

BUSINESS MODELS OF THE TOURISM INDUSTRY: EVIDENCE FROM TAIWAN

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ABSTRACT

Over the past twenty years, tourism factories in Taiwan have become a successful business model of traditional industries that want to enhance corporate value and develop brand awareness. These tourism factories are working factories that incorporate a tourism component. This study finds that family business in tourism factories is based on the previous generation of leaders due to their own technical expertise and adherence to the corporate philosophy. The next generation of leaders can also add tourism and online performance benefits to their existing base by operating through the innovative business model. This approach allows for an increase in corporate value and brand awareness in family business. The tourism factory business model's rapid absorption of new information and continuous optimization of the status quo can lead to greater success in five major aspects of an innovative business model.

JEL: L10, Z32

KEYWORDS: Tourism Factory, Family Business, Innovative Business Model

INTRODUCTION

In the context of continuous changes in the global economic environment and Taiwan's economic development process, small and medium-sized manufacturing has always played an important role. Because the government's development policy adjustment and related regulations are relatively slow, the traditional manufacturing industry that once played an important role in Taiwan's economy is no longer prosperous. To survive, they have chosen to develop abroad, resulting in increasing degradation of industrial competitiveness. The remaining enterprises must continue to innovate and transform to survive and sustain their development. The quality of life of the people is slowly improving. The demand for leisure industry tourism is also gradually rising.

Under the guidance of Taiwan's policies, traditional factory innovation and service transformation has been ongoing for more than 20 years, assisting the development of tourism factory products, cross-field resource integration, and digital transformation. The process involves combining local cultural and technological characteristics, human and historical resources, gourmet agricultural products, and then relying on the development of surrounding tourist attractions and regional related industries. Each develops a unique win-win model and cultivates tourism factories to have cross-domain value-added, brand marketing, and cultural and creative design. In addition, they improve digital capabilities and contribute to local revitalization of the tourism industry. They work under the core concept of promoting the concept of sustainability, quality, friendliness, life and knowledge of tourism, the tourism factory creates and optimizes unique themes, friendly spaces, corporate images, and quality services that meet consumer expectations (Ministry of Economic Affairs, 2017).

The “experience economy” was first proposed by scholars Pine and Gilmore (1998), arguing that the time course of world economic development can be divided into four stages. The first stage is the agricultural economy era, the second stage is the commodity-based industrial economy era, the third stage is the service

economy era based on service quality, and the fourth stage is innovation based on the experience economy era, operating from designed consumer experiences. It is a new way of thinking for enterprises creating value.

Selling experience services is not only appealing to emotions, building customer brand loyalty, and increasing customer repurchase rate, but also a super salesman of enterprise products, such that good experiences become the common memory and identity of the community (Ou Suhua, 2021). Experiential marketing contributes to consumers' brand loyalty, which is reflected in consumers' willingness to repurchase, recommendations to others, tolerate price fluctuations, and cross-purchase (Gronholdt, Martensen, & Kristensen, 2000; Parasuraman, Berry, & Zeithaml, 1991; Zeithaml, Berry, & Parasuraman, 1996). In this era of globalization and intensified market competition and the current social pattern of service and experience economies, the second or next generation of enterprises will take over the development of sustainable enterprises. Creative value-added aspects of the traditional life industry have become the foundation for its corporate transformation. Through the creative expression of cultural aesthetic design characteristics, the traditional life industry can be modernized and developed to meet the needs of the times.

This research presents the business model architecture in a nine-grid manner through the theoretical basis of innovative business models (Osterwalder & Pigneur, 2010). This is called the business model canvas with five aspects of product innovation: customer (target customer group, sales methods, customer relationship), infrastructure management (corporate resources, corporate activities, partners), financial viewpoints, and online digital platforms. This approach integrates the original nine-square grid elements and two new elements of today's online community, publicity sales and online membership marketing services. This research takes a perspective between the two generations of enterprise inheritance as its main direction. I conduct in-depth interviews with both the previous generation and the next generation of leaders, and then compare and analyze the interview content of the two generations. At the same time, the research mutually verifies the theoretical basis of the literature to provide a preliminary analysis of the results.

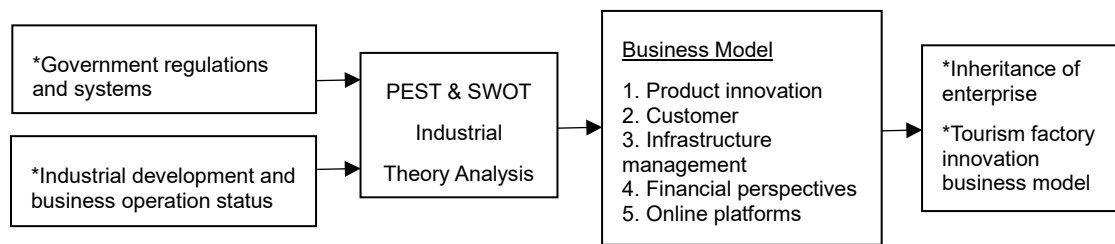
Results show the next generation of enterprises seems to be more interested in the operation of tourism factories. This research explores how to best inherit and continue the value of the company and maximize its benefits through the innovative model of the tourism factory. We summarize the successful innovation business model of Taiwan's distinctive tourism factories and continuously optimize the direction and strategy of Taiwan's current tourism-factory business model. The research provide suggestions on cross-domain transformational strategies for enterprise innovation in the world. The remainder of this paper is organized as follows: The next section examines the related literature and develops the scope of this research study. In the following section, we provide a discussion of the data and methodology utilized in the study. Rankings and analysis are provided in the results section. The paper closes with some concluding comments and suggestions for future research.

LITERATURE REVIEW

Armstrong (2006) argued that opportunities and threats in SWOT analysis (Wehrich,1982) can be summarized by combining political, economic, social and technological (PEST) analysis (Aguilar,1967) with external overall environmental factors and then compared and discuss them one by one. This combination can be used as a basic tool for enterprise and environmental analysis. This study discusses and analyzes the current development status of tourism factory operators in the context of government regulations and guidance programs corresponding to the theoretical basis of PEST-SWOT model analysis. Next, I explore the five aspects and eleven elements of innovative business models one by one, finally presenting the innovative business model of the Taiwan tourism factory (Figure 1). There exist many modes of development enterprise innovation or transformation. The tourism factory business model can be analyzed with the PEST-SWOT model, which fully explores the beginning and transition of the entire

tourism factory in the overall environmental development process of Taiwan.

Figure1: Literature Research Framework



This figure shows the current development status of tourism factory operators in the context of government regulations and guidance programs corresponding to the theoretical basis of PEST-SWOT model analysis.

The concept of factory tourism in Taiwan is similar to that of industrial-heritage tourism and Japanese factory tourism. However, it has evolved into a "tourist factory" model for a small range of single enterprises because the scale of the industrial environment and development area are relatively different from those in Taiwan. Industrial heritage tourism has been developed abroad for decades. In response to the needs of tourism and local revitalization, it has gradually developed into a new type of local culture and experience tourism operation. The approach often uses abandoned traditional industrial plants or areas in the reconstruction process. It also retains and activates the original corporate culture spirit combined with local characteristics (Qiu Shangyuan, 2012).

Some domestic enterprises with a smaller production scale, including Taiwan Tobacco and Liquor Factory, and the cement mining industry have outdated and uneconomical production modes. These firms have transformed traditional factories or deactivated sites through reconstruction, incorporating tourism perspectives and design value-added elements. This has brought a new form of in-depth industrial tourism to the traditional scenic tourism industry. The Taiwan government has promoted the development of tourism factory policies for 20 years because of industrial development trends and responses to changes in the tourism market. Resources and markets of each small and medium-sized enterprise are limited, so the purpose and method of transforming from the earliest traditional manufacturing industries into tourism factories is different from traditional purposes and methods of investing in tourism. The overall presentation of the tourism factory is the specific display of the enterprise operator's corporate philosophy, future development direction, and ideal goals. This includes how to locate target customer groups and plan the best services, products, circulation lines, travel ranges, etc. to maximize brand benefits and revenue.

Because small and medium-sized enterprises have limited resources, they have rearranged their combined advantages and disadvantages to discover the survival entry point of enterprises in the market. Therefore, the transformation of tourism factories must make good use of superior resources and unique markets of their own manufacturing industry. They must plan the most distinctive experience venues and repackage products or services from the perspective of life aesthetic design of tourism and services. The innovative transformation of tourism factories is one option for enterprise resources and market diversification through more digital intelligence and cross-domain design value-added enterprises. Tourism factories can also allow enterprises to develop other new industrial markets so that diversified development of enterprise resources can have a maximum effect. This approach can improve overall operating efficiency.

Taiwan's small and medium-sized enterprises account for more than 90% of its total enterprises, of which family businesses account for the majority. The second generation has assumed the responsibility for enterprise growth and transformation to carry out various corporate innovation and change. After starting a business from scratch with the first generation of family members, the subsequent second, third, and fourth generations continue operation and management of the enterprise. In the face of the overall market

environment, raw material costs, lack of manpower, various government regulations, fee increases, and fluctuations and impacts of various uncertain factors all test the successor's management of the enterprise. In addition to tangible assets, other issues that must be considered include how to systematically pass on corporate value, brand spirit, and business thinking to the next generation. In terms of the tourism factory model, it is worth discussing how to make corporate inheritance smoother and more complete.

The tourism factory uses the PEST model to analyze four factors: political, economic, social, and technological. This is part of external environment analysis in market research, which can give an overview of different factors in the overall environment. PEST analysis has developed to meet different needs of different times, so there are more aspects and factors to be discussed such as the legal aspect (PESTL) and natural/environmental considerations (PESTLE), depending on the needs of the enterprise. This study discusses the PESTLE analysis, so we summarize the six aspects one by one (Xie Mingyu, 2015).

1. Political factors: Government has played an important role in the transformation and development of tourism factories in recent years. The Government has launched many regulations and programs, including industrial innovation regulations, legal guidance on land use, cross-domain innovative value-added plans for promoting small and medium-sized enterprises, and industrial transformation and upgrading plans with specific regions. Taiwan's tourism promotion policy, due to the development of consumer trends such as industrial tourism and in-depth experience tourism, tourism factories have also been included in the tourism market on and off the island. The role of the local cultural story hall is valued because enterprises and tourist factories have operated in the area for many years. In terms of agricultural policy, enterprises and tourist factories have become an important base for the promotion and production of agricultural products, agricultural leisure tourism, and community-building in Taiwan. With respect to the promotion of Taiwan's education policy, the tourism factory is an experience-driven field with knowledge of both industrial culture and production technology. The education policy provides knowledge and professional and technical education in addition to school textbooks. It has thus become a safe place for primary and secondary school education and career exploration.

2. Economic factors: Taiwan's stable economic development, income growth, and improvement of the quality of life have resulted in a significant increase in demand for and quality of leisure tourism catering services. This has also contributed to the establishment of tourism factories, as the number of tourists visiting factories and income performance have shown positive growth. The pandemic has greatly affected economic development and the tourism industry in the past two years. Government subsidies and tourism revitalization measures have assisted the industry. As a result, tourism factories have not been closed due to pandemic-related losses. During the pandemic easing and the rise of travel to Taiwan, tourism performance has grown to new higher records. However, compared to pandemic-related border controls, foreign tourism markets have stagnated in the past two years. The travel agency industry, hotel industry, catering industry, and tour bus industry have also lost money, causing many tourism-related businesses to close, lay off employees, or refocus their business direction. These refocus efforts include moving to online e-commerce or developing other special experiences in sightseeing and in-depth tourism. Additionally, the leisure mode of Taiwanese people who go abroad every year has changed to tourism or consumption on the island, so various travel agencies have redeveloped more new highlights and itineraries with high-priced and high-quality Taiwan sightseeing. The tourism factory has become one of its highlights. In the pandemic, the stay-at-home economy and online shopping consumption mode have grown strongly. The tourism factory has also adjusted its business and sales direction with digital transformation and cross-domain value-added strategies.

3. Social factors: Enterprises must often adjust management practices and systems with respect to social factors. With the advancement of the times, consumers not only enjoy beautiful tourist attractions, but also hope that they can obtain more life knowledge and fun experiences while traveling. The tourism factory is

just the right place for such experiences for all ages. In addition to slowly changing their sales and service model due to the pandemic, tourism factories have also responded to changes in the domestic travel market and customer demand for online services, all of which must keep up with consumer demands and sustainable development. In addition, the industry must slowly implement the planning and execution of social corporate responsibility measures. They must support local industries, social care, and social responsibility to protect the underprivileged and contribute to the villages by employing local and second-time-employed women. In addition, tourism factories must properly preserve and revitalize Taiwan's cultural assets of the industry such as the preservation and display of industrial historical and old cultural relics.

4. Technological factors: Fiercer competition in the industrial globalization market and the shortage of manpower due to low birthrate have become major issues in enterprise operations. The application of digital intelligent technology is one of the most effective methods to address these limitations. With changes in shopping and tourism patterns, borderless digital marketing and e-commerce operations became indispensable business strategies for enterprises and tourism factories. One must consider how to make the tourism factory relying on on-site interactive experiences continue to grow. The key to providing online digital experience venues and convenient shopping experiences is that consumers must continue rituals of the original physical experiences and successfully switch to online virtual immersive experience play. Through social marketing and key opinion leader (KOL) marketing to create topics and increase network traffic, the number of visitors to the offline experience of the tourism factory and the revenue of online shopping services may increase (Yuhao,2019).

5. Legal factors: There exist some fake tourist factories in Taiwan that have not been verified and licensed by the Institute of Industry and Research Institute and the Bureau of Industry. These use the name of tourism factories to solicit business because the service content and quality of fake tourism factories are inconsistent. These substandard operations cause tourists and travel agencies alike to complain. The government will likely set up punitive regulations for the protection of tourism factory names to curb and punish illegal operators who steal them. In addition, because the tourism factory exists alongside production and tourism, it is necessary to face both the management regulations related to industrial production manufactured by the enterprise and the management-related regulations of tourism services of the tourism factory. There are still some controversial regulation problems, such as the housing use tax rate of the front shop and the back factory, and regulations on the use of indoor building materials and space. In the future, the government can set up special laws to protect the development of tourism factories and make them one of Taiwan's highlights in world industry.

6 Environmental Factors: These are various activities, services, products, business practices, and interactions with the external environment or other industries. The projects considered include environmental pollution, green power and energy saving, carbon reduction production and services, and sustainable development, event planning, service process, product design, etc. Corporate social responsibility (CSR), and Environmental, Social and Governance (ESG), and the United Nations' Sustainable Development Goals (SDGs) have gradually become the focus of tourism factory evaluation and development. Among them, environmental protection and sustainability such as green buildings, energy conservation, carbon reduction, wastewater and waste treatment are important. The government promotes environmental education site certification so tourism factories can provide environmental education courses to consumers after re-inventory of the company's environmental protection resources. Sustainable tourism ensures that all tourism activities should have the least negative impact on the economic and social environment and bring the most economic benefits and feedback to local tourist destinations.

SWOT theory is used to analyze strengths and weaknesses of the company's tourism factory and opportunities and threats in the external environment, which is mainly used to analyze the competitive strength and weakness of the enterprise itself. Through the SWOT analysis method, the process of

understanding the enterprise itself and competitors from the environmental market perspective is used to help the enterprise analyze and evaluate the internal and external environmental conditions at the same time, and then develop a corresponding strategy method. Dyson (2004) provided a SWOT enterprise internal and external situation strategy analysis and a further strategy matrix method for cross-analysis discussion, as shown in Table 1.

Table 1: Tourism Factory SWOT Cross-Analysis

	Strengths Within the Enterprise (S)	Weaknesses Within the Enterprise (W)
Opportunities outside the enterprise (O)	Proactive Strategy (SO)	Improvement Strategy (WO)
	Quickly establish your unique in-depth industrial tourism successful business model.	Due to the space limitation of the site, it can be connected with other nearby fields and attractions to cooperate with the diversion.
	Participate in more publicity activities related to the public sector to quickly enhance brand awareness.	it is necessary to actively seek effective support or guidance from the resources of other non-competent ministries through associations.
	Cooperate with the tourism industry to strive for performance.	To do a good job in the docking business between field service operation and travel industry, operators need to change their business thinking and business staffing.
Threats external to the enterprise (T)	Buffered Policy (ST)	Defensive Strategy (WT)
	Find travel agencies suitable for the venue, and take the initiative to establish a long-term close customer relationship and transaction feedback model with travel agency operators	Develop more interesting experience itinerary or highlight modes so that consumers can return multiple times.
	Cooperate with various governments. subsidy policies and counseling programs to reduce the external risks and threats of independent development.	Complete special law management (fake tourism factory). Strengthen measures to persuade or ban fake tourist factories that have not passed the evaluation.
	Develop experiential products, festival gift boxes, and establish online and intelligent marketing, and strive for direct online shopping and group buying performance.	It is directly recommended that pseudo-sightseeing factories apply for adjustment to qualified sightseeing factories. Educate consumers to find qualified sites that truly pass the evaluation.
	Because the quality of experience and tour service is continuously optimized, it can maintain its uniqueness.	

The table shows 1.) SO positive strategy: internal strengths (S) facing external opportunities (O), to maximize their own strengths in the external opportunities. 2.) WO Improvement Strategy: Internal weaknesses (W) facing external opportunities (O), using external opportunities to actively improve their weaknesses. 3.) ST buffer strategy: internal strengths (S) and external threats (T) to face the situation, should use their own strengths to reduce the loss of external threats to harm. 4.) WT Defensive Strategy: When a company's internal weaknesses (W) face external threats (T), it should minimize the exposure of its weaknesses and avoid external sources of threats and strive for new opportunities.

Tourism factories are retested by the government every three years. Tourism factories must continue to improve and optimize their experience services and content such as "unique theme, friendly space, corporate image, experience facilities and service quality", and satisfactory services. They must meet the consumer expectations that seek innovation and change and who will share the satisfactory experience process on their own social media. These social media posts have become an inevitable marketing method of tourism factories along with feedback from customer satisfaction surveys.

This study collates tourism revenue, number of visitors, and number of Taiwan tourism factories from 2017 to 2022, as shown in Table 2. It shows the Taiwan tourism factory has shown substantial growth in revenue, number of visitors, and number of factories in the past six years. In the three years of severe pandemic changes, as of 2020 there are still 10 sightseeing factories established. The number of visitors only slightly

decreased by about 10% in 2021 because of government's travel restrictions for nearly 5 months. The annual number of visitors has also dropped sharply by about 6.5 million, a decline of about 34%. At the same time, five new tourism factories were established. The total number of established tourism factories in 2022 equals 165, representing the transformation and development direction of Taiwan's manufacturing industry in terms of tourism factories. Comparing 2018 and 2022, the number of visitors decreased by about 2.88 million in 2022, but annual tourism revenue increased by NT\$1.5 billion, so the unit price of customers increased by about NT\$129 (as shown in Table 3). Results indicate that consumers are willing to stay and spend more in the sightseeing factory.

Table 2: Tourism Factory's Tourism Revenue, Number of Visitors and Number of Factories

Annual	Tourism Revenue (NT\$ billion)	Number of Visitors (million / person)	Number of Factories
2017	5.06	23.00	135
2018	4.7	19.88	136
2019	5.2	21.00	146
2020	5.09	19.00	156
2021	4.71	12.54	161
2022	6.0	17.00	165

This table is provided by the Industrial Technology Research Institute (ITRI) after compiling the annual data of all tourism factories and is reformatted for this study. ITRI is the main unit that counsels the Taiwan Tourism Factory Program.

Table 3: Tourism Factory's Tourism Revenue, Number of Visitors and Unit Price of Customers

Annual	Tourism Revenue (NT\$ Billion)	Number Of Visitors (Million / Person)	Unit Price of Customers (NT\$)
2018 (Before the Pandemic)	4.7	19.88	236
2021 (In the Pandemic)	4.71	12.54	376
2022 (After the Pandemic)	6.2	17.00	365
Differences during the pandemic	+1.5	-2.88	+129

This table is provided by the Industrial Technology Research Institute (ITRI) after compiling the annual data of all tourism factories and is reformatted for this study. Unit Price of Customers = Tourism Revenue/ Number of Visitors

The number of tourist factories is growing rapidly, and its business model has become a top option for Taiwan's manufacturing transformation and innovation. A good business model refers to the overall solution that maximizes the value of all parties and integrates internal and external elements that make up the operation of the enterprise. It meets customer needs and realizes the value of all parties (customers, employees, partners, shareholders and other stakeholders) while enabling a system to achieve sustainable profitability goals. The innovative business model diagram (Osterwalder & Pigneur, 2010) contains nine elements: target customer group, value proposition, channel, customer relationship, revenue stream, key resources, key activities, key partners, and cost structure. Dubosson,

Ostrwalder, & Pigneur (2002) proposed that four dimensions of business model architecture include product innovation, customer relationships, infrastructure management, and financial aspects. In addition, in the past ten years, the rapid development of online platform software, hardware and mobile social media has led to the operation of online marketing communities and online shopping (including live streaming and group buying) through consumer mobile phones and big data collection methods. This has fully changed the strategic thinking of enterprises in advertising, sales models, and precision marketing. Business model innovation is the new means and methods used by an organization to create, deliver, and capture value. The keys to a successful innovative business model can be summarized as: 1.) Can be continuously operated (Repeatable); 2.) Profitable; 3.) Can be scaled (Scalable); 4.) Must be executed by the right executive team (Team).

Taiwanese consumers are gradually changing the way they obtain consumer information. They have moved from earlier word-of-mouth marketing and TV broadcasting to KOL (key opinion leaders) and social media (Facebook, Instagram) marketing operations. Travel destinations must pay close attention to the comments left by consumers on Google Maps, as it has become the most important and immediate reference for consumers before traveling to a travel destination. Consumer reviews on Google absolutely affect consumers' willingness to go shopping. Enterprises have begun to pay attention and set up specialists for all social media and Google operations and information feedback, especially the network reputation of tourism factories.

DATA AND METHODOLOGY

First, through the PEST industry analysis theory, we explore the current status and interrelationships of the operation and development of Taiwan's tourism factories the political, economic, social, technological, legal, and environmental aspects. Then, through the SWOT industry strategy theory, we explore the interrelationships of the strategies of Taiwan's tourism factories in terms of the enterprise's internal competitive advantages and disadvantages and the threats of external opportunities. Finally, by utilizing the original nine lattice elements of the innovative business model and integrating the two new elements of online social promotion and sales and online member marketing services, we explore how Taiwan's tourist factories can reposition their core values and optimize their resources, as well as how they enable their companies to successfully complete their generational succession.

The target of this study was members of the Taiwan Tourism Factory Association (TTFA). We consider five major industries classified by the Industrial Technology Research Institute (ITRI) as tourism factories, and consider the balance of sampling among all members who joined the Association between 2005 and 2023. A total of six representative in-depth interviews were planned, and each tourism factory arranged interviews with members of two generations of the enterprise. We refer to Ma (2013) and Chen (2015) for the format and outline of interviews in this study. Based on the literature review and establishment and analysis of business models, interview questions were set to focus on the five major aspects of innovative business models. Namely we consider product innovation, customer relations, infrastructure management (corporate resources, corporate activities, and partners), financial perspectives, and online platforms. Two interview outlines and questions, one for the previous generation and one for the next generation, were compiled based on the five major aspects of innovative business models, and one-on-one in-depth interviews were conducted with a total of 12 interviewees from 6 companies. Table 4 shows the information of the interviews in this study.

Table 4: Interview's Time for two Generations of Operation in Tourism Factory

Year of Joining TTFA	Sample's Code (Area)	Interviewee's Title and Relationship	Age	Interview Date
2010	A (Taichung)	Previous: General Manager Wang(M)	65	20221125
		Next: Manager Hsu (D)	29	20221126
2011	B (Changhua)	Previous: Chairman Xiao (F)	77	20221122
		Next: General Manager Xiao (S)	50	20221122
2020	C (Tainan)	Previous: Chairman Hsieh (F)	62	20230203
		Next: Special Assistant Hsieh (S)	30	20230203
2005	D (Taichung)	Previous: Chairman Wu (F)	82	20230126
		Next: Assistant Manager Wu (D)	47	20230126
2010	E (Yilan)	Previous: Chairman Lai (F)	56	20221208
		Next: Store Manager Lai (S)	37	20230125
2016	F (Chiayi)	Previous: Chairman Yu (F)	60	20221124
		Next: Manager Yu (S)	35	20221124

The meaning of the bracketed abbreviations is explained below: (M)=mother, (D)=daughter, (F)=father, (S)=son. Each interview lasted about 3-4 hours.

RESULTS AND DISCUSSION

The results reveal that tourism factories have an important reference for innovative business models when enterprises invest in new factories and new bases. Transforming the business model of tourism factories can enhance corporate value and brand awareness, as well as adjusting and optimizing the original business focus of the parent company. This leads to more competitive and sustainable development in the future. In the meantime, we illustrate the results according to the five aspects of the innovative business model below:

1. Product Innovation Aspect: Through the tourism factory model, the parent enterprise can optimize the product and service process innovation making the development of new products more efficient. Through the characteristics of tourism factories, we reduce the cost of market research and the failure rate of new product development.

2. Customer Relations Aspect: Clients have changed from distributors to travel agents, and consumers have changed to tourists. More branding can enhance the loyalty of the original customer group, and increase the new target customer group, thereby increasing brand value and popularity.

3. Infrastructure Management Aspect: Allowing enterprises more clearly combine local culture, environmental protection, and carbon reduction, local revitalization, and social responsibility will more actively make corporate resources more effective, corporate activities more diversified, and let partners become more active participants in achieving sustainable development goals.

4. Financial Perspectives Aspect: Cash income and other service income provided by the tourism factory are different from existing product sales methods of the parent enterprise. This helps improve gross profits and service quality. Most business operators continue to invest in the field to optimize manpower and construction. The sooner enterprise resources increase investment in the tourism factory and the performance development of group guests, personally participating in the development of travel agencies with the business operator, the faster the growth of performance revenue for the tourism factory.

5. Online Platform Aspect: Understanding of ideas and operation methods of network platforms in the tourism factory business model must be integrated between the two generations. According to interview data, the less old people understand the direction and substance of online marketing strategy, the more young people want to actively participate, and the more vigorous their execution ideas will be. Cost-based manufacturing management thinking makes the human and budgetary resources of tourism factories on the online platform relatively passive and unvalued compared with other service or technology industries, including the poor attention of business operators. Because listed companies have more human and financial resources to operate, they pay more attention to the publicity and advertising benefits and operation of online platforms.

Another result relates to the inheritance of the tourism factory from the parent enterprise. Through the sightseeing factory business model, it can be clearly understood that business operators are well aware of the two key directions in which the enterprise needs to develop in the future. One is the future key direction of the company's internal operations such as attaching importance to continuous brand optimization, strengthening product quality and R&D innovation, doing a good job in customer service, improving international sales capacity, and developing more new markets and new customers.

The second key direction is the enterprise's external future such as linking local industry, humanistic history, and agricultural product development, playing an important role in local economic creation, as well as doing a good job in industrial tourism and technical education. There is a general lack of succession planning by the previous generation of business operators. The previous generation of operators expects the next generation to make up for the shortcomings of their own operating conditions, including e-commerce, local

revitalization, marketing activities, and international marketing. At the same time, it is also expected that the next generation of enterprise operators can innovate and develop and operate sustainably so the parent enterprise can grow steadily.

A complete company system is formulated to fully communicate and distinguish clear work rights and responsibilities. In the absence of such a system, conflicts and disputes between the generations and the actual performance and development of the entire tourism factory business model arise. These conflicts fully test the family governance and business management wisdom of the previous generation of business operators. In addition, the next generation of company operators work harder than conventional manufacturing company operators who do not usually operate tourism factories. Indeed they must go to work on holidays and attend tourism-related activities.

CONCLUDING COMMENTS

The main purpose of this study is to analyze and explore key factors of the innovative business model of tourism factories by existing or traditional enterprises. We wish to identify successful innovative business models of tourism factories in Taiwan with special characteristics. We conduct in-depth interviews with two generations of the interviewed enterprise operators and data collection. This study utilizes the research methods of interview data analysis and case studies of 12 two-generation operators from six existing tourism factories that have been officially certified and evaluated. The results corroborate with the theoretical basis of literature review, to obtain the results of the study on the five major aspects of the heritage and innovative business models of the tourism factory enterprise.

The previous generation of leaders' technical expertise and adherence to the corporate philosophy, the next generation of leaders can increase the benefits of tourism and internet performance. It can increase enterprise value and brand awareness through operation of the tourism factory innovative business model on the basis of the existing foundation. At the same time, the company will be able to move forward in sustainable development.

A regional tourism service network provides offline experiences and online shopping and services, identifying new highlights for traditional sightseeing spots and linking regional development to local revitalization. Tourism factories with local economic characteristics can usually specifically and subtly represent the natural resources and humanistic economic history of a region or present the development background and evolution of an industry. These are the nutrients and basis for innovative business models, making Taiwan's tourism factories one of the most competitive tourism brands in the world.

The significance of the tourism factory business model for managers is summarized as follows. First, it provides a stable and mature reference experience and method for the transformation of traditional industrial enterprises and the inheritance of family businesses. The model tests the temporary response of business operators in response to changes in the world situation in terms of disease or war. Second, it can help traditional industries that want to enhance corporate value and develop brand awareness. In particular, results in the food industry are remarkable. Third, it provides an experimental field for enterprises to test marketing activities or develop new products because the tourism factory is a highly suitable retail field to collect and obtain authenticity, immediacy, or reduction of R&D and marketing test information. Fourth, serve as a start-up accelerator for traditional family enterprises to enter online shopping and social media marketing to meet consumer demand and improve the quality of field services. Ordinary enterprises must require in-depth research and establishment of relevant manpower to start operating online shopping and social media marketing.

The paper provides suggestions for corporate innovation transformation and family business inheritance.

Successful business inheritance is an important key factor for Taiwan's family business to continue to operate. Two generations of leaders each apply their own expertise. The previous generation of business operators bring technical expertise and adherence to corporate philosophy. The next generation of business operators bring quick absorption of new information and eagerness to change the status quo and adopt innovation characteristics.

Second, traditional enterprises should change from the manufacturing management mode of the parent enterprise to the service industry management mode. The transformation is difficult and takes some time to explore compared with other innovative business models. In addition, it is important for business operators to participate in the operation and service of tourism factories, quickly respond to the service needs of new clients and consumers, immediately adjust the service process and field circulation, and provide the most suitable service quality and commission refund system. Adherence to these guidelines helps the tourism factory model quickly increase performance income.

Third, after 20 years of continuous innovation and optimization of the tourism factory business model, several representative successful industry cases have been developed, including the pharmaceutical industry, the skin care industry, and the food industry. The general manufacturing industry's trajectory for successful transformation into a tourism factory is as follows: "Business operators must develop a new tourism factory business model that suits their own industry and is relatively easy to succeed by considering the core purpose of the parent company to set up a tourism factory, analyzing the industrial background and product profit structure of the parent enterprise, and then considering the development strategy for the performance of individual tourists and group tourists". The six samples provided in this study cannot fully represent all the characteristics of the industry. If a quantitative method can be used to study the existing 162 tourism factories, it will be more representative of the innovative business model of Taiwan's tourism factories.

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