entrepreneurs, 5 host providers of tourism services, and 30 travelers, as well as 7 co-creative workshops, we argue that a three-dimensional perspective on transformative tourism services suits the tasks of value co-creation in a collaborative peer-to-peer cluster-type networks. The key stakeholders in this framework are a service provider (startup), a host partner at the destination and local tourist clusters ("salt of the earth"), and a target customer. The proposed business model framework will enable novice transformative tourism entrepreneurs to experiment with finding a profitable business model in a lean format. The article also examines the impact of digital travel services on the development of the tourism industry.



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1. INTRODUCTION

The tourism industry has undergone significant changes due to the development of digital travel services and shifting consumer behavior (Ateljevic, 2020; Sheldon, 2020; Scussel et al., 2022). Easier access to global information and its global dissemination has created new opportunities to deliver value to travelers (Reinhold et al., 2022). This has led to the diversification of tourist products and the establishment of interactive relationships, facilitated by the online world (Lean,

2016). As a result, numerous new e-tourism businesses, platforms and ecosystems have emerged, with new business models and processes (Perić et al., 2019; Reinhold et al., 2022).

Nevertheless, new technologies in the tourism industry do not replace the experience of "real" travel. Instead, they create new challenges for industry actors to cater to more sophisticated customers who are not interested in standard offers. While traditional tourism "keep tourists in a logic of repetition, usually close to the things they

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know and experience in their places of origin” (Pimenta et al., 2021, p.7), post-modern travelers have greater expectations seeking flexible, personalized and high value for money offers that provide emotional, authentic, and unique experiences (Sánchez-Franco and Rey-Moreno, 2022). Therefore, “any tourist destination should provide not only the standard needs of travelers, such as good accommodation, varied food or well-groomed areas, but also something more that “hooks” a person and creates loyalty to the place” (Rozhda and Sheresheva, 2021, p.54). Unique artifacts created by local industries, along with other tangible and intangible resources, are becoming increasingly important in developing new tourism products that cater to the interests of special interest tourists (Wen and Wu, 2020). As a result, service providers face the challenge of maintaining consistent service quality and creating excellent customer experiences. To meet these challenges, tourism companies are encouraged to acquire new knowledge and form partnerships to design and deliver innovative and customized products (Foss et al., 2011).

Pearce and Foster (2007) note that the transformative power of tourism is growing impressively, leading to the emergence of a "University of Travel" where tourists acquire tools to improve themselves. This "University" is where creative industries and tourism intersect, adding value to each other. Transformative tourism, which focuses on self-actualization and personal transformation, has emerged as a prospective market niche and is expanding rapidly (Lean, 2016; Soulard et al., 2021). Unlike traditional tourism, this type of travel is not just about visiting a new destination to relax; it is a form of 'conscious travel' that offers new opportunities and helps creative individuals reinvent themselves and the world around them (Sheldon, 2020). Transformative tourism puts an emphasis on interactive experiences, active participation of travelers in co-creation processes, interaction with locals at tourism destinations, visiting special and "off the beaten track" locations hosted by local providers and enthusiasts, and acquiring, sharing and applying knowledge to develop new skills (Ateljevic, 2020; Pimenta et al., 2021).

This type of tourism attracts young people, both as participants of creative tours and as novice entrepreneurs launching startups in the field of transformational tourism. Despite their varied backgrounds and lack of experience in tourism entrepreneurship, young novice founders immerse themselves in tourism activities, generate breakthrough ideas, and translate them into tourism products. Some of these products "take off" and become successful in the market. However, novice founders of tourism startups face numerous difficulties when trying to use existing generic business model canvases. In practice, a significant challenge for them is to develop a business model that provides strategic positioning, differentiation, and a competitive advantage (Boons and

Lüdeke-Freund, 2013). They need to understand how to apply this powerful managerial tool to create, deliver, and capture value, motivate customers to pay, and ensure cash flow for their organizations (Pine and Gilmore, 2016).

In light of this, it is important to understand the key competencies entrepreneurs should have in order to create a successful product and launch a startup in transformative tourism. Despite various discussions in the literature on transformative travel experiences, this point has been overlooked, particularly in the context of developing economies. Therefore, this study aims to better understand the process of new business development in transformative tourism through a phenomenological case study of Russian travelers and startups. The study addresses two research questions: First, what is the structure of the business model framework that can help novice entrepreneurs experiment in a lean format to find a profitable transformative tourism business model? Second, what key competencies help entrepreneurs succeed in transformative tourism? By answering these questions, the study proposes a business model framework for transformative tourism startups in a developing country and regional tourist clusters.

The paper is structured as follows. In the next section, we will discuss business models in general and within the tourism industry based on an existing literature review. Following that, we will explain the interview procedure, sampling, data collection, and analysis in the methodology section. In the final part, we will discuss the structure of the business model canvas for novice entrepreneurs in transformative tourism. The conclusion section will highlight the theoretical and practical implications, study limitations, and the direction of further research.

2. LITERATURE REVIEW

A business model (BM) is a concept and a managerial tool that organizations use to create, deliver and capture value by providing goods and services to customers, motivating them to pay for it and generating cash flow for the organization (Osterwalder and Pigneur, 2010; Pine and Gilmore, 2016). An effective business model provides a logical basis for the business, a strategic position in the market, and creates a competitive advantage for the organization (Massa et al., 2017).

Using content analysis, Morris et al. (2005) identified three general categories of BM definitions (economic, operational, and strategic), based on their emphasis placed on the unique set of decision variables and hierarchy. They presented a clear perspective, starting with the economic category and moving on to the operational and strategic levels in the subsequent stages of business development. In the early stage of a business, the startup BM should be defined in terms of

the economic model. Owners and managers should focus on profit generation, and relevant decision variables include cost, revenue sources and their structure, pricing approach, and margins. The operational level of the business model reflects the organizational configuration, infrastructure, and main internal processes that empower companies to create value. Decision variables at the operational level include product development and production, product marketing and sales, logistical and resource flows, and knowledge creation, application, and sharing. The strategic level emphasizes business growth opportunities, achieving and maintaining a competitive advantage, and leadership in innovation. Decision variables at the strategic level may include vision and differentiation, clusters, stakeholder, and partner networks, and deciding what work will be done in-house versus outsourcing. In light of this categorization, Morris et al. (2005) proposed the following definition: "A business model is a concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create sustainable competitive advantage in defined markets". The categorization proposed by Morris et al. (2005) and their entrepreneurial emphasis appear to be a good foundation for our study, which aims to design a business model framework for transformative tourism startups.

Previous research on BM has predominantly focused on the information and communications technology (ICT), web-based, and manufacturing sectors, as well as entrepreneurial and innovation businesses, and the relationship between BM and strategy (Boons and Lüdeke-Freund, 2013; Massa et al., 2017). While these complex canvases are suitable for mature companies or technology ventures (Osterwalder and Pigneur, 2010; Reinhold et al., 2022), they may be overwhelming and unnecessary for early-stage tourism businesses and startups. Additionally, existing business model canvases lack some critical elements that are vital in the tourism industry, especially in transformative tourism, which emphasizes 'relational tourism' by enhancing experiences through peer-to-peer networks (Duxbury and Richards, 2019; Richards, 2020).

One of the limitations of the widely used Business Model Canvas, developed by Osterwalder and Pigneur (2010), is that it is based on Goods-Dominant Logic, which does not align with the customer-oriented approach and Service-Dominant Logic adopted by most tourism companies (Edvardsson and Tronvoll, 2013; Vargo and Lusch, 2014). They demonstrate their ability to build a productive customer relation and act on the ever changing their needs. Service providers need to be involved to build productive customer relationships. They need to engage in joint activities with travelers to understand their "pain" or needs and find solutions that balance customer requests with the capability of the providers of tourist services. User-centered approach is

essential because it enables clarification of the actual values that matter to customers and what is not appreciated by them (Hienerth et al., 2011). By learning from customers, companies can appropriately adapt their services and business models, thereby building and enhancing customer trust (Saebi and Foss, 2015). In the experience economy (Pine and Gilmore, 2016) customer relationships success is based on co-creation between businesses and customers, customer-centered value creation, and embedding the service in the context, activities, and consumption experience (Ojasalo and Ojasalo, 2018; Scussel et al, 2022). The Service Logic Business Model Canvas presents a view of the customer and creative tourism business (Ojasalo and Ojasalo, 2018; Richards, 2021).

Generating a BM in the tourism sector is much more complicated than in other industries, given the intangible and personalized nature of the tourist experience (Perić et al., 2019). As highlighted by Pala and Cetin (2022), tourists compare their daily lives at home with the norms, values, and physical environment of their destination. Thus, a similar experience may lead to different transformations for different tourists. For transformative tourism, which is centered on meaning, self-actualization, desired achievements, and personal transformation (Reisinger, 2015; Lean, 2016; Kirillova et al., 2017; Ateljevic, 2020), the value creation system should emphasize collaboration and peer-to-peer interaction with various stakeholders within and outside of tourism, as well as creative and cultural sectors (Richards, 2021). Transformative tourism practices rely on co-creating value with diverse stakeholders (tourists, business partners, suppliers, etc.) in their respective contexts. This involves jointly defining problems and solving them collaboratively. Value co-creation by cluster type in networks enhances competitiveness by increasing trust and collaboration among stakeholders (Baggio and Cooper, 2010). Networking and innovative skills are essential for sharing new knowledge and laying the groundwork for tourism innovation that provides unique experiences for customers (Novelli et al., 2006; Hjalager, 2010).

An adapted BM can be highly practical for entrepreneurs looking to start and develop ventures in uncertain, fast-moving, and unpredictable environments (Morris et al., 2005). The Service Logic Business Model Canvas, which presents both customer and tourism business views, is the most relevant framework (Ojasalo and Ojasalo, 2018). However, for novice entrepreneurs, a BM framework must be simple, portable, and operational (Maurya, 2022). Therefore, our aim was to modify the business model canvas to create a framework that would help novice entrepreneurs start a business in transformative tourism.

The following sections of this paper discuss the results of our study, which can aid in designing such a business model framework. This framework will describe the

basic components and their unique combinations for transformative tourism startups.

3. METHODOLOGY

In our study, we followed a two-step process that involved identifying existing approaches in the literature and selecting appropriate research methods to apply. We analyzed a sample of 87 research papers to gain insights into BM frameworks that could benefit creative entrepreneurs looking to start transformative tourism startups. We identified a research gap concerning the need for an adapted BM framework for such startups.

To gain a better understanding of the process of new business development in transformative tourism, our study combined phenomenographical and constructive approaches. This helped us to understand the phenomenon of the BM framework and get feedback from practitioners. With their help, we developed a relevant and easy-to-use BM canvas for novice creative entrepreneurs starting new venture in transformative tourism.

To collect and analyze data, we used phenomenographical methods (Larsson and Holmstro, 2007), which describe qualitatively how people experience, understand, perceive, and interact with a phenomenon (Pala and Cetin, 2022). We conducted semi-structured, in-depth interviews with owners, co-owners, CEOs, and team members of tourism startups with diverse backgrounds. We asked them to share their experiences, recall challenges, and discuss their responses to the management of the early stage of business development, commonly known as the fuzzy front-end, where a service and business model feature set must be defined and validated (Pereira et al., 2017). To solve managerial problems through collaborative knowledge co-creation between industry practitioners and researchers (Gummesson, 2001), the constructive method is used. In this study, we used this method to construct a business model framework that is relevant, easy to use, and functional for creative and transformative tourism startups.

In line with Morris et al. (2005), we created a semi-structured interview guide that consisted of six sets of questions, which were "Customer & Market", "Value Proposition & Related Factors", "Internal Capability & Competence", "Competitive Factors", "Revenue Model & Economic Factors", and "Investment Model". We also added a seventh category, "Competencies", to highlight the essential skills of entrepreneurs in transformative tourism.

In-depth interviews were conducted with 12 entrepreneurs and team members of transformative tourism startups (5 male and 7 female), 5 host providers of tourism services (3 male and 2 female), and 30 customers of author tours (13 male and 17 female). The respondents' average age was 33; all of them were involved in either the organization or consumption of transformative tourism services (Table 1). Entrepreneurs

and startup team members also participated in co-creative workshops.

Each individual interview, whether conducted face-to-face or via videoconference, lasted 1½ to 2 hours. To gain a deeper understanding of the essence of the field of activities, several follow-up interviews were organized to clarify details. Respondents were encouraged to provide specific, detailed, and realistic descriptions of the topics discussed. The interviewers systematically checked whether respondents possessed any additional information for each section of the interview guide and probed for additional content and descriptions of specific situations related to a section of the interview. The interviews were transcribed and thoroughly analysed to identify key meanings in business model generation and framework design. To enhance the significance and value of the study and ensure that the transcripts accurately reflected the insights and respondents' points of view, they were invited to confirm the information in the transcripts. Throughout iterative coding process, the authors developed and revised categories (Saldana, 2016). The result of the analysis, the 8 categories, enabled the authors to create a series of BM frameworks discussed and refined in co-creative workshops with researchers, entrepreneurs, and startups owners/co-owners from transformative tourism segment.

Table 1. Respondent profile (n=47)

Gender	
Male	21
Female	26
Age	
20-34	24
35-49	18
50+	5
Type of respondent	
Startup owner/co-owner/CEO	7
Startup team member	5
Local host partner	5
Customer of author tours	30

In 2022-2023, we conducted seven co-creative workshops, with focusing on the BM framework creation and verification. These workshops proved to be an effective means of interaction between researchers and entrepreneurs. During the workshops, the participants delved into the results of the phenomenographical research and discussed BM frameworks. Entrepreneurs shared their practical experiences in creating startups, generating and testing BMs, and spoke candidly about both their failures and insights. The authors analyzed the material produced by the workshop participants, including notes, drawings, and photos, to gain a better understanding of the key competencies that help entrepreneurs succeed in transformative tourism, as well as the key building blocks of a BM framework for transformative tourism startups.

4. RESULTS AND DISCUSSION

Based on the data analysis the authors confirmed that success in transformative tourism startups can only be achieved through collaboration/co-creation and interplay among multiple parties in a peer-to-peer network (Shin et al., 2020; Kim and So, 2022).

"Transformation is possible at the intersection of entertainment, teaching, escape from reality and aesthetic impressions. Clients desire a transformative immersion, not just an aesthetic experience of the destination. The ideal transformative tour is a direct perception, orchestrated like a drama with the freedom of interpretation" [Olga, successful entrepreneur in the field of author tours services].

Transformative experiences depend on both customer personal backgrounds and events, perceptions, and interactions at the destination (Pine and Gilmore, 2016). Active engagement is essential, with a clear understanding of the travel goal, whether it is the joy of outdoor activities or an expedition:

"Now our clients are travelers who seek a personalized approach and desire new impressions and experiences, not just a standard trip" [Ksenia, 26 years old, startup owner].

"Actually, the purpose of travel is important. When I go on an archaeological expedition, I pay for it myself and dig from morning until 4 or 5 pm. No problem! It's enjoyable for me and helps me develop as a person" [Elena, 42 years old, traveler].

"Connecting with nature brings happiness to people. That's why we run, have cook-outs, fish, walk in the forest, collect herbs, go hiking, raft down rivers, and swim. We wake up early to catch the sunrise and try to capture the beauty around us through photography or painting..." [Sergey, successful entrepreneur engaged in transformative tourism]

"There are people who see a different reality... When 'prepared' guests arrive, a new reality emerges, which encourages us to keep doing what we do. Every time, the tourist product turns out to be unique" [Oleg, 45 years old, host partner].

In the growing market niche of transformative tourism, companies understand that the experience alone is not enough to provide a value proposition to their customers. Providing high-quality service in transformative tourism means more than just organizing a visit to a tourist destination with a list of attractions. It's about organizing a trip that changes the traveler's worldview. The goal of transformative tourism is to help customers return with a "better version of themselves."

"We go on these trips to feel unique, to gain new experiences, take photos, and to change. For instance, I like photography but may not have access to certain places, but with Glukhoman [tour operator], I can access them. Often, it's about rediscovering familiar places in a new way" [Irina, 34 years old, traveler].

"This is the best thing that has happened to me in the last 5 years. When my husband Ilyukha sets foot on the land of Kashirskaya, he starts to speak in verse. It was a dream come true! Welcome to my world, Ilyukha!" [Valentina, 37 years old, traveler].

"Hello everyone from the snowy Shuya city at night (although you're probably all already asleep). The silence and beauty here at night is breathtaking! The bell tower is illuminated, and there are threads of cat tracks on fresh snow. I want to thank Nastya, Ivan and all the partners in our adventure. We have had so many experiences and emotions that it will take some time to recover. Thank you for all the warmth and sincerity. I envy myself for having had this experience and I believe we will soon meet again!" [Olga, 30 years old, traveler]

Furthermore, it is important to consider two distinct sets of factors when analyzing customer experience. This is because satisfaction is derived not only from traditional aspects such as accommodation, entertainment, food and beverage, but also from supporting facilities and processes, such as technology and interactions with service employees and other customers (Kandampully et al., 2018; Kim and So, 2022). Thus, the monitored factors can be divided into two groups: (1) general "technical" elements of the journey, which relate to essential service standards, and (2) transformational components of the trip, which are analyzed with a focus on the main target audience of "transformation seekers." These individuals' opinions are crucial in adjusting the value proposition to meet their needs.

"We don't cater to everyone, but rather to those who truly understand where and why they are traveling" [Ksenia, 26 years old, startup owner].

In transformative tourism, the goal of travelers is to return with a better version of themselves, which makes the role of the host provider (a so-called "salt of the earth") contributing to the unique value proposition that transforms the traveler's worldview. This process is similar to the triple 'producer-musician-consumer' value co-creation that occurs in the music business (Saragih, 2019).

"We look for host providers who are passionate about what they are doing, their eyes are burning, and thus guests are 'infected' with their zeal. If someone is passionate about caves, they'll spend all their time there without worrying about rats or garbage. If they're interested in the history of Kaliningrad, they'll be rummaging through archives every day. These types of people are rare, and we make an effort to attract them"

to our excursions” [Ivan, 27 years old, startup team member].

“I want to thank everyone who made this possible! Nastya for organizing everything, and the amazing Salt of the Earth team for their passion and the opportunity to reflect and learn. Speaking for myself, the experience was beyond amazing!” [Anna, 32 years old, designer].

In addition to the standard set of entrepreneurial skills such as innovation, customer-focus, risk-taking, and the ability to identify and seize market opportunities, there are special skills that are critical to entrepreneurial success in the tourism industry (Phelan and Sharpley, 2012). Personality plays a significant role in transformative tourism, and it's important to be not just professional but also empathetic, enthusiastic, and passionate.

“One of the things that sets our trip organizer apart is her ability to read people's moods. Although we're on an individual trip within a group, she pays attention to how people are feeling and surprises us with little gifts like gingerbread or something else that will lift our spirits” [Alex, 35 years old, traveler].

“She is an exceptional organizer who can easily solve problems and find compromises that benefit everyone involved: the tourists, the host providers, and the company” [Irina, 52 years old, traveler].

Our research indicates that the perspectives of not only customers but also other stakeholders, such as a host partner (the "salt of the earth"), local provider of transformative services, should be considered. These providers are essential in delivering a memorable and transformative experience for travelers. Our findings suggest that there are both commercial and personal motivations driving the host providers. On the one hand, they seek to profit from the deal and promote additional products and services. On the other hand, they are passionate about sharing their interests and vision with guests and creating unforgettable experiences that generate positive feedback and support for their values.

“My interest is not simply in money, it is feedback that matters, as I give a lot of energy. The feedback may be short-lived, but people's attitude to the place is changing. They actually pay their own trust and involvement for my energy, and often they recommend us to their friends and relatives” [Nina, host provider, owner of Bogdarnya agro-eco-tourism estate].

“How can we be interesting to our guests? What impresses is the information flow - our excursions take 10 hours of continuous communication. What they see here is unexpected, because Gzhel perceived as an ordinary boring town along the highway but they arrive to the plant, and people finally get the "right" emotions. The Gzhel territory is much more interesting than our guests expect, we give a look from the inside (historical events, the history of Gzhel itself, we talk about

attractive objects that have survived but if you do not tell the story then nobody will notice them). Another important thing is sincerity and informality” [Oleg, nickname ‘Poseidon of the Gzhel Sea’, host partner of a travel startup].

Being a kind of a co-creation process in real time, transformative travel needs to be monitored as more intense than conventional types of travel. Direct accompaniment of travelers by a team representative is like the job done by focus group moderator: real-time analysis and immediate reaction, tackling with tensions, encouraging of those who are shy or unready to participate in discussion or joint activity, getting things moving in a positive direction – as a result, a kind of group dynamic that is part of travel. Each trip requires constant monitoring and corrections to ensure a successful and enjoyable experience for all travelers. The trip organizer is responsible for this task, while the host partner's role is to promote positive group interest and emotions. Additionally, it's crucial to address and resolve any potential conflicts that may arise during the trip:

“We always try to smooth out dissatisfaction, to work out conflicts. There are even those who travel to express dissatisfaction - for them it is valuable. It is important to achieve a balance here, to prevent this negativity from affecting the rest of the group” [Ksenia, 26 years old, startup owner].

“We always take into account what people say and how they react. That's why one of our team representatives is always on the trip with our guests. Especially on a new trip, we collect reviews and feedback. For example, on our next trip, we will order a bigger bath in Tula because not everyone was able to fit in this time” [Elena, 29 years old, startup team member].

“You know what my favorite moment is when I travel with this company? It's the morning after. That's when you finally realize what happened yesterday and how amazing it was. And when you see that everyone else feels the same way, that's when a community is born, and you realize that you don't want to leave this fairy tale” [Maria, 23 years old, traveler].

Based on our study results, we have developed a BM framework for transformative tourism startups that builds upon the lean startup development canvas (Maurya, 2022). Using the theoretical perspective of service logic-based thinking (Edvardsson and Tronvoll, 2013), revised eight building block BM framework for transformative tourism startups (Figure 1). Each block contains questions that need to be carefully answered, taking into account the perspectives of three key stakeholders: (1) service provider of transformative tourism (startup); (2) local host partner at the tourist cluster (destination) who is able to deliver unforgettable experiences (also known as the "salt of the earth"); (3)

special interest tourist who seeks these experiences (target customer). To ensure that the framework is practical and user-friendly, we suggest that novice entrepreneurs create a BM for their startup through an iterative process of "hypothesis – build – measure – learn – new hypothesis" feedback loops, answering the key questions for the three stakeholders in each building

block until they arrive at a sustainable and profitable BM. By answering questions within each block, transformative tourism entrepreneurs can design startup from the three-dimensional perspective of their activities by experimenting in a lean format with the aim to find a profitable BM.

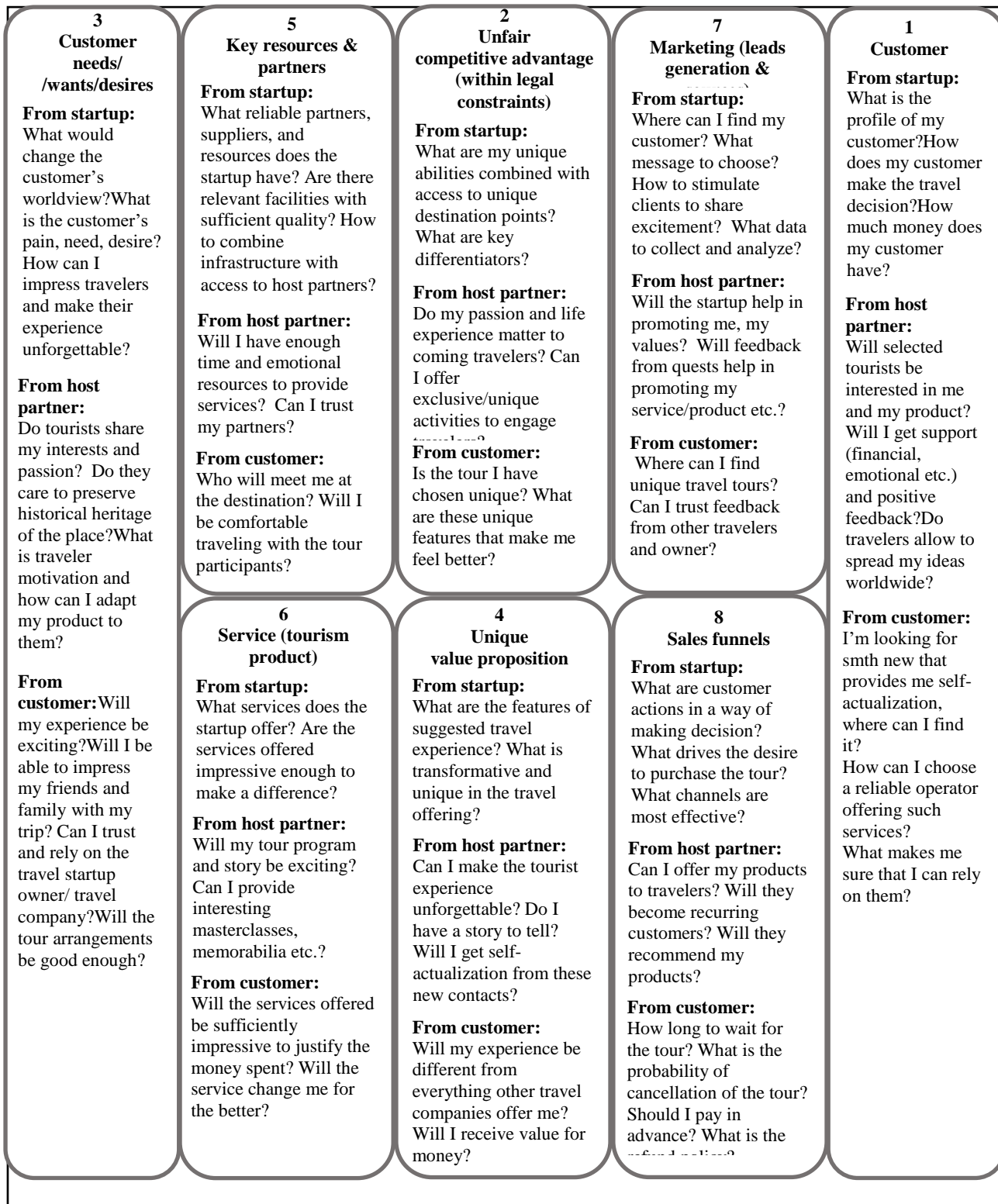


Figure 1. Transformative tourism startup business model framework

The study showed that successful transformative tourism startups reach meaningful and valuable solution through iteration to create a unique value proposition, service (tourism product), and BM. The core bundle of building blocks for the transformative tourism startup design is "Customer portrait - Customer needs/wants/desires" (see blocks # 1, 3 on Figure 1). Next, the transformative tourism startup team identifies own "Unfair competitive advantage" (see block # 2 on Figure 1). After validated this bundle of building blocks a transformative tourism entrepreneurial team starts validation of the bundle of building blocks "Unique value proposition - Key resources & partners - Service (tourism product)" (see blocks # 4, 5, 6 on Figure 1). Next, the bundle of building blocks "Marketing (leads generation & sources) - Sales funnels" (see blocks # 7, 8 on Figure 1) is validated.

Based on feedback from practicing entrepreneurs, the proposed BM framework captures essential components unique to transformative tourism and can serve as a valuable tool for novice entrepreneurs designing and launching new ventures in this area.

5. CONCLUSION

Although there has been considerable discussion on the effectiveness of business models as a managerial tool in various markets, and the specificities of transformative tourism, the literature has failed to provide a framework that can assist tourism startups in becoming lean and successful in the contemporary transformative tourism market. This empirical study conducted in a developing country involved in-depth interviews with representatives of startup teams, host providers of tourism services, and travelers, as well as seven co-creative workshops with entrepreneurs engaged in tourism. The data analysis revealed the significance of co-creation activities involving the three key stakeholders, namely the service provider (startup), the host partner at the destination and local tourist clusters ('salt of the earth'), and the target customer.

The study highlights the importance of a collaborative peer-to-peer network by cluster type for achieving success in transformative tourism, where entertainment, learning, escape from reality, and aesthetic impressions gained at a destination intersect. Based on the study findings, the service logic BM canvas for lean startup development by Ash Maurya and Alex Osterwalder (Osterwalder, 2010; Maurya, 2022) was adapted to fit the needs of transformative tourism services. The viewpoints of the host partner at the destination and the customer were added to enable startups to analyze their business from a three-dimensional perspective of their activities and experiences. Each of the eight blocks

should be analyzed carefully from the perspectives of the three key stakeholders, including the service provider (startup), the local partner who can deliver unforgettable experiences at the destination (host partner), and the customer, based on deep customer insight.

The proposed framework is a practical tool based on the BM concept, providing entrepreneurs with the capacity to design and start new ventures in uncertain, fast-changing, and unpredictable environments. The BM building blocks reflect the role of value co-creation as the core of the BM transformative tourism startups. Each block should be carefully analyzed from the viewpoint of the three main stakeholders: the startup, host partner, and traveler. It makes sense for novices to use this framework to formulate the business configuration that reflects the value co-creation process designed with respect to the three stakeholders' perspectives. It is a useful tool to start a new transformative tourism venture in lean format. By answering the BM questions (Figure 1), transformative tourism entrepreneurs can develop a unique and valuable travel product, profitable BM and launch successful startup.

While this study offers a promising framework for startups in the transformative travel market, there is still much more to investigate. One limitation of the study is the exploratory nature and small sample size. Additionally, the study only focused on evidence from one developing country, which may not be representative of the entire industry. To address these limitations, future research could involve cross-cultural studies that take into account differences in communication, interaction, and consumption of experiences between travelers from high and low context cultures and from developed and developing countries.

However, this study is one of the first to provide insights into BMs that could be useful for startups entering the transformative tourist clusters in a developing country. As such, it could serve as a starting point for further qualitative and quantitative studies in this field.

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