

*Startup companies in tourism sector– Wijha company as a model*Zoubida Belli <sup>1\*</sup>, Mohamed Ali Djoudi <sup>2</sup><sup>1</sup> University of Ziane Achour Djelfa (Algeria), [z.belli@univ-djelfa.dz](mailto:z.belli@univ-djelfa.dz)<sup>2</sup> University of Ziane Achour Djelfa (Algeria), [djmed20@yahoo.fr](mailto:djmed20@yahoo.fr)

Received: 29-04-2023

Accepted: 24-09-2023

Published: 30-09-2023

**Abstract:**

*Stratup companies in tourism sector services are a new approach that focus on providing unique and immersive travel experiences. These can include things like guided tours, adventure activities, cultural immersions, and more.*

*Some examples of pilot experience startups including: Exoticca, GetYourGuide, KLOOL, Yassir...etc. These types of startups are growing in popularity as more and more travelers are looking for unique and authentic experiences that go beyond traditional tourist activities, actually these projects are pilot experiences.*

*In the tourism sector and after the simulation treated on Wijha company, we found that the ideal models adequate for these services is the LBMC and S-EMC models.*

**Keywords:** *Startup companies, Tourism Sector Services, LBMC model, S-EMC model, Yassir, Wijha.*

**Jel Classification Codes :** *M31,Z32,M13.*

---

\* *Corresponding author*

## 1. INTRODUCTION

Tourism is a dynamic and diverse industry that encompasses a wide range of activities, including transportation, accommodation, food and beverage, entertainment, and cultural experiences. According to the World Tourism Organization (UNWTO) (Richter, 2023), international tourist arrivals reached 1.5 billion in 2019, generating \$1.5 trillion in exports and supporting 330 million jobs worldwide. However, the COVID-19 pandemic has disrupted the tourism industry severely, with a decline of 74% in international arrivals in 2020, causing widespread job losses, business closures, and economic hardship.

In this context, startups have emerged as a promising trend that can contribute to the recovery and transformation of the tourism industry.

From the name, a startup is a company or organization that is in the initial stages of business, often with an innovative product, service, or technology.

The goal of a startup is to develop a sustainable and scalable business model and as they said “We don’t just want to build a 100-year company, we want to build a 100-year startup.” (Ellis & Brown, 2014, p. 174).

In this paper, we aim to explore the literatures of this new concept and we will define each term rely to this concept. Also, we will see some of succeeded experiences in the world such as Exoticca, GetYourGuide, KLOOL, Yassir.

Finally, we will show an example of a startup company named Wijha as a model of startup company analyzed based on simulation of two models: Lean business model Canvas and S-EMC model.

**1.1. Problematic:** To identify the impact of the use of ICT on SME reengineering, we have presented the following problems:

### **What are the challenges and opportunities faced by startup companies in the tourism sector, and how can Wijha company serve as a successful model for other startups to follow?**

To answer the study's main problem, we can ask the following sub-questions:

- What are the key success factors for startup companies in the tourism sector?
- What are the common challenges faced by startup companies in the tourism sector, and how can they be overcome?
- What is the business model of Wijha company, and how has it contributed to its success?

**1.2. Hypotheses:** Based on the sub-questions provided, the following hypotheses may be included:

- Startup companies in the tourism sector can achieve success by adopting innovative business models and strategies that focus on providing unique and personalized experiences to customers.
- Wijha company's success can be attributed to its focus on delivering customized travel packages, leveraging technology to enhance the customer experience, and building a strong online presence through digital marketing.

It also implies that technology and digital marketing play a critical role in the success of startup companies in the tourism sector. The hypothesis can be tested through empirical research and analysis of case studies of successful and unsuccessful startup companies in the tourism sector.

**1.3. The importance of the study:** this study is important for several reasons:

- **Insights for startups:** The study can provide valuable insights and lessons for other startups in the tourism sector to learn from Wijha company's success and avoid the mistakes made by unsuccessful startups.
- **Industry development:** The study can contribute to the development of the tourism industry by identifying best practices and innovative business models that can improve customer experience and increase competitiveness.
- **Economic impact:** The study can highlight the economic impact of startups in the tourism sector, including job creation, revenue generation, and regional development.
- **Policy implications:** The study can inform policymakers on the challenges and opportunities faced by startups in the tourism sector and the necessary policies to support their growth and sustainability.

Overall, the study of "Startup companies in tourism sector – Wijha company as a model" can provide valuable insights and contribute to the growth and sustainability of the tourism industry, startups, and the economy at large.

**1.4. Previous Studies:**

- **Innovation in the Tourism Sector - Brazilian Startups with Technological Solutions for the Tourist by Mônica Liberato, Mário Jorge Campos dos Santos, Denio Azevedo (2022)** (Liberato, Santos, & Azevedo, 2022): The aim of this study is to map tourism startups in Brazil, focusing on tourist services and convenience, and to identify the intellectual property of their brands at the National Institute of Intellectual Property (INPI). The researchers utilized an exploratory and descriptive methodology, consisting of two stages: 1) a survey of tourism startups with a focus on tourist services and convenience in the databases of the Brazilian Association of Startups (ABSTARTUPS), Innovation Challenges in Tourism, and 100 Open Startups (the network of open startups); and 2) a search for trademark registration at the National Institute of Industrial Property (INPI). The findings indicate that out of the 175 startups mapped, 36% are related to accommodation reservations, ticket purchases, and transportation; 21% are associated with tourist information and itineraries; 20% are focused on tourist events and activities; 10% are connected to communities, and 13% offer other services (such as real-time weather and traffic and currency exchange). Moreover, 75% of these startups are concentrated in São Paulo, Minas Gerais, Rio de Janeiro, Rio Grande do Sul, and Santa Catarina. Regarding the intellectual property of their brands, 39% of the 175 tourism startups made a deposit at INPI, of which 31% have active registrations.

- **The role of business model innovation in the hospitality industry during the COVID-19 crisis by Matthias Breier, Andreas Kallmuenzer, Thomas Clauss, Johanna Gast, Sascha Kraus, Victor Tiberius (2021)**: The purpose of this research is to investigate the methods and reasons behind successful recovery efforts through business model innovation (BMI) in the hospitality sector. The study conducts a multiple case analysis of six hospitality firms in Austria, located in the mountainous, mixed urban and rural Alpine region. The researchers gather data from interviews with managers and

regular customers (known as stammgasts) for each case, which they complement with secondary data to conduct the analysis. The findings reveal that BMI is utilized during and after crises, such as the COVID-19 pandemic, to generate new revenue streams and increase liquidity, with stammgasts playing a crucial role.

- **Design thinking for social innovation: Secrets to success for tourism social entrepreneurs by Suchi Smita Mahato, Giang T. Phi, Lluís Prats (2021)** (Mahato, Phi, & Prats, 2021): This article demonstrates that social entrepreneurs in the tourism industry possess an intuitive ability to apply design thinking to social innovation, despite lacking training. The study highlights the innovative capabilities of social entrepreneurs and contributes to the development of successful social entrepreneurship in the context of tourism. Tourism Social Entrepreneurship (TSE) is a market-based approach to sustainable tourism development that addresses complex social issues to benefit marginalized stakeholders while striving for financial viability and maximizing the benefits of tourism. The authors propose that the TSE literature can be enriched by incorporating design thinking, a human-centered framework for social innovation. The research uses a case study of a social enterprise focused on Community-Based Tourism Travel in Vietnam to explore the relationship between personality traits of tourism social entrepreneurs and the process mechanism of social innovation in tourism. The study concludes that creating supportive environments with strong networks and opportunities to develop design thinking skills will facilitate the creation of sustainable ventures by individuals with social entrepreneurial aspirations.

- **Business Model Generation and Lean Startup Method as The Basis for Business Development Feasibility Study, Case Study Of PO. Gajah Mungkur Sejahtera by Wisnu Sakti Dewobroto, Julisa Siagian (2015)** (Dewobroto & Siagian, 2015): This study aims to investigate the feasibility of developing a tourism bus business using the Lean Startup and Business Model Generation methods. The researchers identified the value proposition of the business to be a flexible bus facility that can be customized based on customer requests. They mapped out the business model using nine blocks and conducted a feasibility study that examined market, marketing, technological, operational, resource management, partnership, and financial aspects. The results of the feasibility study will determine whether or not the proposed tourism bus business is viable.

### **1.5. The relation between current study and the previous Studies:**

This study is agreed with the study of **Liberato and his friends**, because both papers discuss startups in the tourism sector, but they focus on different colleagues. Our study focuses on funding and its effects on the market, while the second paper focuses on innovation and technology in the tourism sector.

Our study is agreed with the study of **Breier and his friends**, and both studies offer insights into how innovative approaches can help startups and established businesses survive and thrive in the face of challenges and changing market conditions. But, while our study examines the case of Wijha company as a model for other startups in the tourism sector to follow, the second study explores the impact of the COVID-19 crisis on business model innovation in the hospitality industry more broadly. (Breier, et al., 2020)

This study agreed in the final findings with the study of **Mahato and his colleagues**, in focusing the Community-Based Tourism Travel concept. While our study focus on the elements of the Wijha company model with multi-agent sharing the same contribution in tourism: tourism agencies, public service provider and the customer (Potential tourist) , the study of **Mahato** focused on design thinking as a framework for social innovation in the tourism sector, with a particular emphasis on tourism social entrepreneurship.

In the study of **Dewobroto and his friends**, discuss the use of business model generation and lean startup methods in the tourism industry. While our study focused on the how simulate the new models (Lean Business model Canva model, S-EMC model). But both of these studies are discussing how to make an adequate model to maximize the profit and minimize costs.

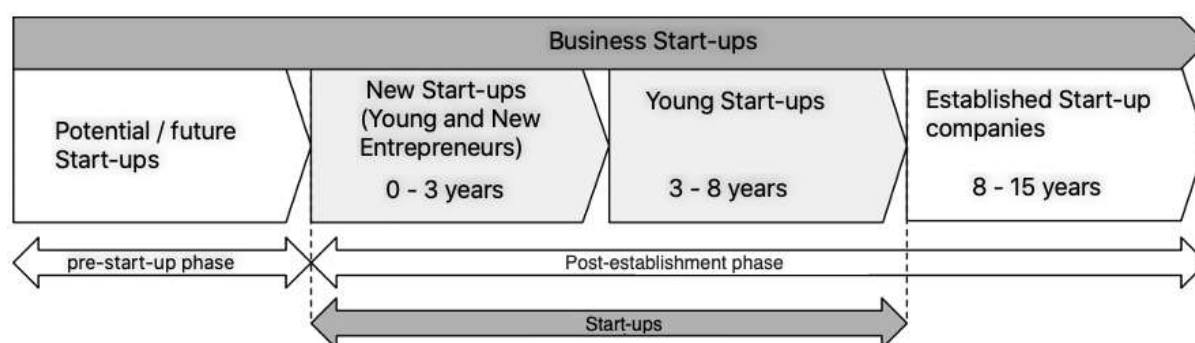
## 2. Literatures of startup entrepreneurships in tourism sector services

### 2.1. Startup companies' concept

Startups are frequently concentrated on developing new products or services, and often involve a small team of founders or entrepreneurs.

Startups are generally small and are concentrated on growth and spanning up their operations, and they venture-backed by investors and have a high level of risk but also the potential for high returns.

**Fig.1.** Age limits for company startups Source



**Source:** (Lau, 2018, p. 29)

From this **Fig.1.1**, we notice that the relevant period after the start of business activities is limited to the consideration of the categories New Startups which are composed of the categories New Entrepreneur" and Youth Entrepreneur", as well as the category Young Startups", which has an age between three and eight years.

This term usually includes original business startups, which are established in at least one of the areas of product, processor. Production processes, customers or sales methods show a significant innovation or improvement.

In addition, capital is required for the implementation of the new business idea of these startups, which is provided by investors, so they are dependent on external financing (Kühnapfel, 2015).

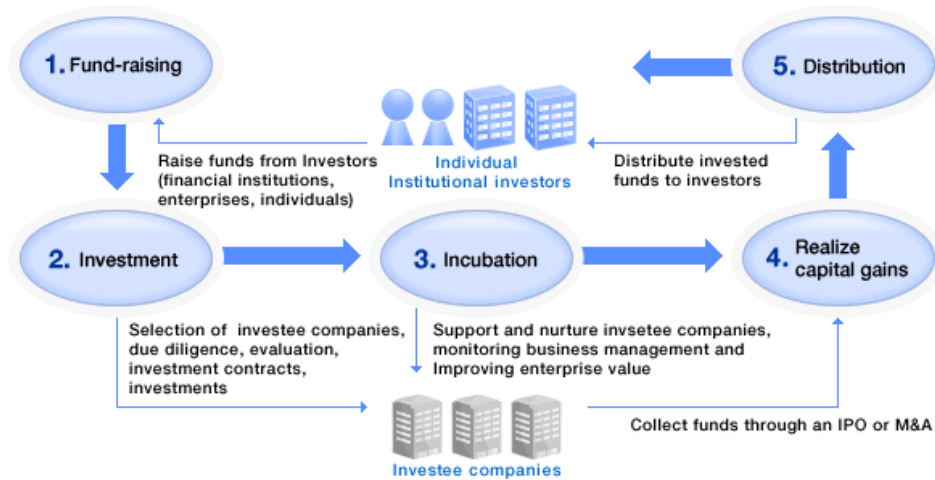
Nevertheless, the term startup has become established in the general use of language, especially for the young growth companies that intend to take up an activity in the Internet/Web (especially social media, mobile, games).

### 2.2. Startup industry and entrepreneurship

A startup defined as 'a temporary organization designed to search for a repeatable and scalable business model' (DJEKIDEL, DOUA, & MERRAD, 2021). It means the startup is refers to the ecosystem of companies and organizations that are in the early stages of business, typically with a focus on innovation and growth. This can include technology startups, biotech startups, clean energy startups, and more.

The startup industry may also include venture capital firms, accelerators, and incubators that provide funding, mentorship, and resources to help startups succeed.

**Fig.2.** Process of venture capital investments



**Source:** (SBIGroup, 2022)

Startup entrepreneurship is a learning experience that encompasses disciplines outside of your domain. It is a mindset, not a job. With that mindset, you should embrace the opportunity to integrate new skills into your life (Stagars, 2015). This means that startup entrepreneurship refers to the process of starting and running a new business venture, often in the form of a startup company. This can include developing a business plan, raising capital, building a team, and creating a product or service (See the **Fig.2.**). The goal of startup entrepreneurship is to turn an idea into a successful and sustainable business.

The startup world is always risky, probably more so, in these bleeding-edge spaces that are merging the world of technology and post-capitalism (Cohen, 2018, p. 63). It means that starting a startup can be a risky business, as there is no guarantee of success. Many startup companies fail in their early stages due to a lack of funding, a poor business model, or a failure to understand their target market. Additionally, startups often have to compete with established companies and navigate a rapidly changing market. Despite these risks, many entrepreneurs choose to start a startup because of the potential for high rewards, such as creating a successful company and achieving financial independence.

### 2.3. Startup industry and entrepreneurship

Venture-backed companies or Startups are responsible for many of the most important innovations and highest-paying jobs.

While Startups do create new jobs, the initial role of a Startup is to draw wealth into a community. Startups bring high salaries, but more importantly, they bring a high level of investment. High technology Startups require cutting edge equipment and facilities (Benziane & Houcin, 2021, p. 249). And from this definition, we can say that there are several types of startups, each with their own unique characteristics and business models:

- **Tech startups:** These companies typically focus on developing new technology or using existing technology in new ways to create a product or service. Examples include software companies, mobile app developers, and e-commerce platforms.
- **Social startups:** These companies focus on addressing a social or environmental problem through their business model. Examples include companies that focus on sustainable or ethical production, or those that aim to provide access to goods or services to underserved communities.
- **Service startups:** These companies provide a service to customers, such as consulting, marketing, or cleaning services.
- **E-commerce startups:** These companies sell products through an online platform,

such as an e-commerce website or a mobile app.

- **Niche startups:** These companies focus on a specific niche or market segment, such as a specific industry or demographic.

- **Non-profit startups:** These companies are established to serve a specific cause or mission, rather than generating a profit. They are usually funded by donations, grants and government funding.

- **Hybrid startups:** These companies combine multiple types of startups into one business model.

The type of startup will often depend on the industry and the product or service that the company is developing, and according to Steve Blank, there are six different types of startups mentioned in the **Fig.3**.

**Fig.3.** Types of startups



**Source:** (RenderforestStaff, Startup Definition: Everything About Startups, 2019)

#### **2.4. Marketing in Startup companies**

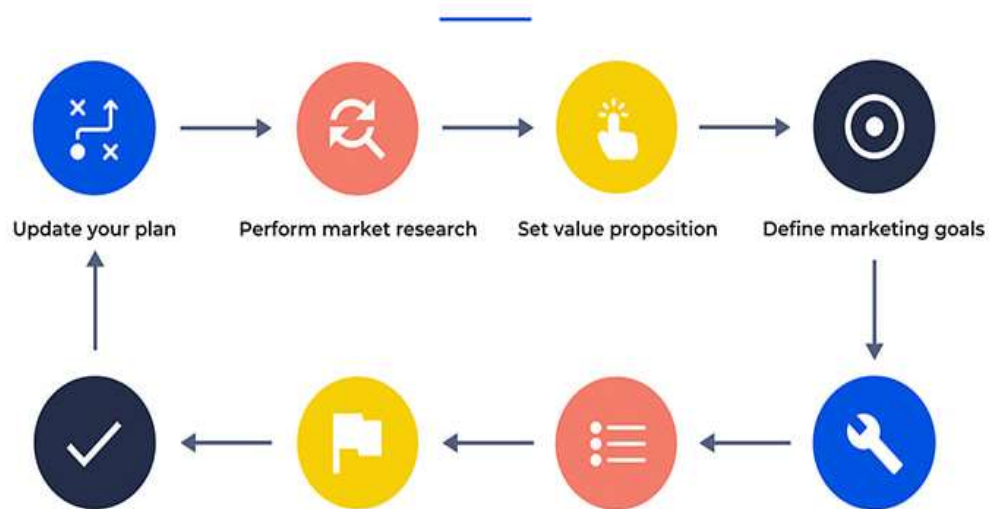
Marketing in startup companies is a challenging but crucial task that involves promoting the company's products or services to potential customers. Startups often have limited resources and a smaller customer base compared to established companies, so their marketing strategies need to be carefully crafted to make the most of their limited budget and reach the right target audience.

One effective marketing strategy for startups is to focus on a niche market or target a specific segment of customers. This allows the startup to create a tailored message that resonates with that specific group, rather than trying to appeal to a broad audience.

Content marketing is another cost-effective strategy for startups, as it allows them to create valuable and informative content that can be distributed through various channels such as social media, email marketing and websites, to educate and engage potential customers.

Social media marketing is also a popular strategy for startups, as it allows them to reach a large audience at a relatively low cost. Platforms such as Facebook, Instagram, and LinkedIn are great channels for promoting the startup's products or services and building a community around the brand.

**Fig.4.** Marketing strategy for startup

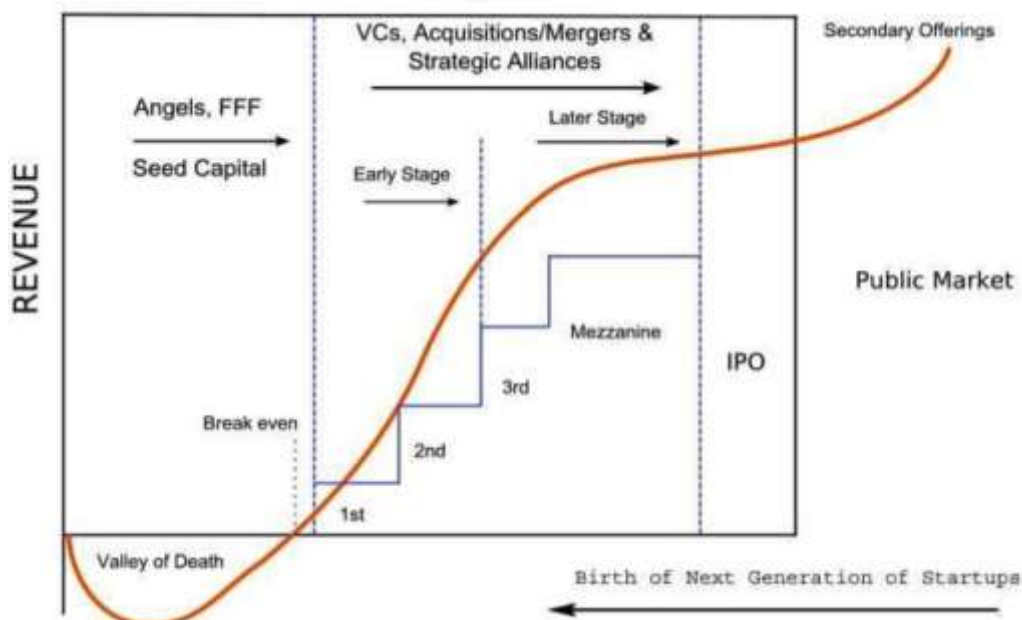


**Source:** (RenderforestStaff, 21 Ways to Promote a Startup With no Extra Money, 2020)

In **Fig.4.**, to develop the marketing strategy in a startup the company start with the marketing plan and identifying the big vision and business goals. Then, research the market inside out. This company has to learn about the market’s specific demands, possible risks, competitors, and client base. After, set defined long-term and short-term goals.

It's important to note that the marketing strategy will change along the company's life cycle and the goals of the startup. As the company grows, more traditional marketing tactics such as advertising and public relationships can be used to reach a wider audience and build brand awareness.

**Fig.5.** Startup’s life cycle



**Source:** (Sivakumar, Mukherjee, & Immanuel, 2018, p. 79)

In **Fig.5.**, The mezzanine financing or “bridge” financing helps companies to make a final increase before they become public. Mezzanine financing is essentially debt capital that gives the lender the right to convert the loan into equity in case of non-repayment in time and in full (Sivakumar, Mukherjee, & Immanuel, 2018, p. 86). Additionally, startups may consider the following types of opportunities that require additional funding: IPO (initial public



offering), acquisition of a competitor and acquisition of management.

In conclusion, marketing in startups requires a strategic, targeted, and cost-effective approach that can help any startup company reach its target audience and achieve its business objectives with efficacy.

## **2.5. Elements of startup companies**

### **2.5.1. Founders**

They are the individuals or group of people who start and build a startup company. They are the driving force behind the creation and development of the company and are typically responsible for the overall vision and direction of the business. They also usually play a key role in raising funding and assembling a team to bring the company to life.

The role of a founder in a startup can vary depending on the stage of the company, but in general, they are responsible for the following:

- Setting the overall vision and direction of the company
- Developing the business model and strategy
- Building and leading the team
- Raising funding and financial management
- Making key decisions and solving problems
- Representing the company to customers, partners, investors, and the press

Founders often have a strong passion for their industry or product, and are willing to take on a high level of risk to pursue their vision. They are driven, visionary leaders who are willing to put in long hours and make sacrifices to build their company.

In some cases, the founders may not have all the skills necessary to run the startup, which is why it's not uncommon for startups to bring on additional co-founders or key executives to complement the skill set of the founding team.

Overall, the role of the founder(s) in a startup is a crucial one, as they are responsible for bringing the company to life and leading it to success.

### **2.5.2. Number of employees**

Some startups may have only a few employees, while others may have dozens or even hundreds, and the company must not have more than 250 employees (Maçyl, 2022). It's also worth noting that startups often rely heavily on contractors and freelancers in addition to full-time employees.

Companies that deal with qualified employees who control delicate trade or industrial secrets use non-compete clauses in their labor or services contract to protect their secrets from being disclosed publicly. According to these contracts one party agrees not to compete with the other for a set period of time. These contracts are negotiated either upon contract signing or at the end of a business relationship to protect them (Leon & Donoso, 2017, p. 42).

### **2.5.3. Funding amount**

The funding amount in a startup company can also vary depending on the stage of the company and the industry in which it operates (Maçyl, 2022, p. 581). Some startups may have very little funding, while others may have millions or even billions of dollars in funding. Early-stage startups often rely on seed funding from angel investors or venture capital firms to get off the ground, while later stage startups may raise rounds of growth funding to expand their operations and market presence.

And securing funding early on is one of the most challenging endeavors a startup undertakes (Halt, Donch, & Fesnak, 2014, p. 199), because it is understandable that a startup with limited capital can consider obtaining intellectual property rights as a waste of precious funds.

### **2.5.4. Number of funding rounds**

Some startups may only have one or two funding rounds, while others may have several rounds of funding over the course of their development. It is common for startups to have an initial seed funding round followed by several rounds of venture capital funding as the

company grows and develops. However, it is not uncommon for startups to have more rounds or less rounds, it also depends on the company's needs and the investor's appetite.

### **2.5.5. Number of investors**

“The value of a company can be only estimated by the performance of the team. This is the number one thing for external investors as well” (El Amir, 2020, p. 552). It means that during seed funding rounds, there may be a small number of angel investors or a single venture capital firm providing funding. As the company grows and raises larger rounds of funding, the number of investors may increase. Later stage startups may have dozens or even hundreds of investors, including a mix of venture capital firms, angel investors, and strategic partners. It also depends on the company's preference and the investors' strategy; some startups prefer to have a smaller number of lead investors while others may have a larger number of investors in their cap table.

### **2.6. Startup in tourism sector**

There are several key elements that are typically involved in a startup within the tourism industry:

- **A unique product or service:** This could include a new type of travel experience, a new way of booking or planning a trip, or a new technology that enhances the travel experience.
- **A target market:** Startups in the tourism industry often focus on a specific niche or segment of the market, such as sustainable travel, adventure travel, or luxury travel.
- **A business model:** Startups will typically have a plan for how they will generate revenue and make a profit, such as through commission on bookings or by selling advertising space on their platform.
- **A team:** A startup will typically have a small, dedicated team that is responsible for developing and launching the product or service.
- **Funding:** Startups often rely on seed funding or venture capital to help them get off the ground and scale their business.
- **Technology:** Startups in the tourism industry may use technology to create new products or services, such as mobile apps, virtual reality, or data analytics.
- **Marketing and Sales:** Startups will need to market their products or services to potential customers, which may involve social media, advertising, PR, content marketing, etc.

## **3. Successful Global experiences**

### **3.1. Exoticca**

Is a luxury travel startup that specializes in organizing and selling long-haul holidays to destinations such as Mexico, Cuba, Dominican Republic, and more (Exoticca, 2023). The company was founded in 2013 and is based in Barcelona, Spain. The company is known for its personalized service and focus on providing high-end, customizable travel experiences to its customers. It's a online platform for organizing package holidays.

### **3.2. GetYourGuide**

Is a website that allows you to schedule tours, sights, and activities all around the world (Getyourguide, 2023).

GetYourGuide is a travel technology startup based in Berlin, Germany. It is an online platform that allows people to book tours, activities, and attraction tickets in destinations worldwide. Founded by Johannes Reck, Martin Sieber, Tao Tao, Tobias Rein, it employs more than between 501 to 1000 employees.

This enterprise allows customers to search and book over 60,000 experiences in destinations across the globe, and work with over 12,000 suppliers worldwide.

The company was founded in 2009, and since then it has raised over \$190 million in funding from investors such as Insight Venture Partners, KKR, and Battery Ventures.

GetYourGuide has been recognized as one of the leading companies in the travel

technology industry and it's considered one of the fastest-growing companies in Europe.

GetYourGuide is dedicated to make the travel experience more enjoyable and efficient for the travelers by providing them with a vast array of options to choose from, as well as detailed information about the experiences, and easy online booking.

This organization adopts the e-payment with many different e-cards like: PayPal, Visa Card, Google Pay, Apple Pay...etc.

### **3.3. KLOOL**

Klook is a travel activities and services booking platform (Klook, 2023). It allows customers to discover and book a wide range of activities and services, including theme park tickets, tours, transportation, and local experiences such as food, spa, and fitness activities. The company is based in Hong Kong and was founded in 2014. It operates in over 200 destinations worldwide and offers customers the ability to book activities and services in multiple languages and currencies. It allows customers to purchase travel insurance and mobile data services. The company's goal is to make it easy for travelers to plan and book their activities and services in advance, so they can make the most of their time at their destination. This platform is available on web and mobile, and they also have a mobile app which can be used to book and redeem activities on the go.

### **3.4. Sherpa**

Sherpa is also a startup company that provides a platform for people to find, book and manage travel arrangements (Sherpa, 2023). The platform is designed to make it easy for users to find and book travel services such as flights, hotels, and transportation. The company also provides travel management tools to help users plan, book and organize their trips. Sherpa also provides customer support to help with any issues that may arise during the trip. Sherpa's goal is to provide an easy and convenient way for people to plan and book their travel, making the process as stress-free as possible.

### **3.5. HolidayMe**

HolidayMe is an online travel agency that specializes in providing travel packages and deals to destinations around the world (Holidayme, 2023). The company was founded in 2012 in Dubai, United Arab Emirates. It offers a wide range of travel products and services, including flights, hotels, car rentals, and activities. They have a focus on the Middle East market, but also offer travel packages to destinations around the world. The company's website is available in multiple languages and it also has a mobile app.

### **3.6. Yassir**

founded in January 2017, is set to build beneficial relationships between service providers and their potential clients in different fields, from transportation, health, agri-food, logistics and more, while infusing social values via a unique one-stop marketplace! After tackling the transportation sector, YASSIR is now the leading ride-hailing service in Algeria by covering 12+ city, in less than 2 years, also recently expanding to other North African countries.

As of 2022, the Algerian startup Yassir raised funds for a total of nearly 218 million U.S. dollars, the highest value of startup capital raised in Algeria. Founded in 2016, Yassir is an on-demand transport platform (Statista, 2022).

Having raised \$193.25 million in the five years since the company's launch, it is now the most valuable startup in North Africa, and one of the highest valued companies in Africa and the Middle East. With this latest round of funding, Yassir plans to expand its reach into the region (Yassir, 2022).

### 3.7. Summary and approaches

**Table 1.** Table of Succeeded startups in the world (Tourism sector)

	<b>Exoticca</b>	<b>GetYourGuide</b>	<b>KLOOL</b>	<b>Sherpa</b>	<b>HolidayMe</b>	<b>Yassir</b>
<b>Country</b>	Spain	Germany	Hong Kong	Canada	United Arab Emirates	Algeria
<b>City</b>	Barcelona	Berlin	Central	Toronto	Dubai	Algeria
<b>Started in</b>	2013	2009	2014	2015	2013	2017
<b>Founders</b>	Jesus Rodriguez Fernandez, Marti Guasch Mercade	Johannes Reck, Martin Sieber, Tao Tao, Tobias Rein	Bernie Xiaokang Xiong, Eric Gnock Fah, Ethan Lin	Ivan Sharko, Max Tremaine	Digvijay Pratap, Geet Bhalla	Noureddine Tayebi
<b>N° of employees</b>	51-100	501-1000	1001-5000	11-50	51-100	251-500
<b>Funding amount</b>	€ 21,500,000	\$886,168,933	\$721,500,000	\$11,013,612	\$39,000,000	217,6M \$
<b>Number of funding rounds</b>	5	12	7	3	7	10
<b>Number of investors</b>	13	35	13	11	9	33

**Source:** prepared by the researchers

## 4. Wijha as model of a startup company

### 4.1. Why Wijha

This is a project in the initial phase of designing and realizing as a startup company, won the reward of the best startup project organized by the Ministry of Youth and Sports in 2021.

This project founded by a group of engineers (Belli Zoubida, Kouskous Tarek and Belkheiri Ahmed) in Djelfa-Algeria (Belli, 2022). The object of this project is to provide tourism services in a way to make a complete pattern that connect customers with the tourism agencies through a focal point which need to involve the public in the tourism process named a public service provider as a third element key within an android application and a website as the fourth party.

### 4.2. Element key in Wijha

The model presented is an electronic platform with android app Contributing to connecting three actors in tourism process:

#### 4.2.1. Tourism Agencies

The agencies coordinate and supervise the tourism process from booking the trip until the tourist returns to his place of residence. So, it works to activate the relationship between the public service provider and the tourist, providing the best services at the lowest cost, with the opportunity to effectively showcase and market their offerings.

#### 4.2.2. Public service provider

It is a free party that provides traditional food and accommodation services and provides a family atmosphere for the tourist as a link between the tourist and agency and the inhabitants of the tourism attraction.

The local inhabitants need to learn how to make the tourism more comfortable, and make him feel the curiosity to know more about this tourism attraction.

**4.2.3. The customer (Potential tourist)**

Is the customer of the agency, that need to go on a trip long or short, he makes his reservation on the e-platforme/app. The customer makes the reservation based on his own choice, he chooses the appropriate price and trip also the public provider through the e-evaluations obtained by other customers.

**4.3. The Precise Lean Business Model Canvas for Wijha**

**4.3.1. The Lean Business Model Canvas**

One of the tools that is instrumental in applying the lean startup methodology is the Business Model Canvas, first introduced by Alexander Osterwalder.

An updated version of the business model canvas has been proposed by author Ash Maurya. Although the original canvas is good to analyze a business, the lean canvas helps entrepreneurs get started quickly. And also find it more useful when the company need to discuss the business with third parties.

**Fig.6.** Lean business model canvas, adapted from the Business Model Canvas

Product			Market	
<b>PROBLEM</b> Top 3 problems	<b>SOLUTION</b> Top 3 features	<b>UNIQUE VALUE PROPOSITION</b> Single, clear, compelling message that states why you are different and worth paying attention to	<b>UNFAIR ADVANTAGE</b> Not easily copied or bought	<b>CUSTOMER SEGMENTS</b> Target customers
	<b>KEY METRICS</b> Key activities you measure		<b>CHANNELS</b> Path to customers	
<b>COST STRUCTURE</b> Customer acquisition cost, Distribution cost, Hosting, People, Etc.)			<b>REVENUE STREAMS</b> Revenue model, Life time value, Revenue, Gross margin)	
Product			Market	

**Source:** (Stagars, 2015, p. 26)

“Lean Canvas helps deconstruct your business model into nine distinct subparts that are then systematically tested, in order of highest to lowest risk.” (Maurya, 2012). The main idea of this model is adapting the importance of the customers because they are a luxury for startups using in this lean canvas. Which is the same in the tourism services sector, the tourist is the main factor in the tourism process.

**4.3.2. Simulation of the LBMC model for Wijha**

**Fig.7.** Simulation of LBMC model on Wijha project

Product			Market	
<b>PROBLEM</b> - Connections between government and agencies and tourism associations are limited in	<b>SOLUTION</b> - Creating a new concept adapting the public service provider as the medium between agency and tourist.	<b>UNIQUE VALUE PROPOSITION</b> - Available-complete services for the tourist with the low price and	<b>UNFAIR ADVANTAGE</b> - Complete tour package in few clicks.	<b>CUSTOMER SEGMENTS</b> - Local and exterior tourists.

official correspondences. - Monopoly of tourism agencies in providing tourism services. - Growing technology gap between the tourism processes actors.	- Design a commercial website. - Provide an android app to make services more available.	high services quality.		
	<b>KEY METRICS</b> - Customer satisfaction. - Website and App performance. - Processes Feedback.		<b>CHANNELS</b> - Website. - Android app. - Social media page.	
<b>COST STRUCTURE</b> - Website Hosting. - Website and App designing time: the first three months. - Website designing cost (10/24 hours a day) - App designing cost (15/24 hours a day) - Design Cost = 300 DA/hour - Periodic maintenance: 10 DA/hour. - Social media promoting pages payment to tend new customers. - Software updates, integrate hardware. - New staff, new hardware, and new software.		<b>REVENUE STREAMS (after the first three months)</b> - E-payments (credit cards/visa cards). - Medium commission between agency, public service providers and tourist: 1000 DA/operation. - E-accounts monthly contributions for: public services provider, agencies: 500 DA/month.		
<b>Product</b>		<b>Market</b>		

Source: prepared by the researchers

#### 4.4. Sharing-Economy Model Canvas for Wijha

##### 4.4.1. Sharing-Economy Model Canvas

Although the Business Model Canvas is a valuable tool for conventional entrepreneurs, it may not be as helpful for post-capitalist entrepreneurs (Cohen, 2018, p. 42). This is because the original canvas does not require a deliberate consideration of the effects of the business model on communities.

Fig.8. Sharing-Economy Model Canvas

<b>GOVERNANCE MODEL</b> Identify key partners Targeted sources of investment (e.g., platform users, crowdfunding, venture capital))	<b>BUSINESS APPROACH</b> What are your key metrics for business success and impact? Approach to scaling)	<b>VALUE PROPOSITION</b> What is your unique value proposition?)	<b>SHARED RESOURCES</b> Optimized, New home, or under-utilized
<b>PLATFORM TYPE</b> Identify key customer/ collaborator segments B2B, B2Crowd or P2P			<b>TECHNOLOGY</b> Will you develop or utilize proprietary or open-source software and hardware? Driven, Enabled or Non-tech
<b>COST STRUCTURE</b> Identify largest cost drivers		<b>TRANSACTION</b> Identify key sources of revenues Market, Alternative or Free	

Source: (Cohen, 2018, p. 43)

As we see in the Figure above, the canvas contains eight elements, including governance model, business approach, value proposition, shared resources, platform type, technology, cost structure, and transaction. The main object in this model is to expanded view of technology. Rather than solely assessing whether a solution is technology-driven, enabled,

or low-tech, the model prompting sharing entrepreneurs to contemplate their view on technology from an intellectual property perspective.

Abd for the tourism services sector, the local communities has the importance to contribute the best services to the tourists. That’s why this model is more adequate for this kind of services.

#### 4.4.2. Simulation of Sharing-Economy Model Canvas (S-EMC) on Wijha project

**Fig.9.** Simulation of S-EMC canvas on Wijha project

<b>GOVERNANCE MODEL</b> - Tourism agencies. - Public services providers.	<b>BUSINESS APPROACH</b> - Customer satisfaction. - Website and App performance. - Processes Feedback.	<b>VALUE PROPOSITION</b> - Available-complete services for the tourist with the low price and high services quality.	<b>SHARED RESOURCES</b> - Network device. - Hardware devices. - Android studio. - Local server.
<b>PLATFORM TYPE</b> - Business to business - Business to crowd (B2Crowd) - /B2Crowd business.			<b>TECHNOLOGY</b> - Android app. - Website.
<b>COST STRUCTURE</b> - Website Hosting. - Website and App designing time: the first three months. - Website designing cost (10/24 hours a day) - App designing cost (15/24 hours a day) - Design Cost = 300 DA/hour - Periodic maintenance: 10 DA/hour. - Social media promoting pages payment to tend new customers. - Software updates, integrate hardware. - New staff, new hardware, and new software.		<b>TRANSACTION</b> - E-payments (credit cards/visa cards). - Medium commission between agency, public service providers and tourist: 1000 DA/operation. - E-accounts monthly contributions for: public services provider, agencies: 500 DA/month.	

**Source:** prepared by the researchers

## 5. CONCLUSION

In this paper, we discussed the literatures of startup companies, and we have highlighted on some of the most successful projects as startup enterprises including the Wijha company as a new project in tourism sector.

In the light of the hypothesis cited above, we can answer on that problematic as fallow:

1. The key success factors for startup companies in the tourism sector include:
  - Offering unique and personalized travel experiences to customers.
  - Utilizing technology to enhance the customer experience and streamline operations
  - Building a strong brand and online presence through digital marketing.
  - Developing partnerships and collaborations with other businesses in the tourism sector.
  - Having a solid financial plan and managing costs effectively.
2. Common challenges faced by startup companies in the tourism sector include:
  - High competition and price sensitivity.
  - Limited financial resources.
  - Regulatory compliance and licensing requirements.
  - Building customer trust and reputation.
3. Wijha company's business model is focused on offering customized travel packages

and personalized experiences to customers. It leverages technology to enhance the customer experience and streamline operations, and have built a strong online presence through digital marketing.

But, in the light of all global experiences we mentioned, there are a number of difficulties that startups may face especially in Algeria.

- **Lack of funding:** Startups in Algeria often have a difficult time securing funding from investors, as there is a limited pool of venture capital and angel investors in the country.
- **Bureaucratic hurdles:** Starting a business in Algeria can be difficult due to the many bureaucratic hurdles that must be cleared, including obtaining licenses and permits, adopting e-services operations.
- **Limited market:** The Algerian market is relatively small, which can make it difficult for startups to scale their businesses.
- **Lack of experienced talent:** There is a shortage of experienced and skilled workers in Algeria, which can make it difficult for startups to find the talent they need to grow their businesses.
- **Limited access to international markets:** Many startups in Algeria has difficulty accessing international markets due to trade barriers and limited export infrastructure.
- **Political instability:** Political instability in the country can lead to uncertainty and unpredictability, which makes long-term business planning difficult for startups.
- **Legal framework:** The legal framework for businesses in Algeria is not entirely conducive for startups and need to be improved.
- **Limited access to new payment technology:** Many startups in Algeria has difficulty accessing the latest technology and tools that they need to compete globally like e-payments, approved e-banks.
- **The lack in basic tourism infrastructures:** hotels, prepared tourist attractions, modern transportation.

And to avoid these difficulties, we suggest in the first place open the economy on the new modern processes. And the government must have the ability to adopt the e-services, e-banking, e-payment to facilitate processes for the new startup companies.

## **6. Bibliography List:**

- Ellis, S., & Brown, M. (2014). *Growth Engines: Case Studies of How Today's -Excerpt From: Sean Ellis. "Startup Growth Engines: Case Studies of How Today's Most Successful Startups Unlock Extraordinary Growth."* (Vol. 01). United States of America: Unlockinggrowth.
- Lau, M. (2018). *Startups in the energy transition- Start-up activities in the German energy industry.* Germany, Wiesbaden: Springer Gabler.
- Kühnapfel, J. (2015). *Forecasts for start-up companies.* Germany, Wiesbaden: Springer Gabler Wiesbaden.
- DJEKIDEL, Y., DOUA, M., & MERRAD, R. (2021). La startup en Algérie : Caractéristiques et Obligations. *Revue d'excellence pour la recherche en économie et en gestion*, 05(01), 417-427.
- SBIGroup. (2022, August 12). *Venture Capital- Investment Business.* Retrieved January 2023, from Sbigroup: <https://www.sbigroup.co.jp/english/business/investment/venturecapital.html>
- Stagars, M. (2015). *University startups and Spin-Offs- Guide for netrepreneurs in academia* (Vol. 01). New York, United states of America: Apress.



- Cohen, B. (2018). *Post-Capitalist Entrepreneurship- Startups for the 99%*. New York, United states of America: CRC Press.
- Benziane, R., & Houcin, M. (2021). The evolution of scientific publishing about Startups in the third millennium: A Bibliometrics analysis. *Revue Organisation & Travail*, 10(04), 246-258.
- RenderforestStaff. (2019, July 20). *Startup Definition: Everything About Startups*. Retrieved February 2023, from Renderforest: <https://www.renderforest.com/blog/startup-definition>
- RenderforestStaff. (2020, August 07). *21 Ways to Promote a Startup With no Extra Money*. Retrieved February 2023, from Renderforest: <https://www.renderforest.com/blog/best-ways-to-promote-a-startup>
- Sivakumar, S., Mukherjee, P. A., & Immanuel, S. J. (2018). *Business Planning for Agro-Technology Enterprises* (Vol. First edition). India, Kerala: ICAR:Central Tuber Crops Research Institute.
- Maçyl, B. (2022). Les Sources de Financement des Start-Up en Algérie : Etude Sur 20 Start-Up Labellisées. *Etudes Economiques*, 22(01), 575-593.
- Leon, I., & Donoso, J. F. (2017). *Innovation, Startups and Intellectual Property Management*. Springer International Publishing.
- Halt, G. B., Donch, J. C., & Fesnak, R. (2014). *Monetization Strategies for Startups, Incubators and Accelerators*. New York, United States of America: Springer Science+Business Media.
- El Amir, R. A. (2020). Human Capital Investment As a Generator For Innovative Practices in Algerian Startups: Reality and Challenges. *Annals Of Bechar University In Economic Sciences*, 07(03), 548-563.
- Exoticca. (2023). *Exoticca*. Retrieved January 2023, from Exoticca travel agency: <https://www.exoticca.com/us>
- Getyourguide. (2023). *Book Things To Do, Attractions, and tours*. Retrieved January 2023, from Getyourguide: <https://www.getyourguide.com>
- Klook. (2023). *klook Travel - Activities, tours, attractions*. Retrieved January 2023, from <https://www.klook.com>
- Sherpa. (2023). *sherpa° Move freely*. Retrieved January 2023, from Joinsherpa: <https://www.joinsherpa.com>
- Holidayme. (2023). *Saudi Tourism Authority*. Retrieved January 2023, from Holidayme: <https://www.holidayme.com>
- Musement. (2023). *Book tickets to attractions, museums and fun activities*. Retrieved January 2023, from Musement: <https://www.musement.com/us/>
- Statista. (2022, Nov 30). *ALgeria:main startups by total funding*. Retrieved January 2023, from Statista: <https://www.statista.com/statistics/1279543/leading-startups-in-algeria-by-total-funding/>
- Yassir. (2022, Nov 01). *Yassir raises 150\$ in Series B Funding*. Retrieved January 2023, from <https://yassir.com/news/yassir-raises-150-million-in-series-b-funding-to-power-its-expansion-into-africa-and-throughout-the-world/>
- Startupranking. (2023). *Algeria Top Startups*. Retrieved January 2023, from Startupranking: <https://www.startupranking.com/top/algeria>
- Richter, F. (2023, March 09). *International Travel Bounced Back Strongly in 2022*. Consulté le April 2023, sur Statista: <https://www.statista.com/chart/21793/international-tourist-arrivals-worldwide/>
- Belli, Z. (2022). *The Impact of the Electronic Tourism Services Quality on customer satisfaction -users of Android applications as a model*. Faculty of Economic Sciences,

Commercial Sciences and Management Sciences, Department of Commercial Sciences.  
Djelfa: University of Ziane Achour.

- Maurya, A. (2012). *Running Lean: Iterate from Plan A to a Plan That Works* (Vol. 02). United States of America: O'Reilly Media.
- Pavlatos, O. (2020, Nov 07). Drivers of management control systems in tourism start-ups firms. *International Journal of Hospitality Management*, 92(102746), 01-09.
- Bianco, S., Zach, F. J., & Liu, A. (2022, June 17). Early and late-stage startup funding in hospitality: Effects on incumbents' market value. *Annals of Tourism Research*, 95(103436), 01-11.
- Mahato, S. S., Phi, G. T., & Prats, L. (2021, Oct 25). Design thinking for social innovation: Secrets to success for tourism social entrepreneurs. *Journal of Hospitality and Tourism Management*, 49, 396–406.
- Liberato, M., Santos, M. C., & Azevedo, D. (2022, Oct 08). Innovation in the Tourism Sector - Brazilian Startups with Technological Solutions for the Tourist. *International Journal of Advanced Engineering Research and Science (IJAERS)*, 09(10), 01-13.
- Dewobroto, W. S., & Siagian, J. (2015). Business Model Generation and Lean Startup Method as The Basis For Business Development Feasibility Study, Case Study Of Po. Gajah Mungkur Sejahtera. *International Seminar on Industrial Engineering and Management*, 08, pp. 80-89. Malang, Indonesia.
- Breier, M., Kallmuenzer, A., Clauss, T., Gast, J., Kraus, S., & Tiberius, V. (2020, Oct 26). The role of business model innovation in the hospitality industry during the COVID-19 crisis. *International Journal of Hospitality Management*, 92(102723), 01-10.