

INCLUSIVE BUSINESS MODEL INNOVATION IN COMMUNITY-BASED HERITAGE TOURISM: A CASE STUDY OF HERITAGE WALKING TOURS IN SURABAYA USING THE FLOURISHING BUSINESS CANVAS

Ratih Mukti Azhar¹⁾, Dian Andrayani²⁾

¹⁾Management Department, Faculty of Economics and Business, Universitas Pembangunan Jawa Timur, Surabaya, Indonesia

²⁾Management Department, Faculty of Economics and Business, Universitas Pembangunan Jakarta, Jakarta, Indonesia

Corresponding author: ratih.mukti.mnj@upnjatim.ac.id

Abstract

Global economic fragmentation has heightened attention to inclusive and sustainable business models across industries, including tourism. While social entrepreneurship has been widely discussed in prior research, much of the literature has remained centered on small traditional enterprises, leaving community-based initiatives built around local heritage and experience relatively underexplored. This study examines the business model development of a community-based heritage walking tour in Surabaya, Indonesia, using a qualitative single-case study design. The case was selected because it represents a grassroots initiative that seeks to preserve local culture while also generating economic value. Data were drawn from publicly available sources, including social media content, community publications, and user-generated interactions. The analysis is informed by the Flourishing Business Canvas (FBC), which offers a holistic lens for assessing economic, social, and environmental value creation. The findings suggest that the community has developed in ways that resemble an emerging social enterprise, with revenue-generating activities closely linked to social objectives such as heritage preservation and local empowerment. The study also shows that digital platforms play an enabling role by broadening access and supporting wider participation. This study contributes to strategic management research by illustrating how grassroots community initiatives can evolve into sustainable and inclusive business models while retaining their core social purpose. It also highlights the relevance of the Flourishing Business Canvas as a practical framework for analyzing community-based social enterprises.

Keyword: Social Entrepreneurship; Flourishing Business Canvas; Inclusive Business Model; Heritage Tourism; Strategic Management.

Introduction

Urban heritage tourism has increasingly emerged as an important approach to destination development that not only provides recreational experiences but also contributes to the preservation of local identity, community empowerment, and sustainable urban development. Recent reports from UN Tourism indicate that cultural tourism continues to represent one of the fastest-growing tourism segments, with travelers increasingly seeking authentic, participatory, and experience-based activities rather than conventional sightseeing (UN Tourism, 2026). This shift has encouraged many cities to promote community participation as an integral component of heritage tourism development, positioning local communities not merely as tourism beneficiaries but as active creators of tourism experiences (Richards, 2022; Goodwin, 2023).

This pattern is visible in the growth of community-based walking tour initiatives in Surabaya, among them Let's Walk Surabaya (@letswalk.idn). The community runs a range of thematic routes covering heritage sites, historic schools, industrial districts, colonial-era hotels, and out-of-city destinations. Beyond on-the-ground programming, it uses social media for promotion, communication, and audience engagement. The convergence of physical experience and digital infrastructure has taken on growing relevance in cultural tourism, as it extends market reach, deepens interaction with visitors, and supports tourism models that are increasingly mediated by digital platforms (Sigala, 2022).

Sustaining the business model of tourism communities, however, remains a substantive challenge. Conventional business model frameworks are largely oriented toward economic value creation and capture, which limits their ability to account for how organizations produce social, cultural, and environmental value concurrently. Recent scholarship on sustainable business models contends that organizations must develop models capable of generating multidimensional value and securing long-term sustainability through the integrated management of economic, social, and environmental dimensions (Bocken et al., 2022; Geissdoerfer et al., 2023). Within community-based tourism, this problem is particularly acute because tourism value is not

determined by products or services alone; it depends equally on social relations, civic participation, and the quality of inter-actor collaboration.

The Flourishing Business Canvas (FBC) provides an analytical framework that situates organizations within an interconnected system of environmental, social, and economic relations, rather than treating them as isolated units (Upward & Jones, 2016). This enables more thorough analysis of an organization's resources, activities, stakeholders, governance arrangements, value creation processes, and outcomes. Current work on sustainable business model development further identifies cross-sector collaboration as a central mechanism for co-creating shared value and strengthening organizational resilience (Lubberink, 2021). On these grounds, the FBC is well suited to examining how tourism communities manage cultural assets, construct relational networks, and generate value beyond narrow economic measures.

Despite the expanding literature on sustainable business models, empirical work applying the FBC to community-based tourism contexts, and to heritage walking tours in developing economies in particular, remains limited. Prior studies have tended to focus on sustainable entrepreneurship or business organizations in general terms, leaving underexplored the question of how local tourism communities mobilize cultural heritage, collaborative networks, and digital platforms to sustain value creation over time. This study therefore analyzes the business model of Let's Walk Surabaya through the FBC lens. Drawing on a qualitative case study design that combines field observation and digital trace analysis, it examines how the community manages cultural resources, cultivates stakeholder collaboration, deploys digital media, and produces economic, social, cultural, and environmental value within a community-based tourism ecosystem.

Methods

This study adopts a qualitative approach with a single-case study design focusing on Let's Walk Surabaya (@letswalk.idn). The case was selected purposively because it represents a community-based tourism initiative that integrates cultural heritage, civic participation, and digital platform use (Flick, 2022; Ridder, 2017). Data were collected through field observations and digital traces from the Instagram account @letswalk.idn, including posts, captions, comments, and publicly available event information. Observations combined participant and non-participant modes in order to capture both tour interactions and on-site activity dynamics. Data analysis was guided by the Flourishing Business Canvas (FBC) developed by Upward & Jones (2016) and applied through thematic analysis using a deductive-inductive approach (Braun & Clarke, 2022). The analysis was subsequently mapped onto the FBC dimensions to examine resources, activities, partnerships, value creation, stakeholders, and outcomes. Credibility was enhanced through triangulation between field observations and digital trace data. The conceptual framework is illustrated in Figure 1.

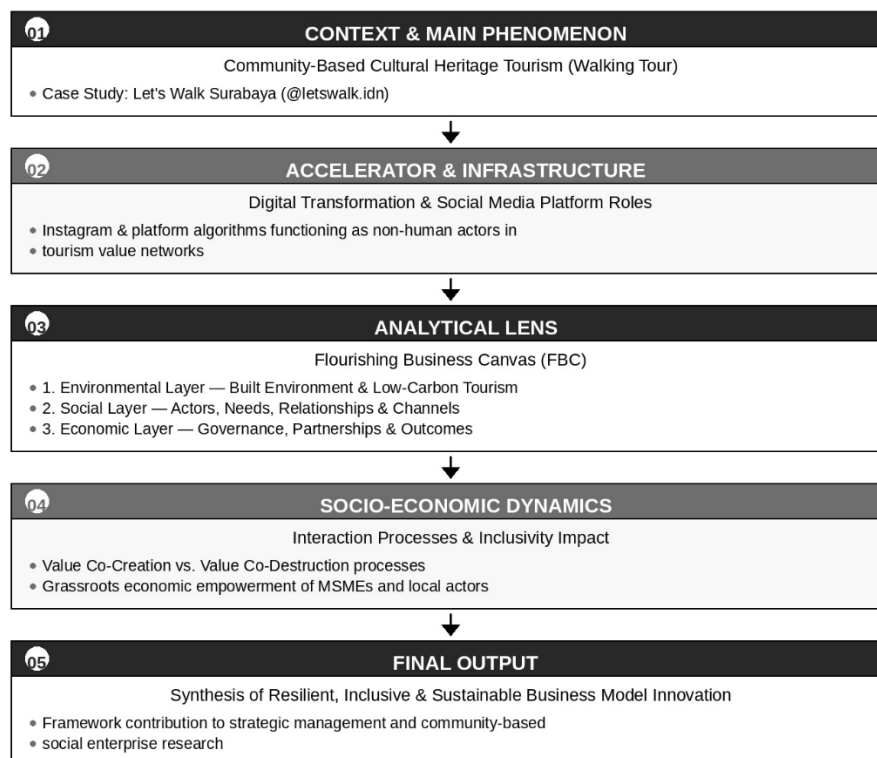


Figure 1. The Conceptual Framework of the research

Results and Discussions

Results

Business model profile of the case.

The community-based heritage tourism case examined in this study is Let's Walk Surabaya (@letswalk.idn), a walking tour community operating in Surabaya, Indonesia. The community's activities center on historical, cultural, and urban exploration conducted through guided pedestrian experiences. Unlike conventional sightseeing formats, Let's Walk Surabaya guides participants through the historical narratives, neighborhood character, and social dynamics that have shaped the city's spatial and cultural identity. By integrating storytelling with direct field engagement, the community delivers a form of tourism that is simultaneously educational and participatory, catering to participants who seek substantive engagement with urban heritage.

In terms of programming, Let's Walk Surabaya organizes tours across a variety of themes and routes. The flagship heritage walking tour covers areas such as Surabaya's Old Town (Kota Lama) and registered conservation buildings, while several thematic programs extend the community's scope considerably. These include KKS (Keliling Kampus dan Sekolah), which addresses the institutional history of historic educational establishments; KPK (Keliling Pabrik dan Kawasan Industri), which documents the city's industrial and economic development; and additional programs such as Jejak Katolik di Surabaya and Museum Tours, each of which engages specific cultural or institutional dimensions of the city. The community also conducts tours beyond Surabaya to examine heritage sites in surrounding regions, and collaborates with institutions, civil society organizations, and tourism practitioners in the co-production of joint thematic events.

Each tour is preceded by systematic research into the history of the areas and sites to be visited, enabling guides to deliver narratives grounded in specific local context. Content is communicated through storytelling in combination with direct on-site observation, affording participants a more concrete and embodied engagement with historical material. In parallel with its field-based activities, Let's Walk Surabaya employs Instagram (@letswalk.idn) as its primary communication channel for disseminating tour schedules, documenting activities, maintaining participant interaction, and extending audience reach. The convergence of direct heritage experience, historical mediation, community participation, and digital platform use renders Let's Walk Surabaya a substantively relevant case for examining community-based heritage tourism through the lens of sustainable business model frameworks.

FBC-based analysis per dimension or per canvas block.

The business model mapping in this study applies the Flourishing Business Canvas (FBC) as the primary analytical framework for examining Let's Walk Surabaya. Where conventional business models concentrate on economic value creation, the FBC supports a more thorough analysis by incorporating social, cultural, and environmental dimensions alongside the relational dynamics among actors within a given business ecosystem (Upward & Jones, 2016). Under this framework, Let's Walk Surabaya is treated as a walking tour community that draws on urban cultural heritage, civic participation, and digital technology to deliver tourism experiences that are educational in character and oriented toward sustainability.

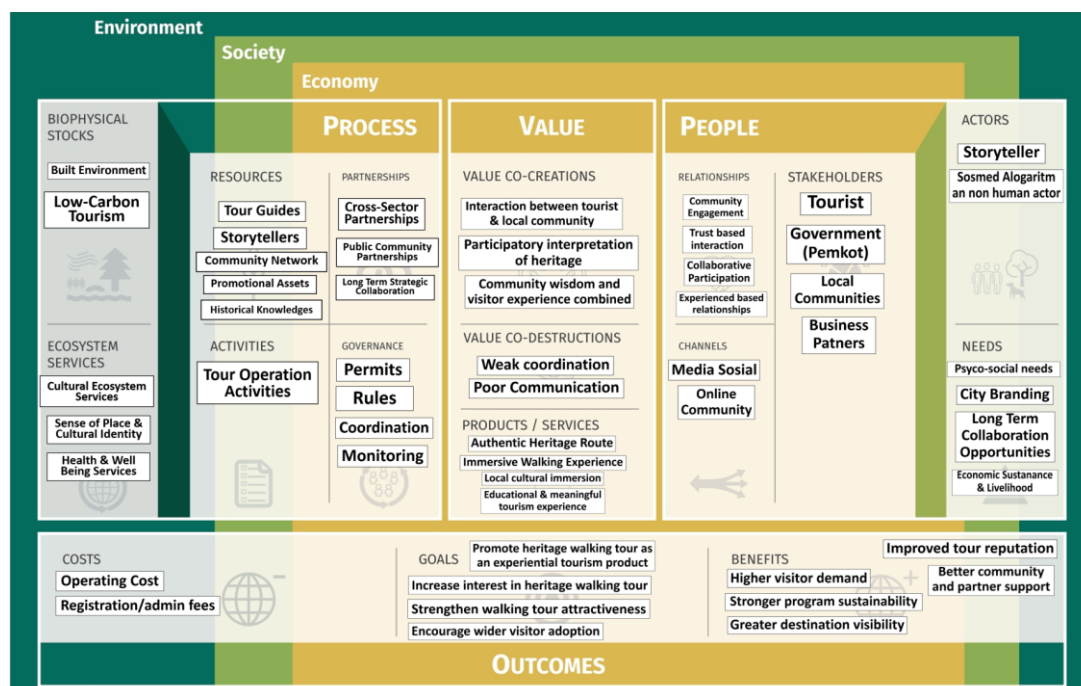


Figure 2. The Flourishing Business Canvas (FBC) of Lets Walk Surabaya

1. Environment

The environment dimension establishes how cultural and environmental resources constitute the operational foundation of Let's Walk Surabaya. Heritage districts, registered conservation buildings, historic hotels, historic schools, former industrial areas, and urban public spaces together form the built environment that enables the community to operate its diverse walking tour routes. In addition to the core heritage route, the community runs thematic programs including Keliling Kampus dan Sekolah (KKS), Keliling Pabrik dan Kawasan Industri (KPK), heritage hotel tours, and out-of-city itineraries that broaden the range of participant experience.

These activities draw on the city's physical assets while also generating cultural ecosystem services, particularly in the form of increased public appreciation for local history, culture, and identity. The walking format further aligns the model with low-carbon tourism principles by avoiding reliance on motorized transport. Alongside the educational benefits, the activities reinforce sense of place, urban cultural identity, and participant well-being through sustained pedestrian engagement.

2. Society

The society dimension identifies the actors involved and the social needs addressed through the community's activities. Core actors in this ecosystem include tourists, local communities, regional government, and business partners, all of whom contribute to the delivery of tourism programming. Storytellers serve a distinct mediating function, connecting historical content with participant experience throughout the tour.

Within the digital context, social media algorithms operate as non-human actors that affect content visibility, promotional reach, and the community's capacity to engage prospective participants. Relations among actors are maintained through community engagement, collaborative participation, trust, and the shared experiences produced during activities. Beyond recreation and historical education, the model addresses needs related to city branding, sustained inter-organizational collaboration, and the economic and social sustainability of participating communities.

3. Value

The value dimension concerns how value is produced and received across the stakeholder network. Let's Walk Surabaya's primary offering is an authentic, narrative-grounded walking tour experience that takes participants through the history, culture, architecture, and urban development of the city via storytelling.

Value arises through co-creation among tourists, storytellers, and local communities. The interactions occurring during tours deepen participant engagement with the cultural heritage encountered, while local community members enrich historical interpretation through their own knowledge and situated experience.

This process is not without risk. Weak coordination, communication gaps, or misaligned expectations among actors can produce value co-destruction, degrading experience quality and reducing the value participants actually receive.

4. Process and Outcome

The process and outcomes dimension describes the resources, activities, partnerships, and governance arrangements that sustain the business model. Operational activities include route planning, historical research, narrative content preparation, tour delivery, community management, and social media promotion. These are supported by tour guides, storytellers, community networks, digital promotional assets, and an accumulated body of historical knowledge specific to the destinations visited.

Cross-sector partnerships with community organizations, heritage site managers, businesses, regional government, and external sponsors enable programming diversity, including the delivery of thematic tours and urban history education events. Governance relies on permitting procedures, coordination mechanisms, operational standards, and activity monitoring to maintain experience quality.

The outcomes sought are broader than visitor numbers: they include increased public engagement with heritage tourism, stronger recognition of Surabaya's heritage sites, and greater visibility of the city as a cultural destination. Over time, the model is also expected to consolidate Let's Walk Surabaya's organizational reputation, deepen partner and community support, and sustain programming continuity through long-term collaborative arrangements among its constituent actors.

DISCUSSION

Role of Digital Platforms: Accelerators of Social Business Transformation

Digital platforms in this study serve as the primary mechanism through which Let's Walk Surabaya extends its reach and cultivates public engagement. In community-based tourism contexts, social media does not function solely as a promotional instrument; it also constitutes an interactive space that connects organizers, participants, and the broader public in more direct and sustained ways. Existing literature establishes that social media strengthens tourism experience through the dissemination of destination narratives, the visualization of lived experiences, and the formation of online tourism communities (Gawer & Cusumano, 2014; María et al., 2014).

Within Let's Walk Surabaya's operations, Instagram is used to publish tour schedules, present heritage visuals, and invite audience participation. This use aligns with documented findings that social media broadens tourist participation, stimulates emotional engagement, and accelerates the circulation of destination information through user-generated and reshared content (María et al., 2014; Leung et al., 2013). On this basis, digital platforms do more than improve activity visibility; they participate in the formation of initial interest in heritage walking tours before any physical engagement occurs.

Beyond its function as a communication channel, social media also supports co-creation processes by enabling two-way dialogue between the community and prospective participants. Prior to tours, audiences can submit questions, provide responses, and access relevant information, which produces a more participatory relationship between organizers and their public. This form of interactivity carries particular weight in tourism studies, where contemporary tourism experience is increasingly understood as shaped by the relationship between digital narrative and physical encounter in the field (Xiang & Gretzel, 2010; María et al., 2014).

Inclusion and Sustainability Dynamics: Community-Based Resilience

The findings indicate that Let's Walk Surabaya operates with an inclusive character, drawing local communities, tourists, and small business operators into a single tourism experience. This aligns with the inclusive business literature, which argues that the meaningful involvement of local groups in economic activity is both a condition and a marker of fair and sustainable development (Addisu et al., 2020; Mair & Marti, 2006). In this context, value does not flow exclusively to the organizers; it extends to local residents situated along the tour routes.

One concrete expression of this inclusivity is the Kranggan route, where participants interact directly with batik artisans at Kampung Batik Okra Kranggan. This approach reflects the concept of shared value, wherein business activity generates economic and social benefits for surrounding actors simultaneously (Kramer, 2011). Let's Walk Surabaya thus functions not only as a tour provider but as a connector between tourism experience and local economic reinforcement.

On the sustainability side, the walking tour model supports environmentally lower-impact tourism practices by relying entirely on pedestrian movement through existing urban space. Sustainable tourism literature holds that tourism activity can be developed with reduced environmental consequences when designed with greater efficiency and grounded in local context (Gössling et al., 2010). In this case, the walking tour format also strengthens sense of place and appreciation for urban identity, which means sustainability here is understood across ecological, social, and cultural registers rather than the environmental dimension alone.

Value Co-Creation and Possible Co-Destruction: The Dialectics of Tourism Experience

From a Service-Dominant Logic perspective, value is not produced unilaterally by service providers but is co-created through interaction among actors (Vargo & Wieland, 2026). At Let's Walk Surabaya, this dynamic is evident in the involvement of tourists, storytellers, and local communities in constructing meaningful tour experiences. Participants do not passively receive historical information; they engage through conversation, observation, and digital documentation throughout the tour.

Value co-creation emerges when historical knowledge, field experience, and social interaction are mutually reinforcing. Storytellers translate history into accessible narrative, while tourists contribute through questions, active participation, and digital documentation of their experience. This process reflects a well-established position in tourism studies: destination value is not determined by physical sites alone but is produced through the interpretation and interaction that occur during the journey itself (Vargo & Wieland, 2026; María et al., 2014).

The study also identifies a persistent risk of value co-destruction when coordination among actors breaks down. The co-destruction literature makes clear that failures in service interaction can erode experience quality and diminish value that would otherwise be realized (Smith, 2014). In this context, unclear communication, weak field coordination, or misaligned expectations among actors can disrupt participant experience in ways that are difficult to recover mid-tour. The viability of community-based tourism models therefore depends substantially on actors' capacity to maintain service consistency and manage expectation alignment across the participant group.

Conclusion

This study examined how Let's Walk Surabaya, a community-based heritage walking tour initiative, develops an inclusive and sustainable business model through the analytical lens of the Flourishing Business Canvas (FBC). The findings demonstrate that the initiative generates value not only through its tourism activities but through the deliberate integration of heritage interpretation, community participation, and digital engagement into its operational logic. Rather than operating as a conventional tourism provider, Let's Walk Surabaya contributes to local heritage preservation, sustained community involvement, and deeper visitor engagement with the city's cultural identity.

The application of the FBC reveals that the initiative's sustainability rests on the interaction among environmental resources, stakeholder relationships, collaborative governance arrangements, value co-creation processes, and digital communication practices. Heritage assets function as shared cultural resources that support learning and community engagement, while digital platforms extend visibility, facilitate audience interaction, and lower barriers to participation in walking tour activities. Taken together, these elements produce multidimensional value across economic, social, cultural, and environmental registers, illustrating how community-based tourism can be structured around objectives that extend well beyond financial returns.

This study contributes to the existing literature by extending the application of the Flourishing Business Canvas to community-based heritage tourism, a context that has attracted limited empirical attention, particularly in developing country settings. The findings suggest that the FBC offers a productive framework for analyzing how grassroots tourism initiatives integrate cultural heritage, stakeholder collaboration, and digital technologies into sustainable business model innovation, and that its application warrants further empirical testing across different organizational and geographic contexts.

At the practical level, the findings indicate that community-based tourism organizations would benefit from strengthening cross-sector collaboration, deepening community participation, and developing more systematic digital communication strategies to support organizational resilience and long-term sustainability. These insights carry implications for local governments and tourism practitioners engaged in designing heritage tourism initiatives that balance cultural preservation objectives with community development outcomes.

Several limitations bear acknowledgment. This study is restricted to a single qualitative case and draws primarily on field observations and publicly available digital traces, which constrains the generalizability of the findings. Future research could address this by comparing multiple community-based tourism initiatives across different urban or regional contexts, or by incorporating interviews with key stakeholders to develop richer accounts of governance structures, partnership dynamics, and strategic decision-making within sustainable tourism business models.

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