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Business Plan Agrotourism with Self Check-in: Clotilde by the Vineyards

António Maria Pinto Carvalho Fonseca dos Santos

Master in Hospitality and Tourism Management

Supervisor:

PhD Renato Teles de Freitas Barbosa Pereira, Assistant Professor, ISCTE Business School

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BUSINESS
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Department of Marketing, Strategy and Operations

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ABSTRACT

This master's project presents a comprehensive business plan for a rural tourism project located in Freixo de Espada à Cinta. The aim of the study is to understand the economic and financial viability of the project, to know the profile of the target tourist and to assess the importance of implementing self-check-in and check-out technology. The project consists of nine units, each equipped with the essentials, including bathroom, bedroom, terrace, and kitchenette. The project's funding will be obtained through the SI Inovação Produtiva incentive program, which contributes 30% of the total investment in a non-refundable way. Regarding the KPI's, the NPV had a value of 240.873,47 euros and the IRR of 14%. The analysis of the business plan indicates that the break-even point should be reached within six and a half years. The conclusions and recommendations of this project contribute to the knowledge base of entrepreneurs and stakeholders in the rural tourism industry, enabling informed decision making and successful project implementation.

Keywords: Business Plan, Rural Tourism, Self-check-in, Productive Innovation

RESUMO

Este projeto de mestrado apresenta um plano de negócios abrangente para um projeto de turismo rural localizado em Freixo de Espada à Cinta. O objetivo do estudo é compreender a viabilidade económica e financeira do projeto, conhecer o perfil do público-alvo e avaliar a importância da implementação da tecnologia self-check-in e check-out. O projeto é composto por nove unidades, cada uma equipada com o essencial, incluindo casa de banho, quarto, terraço e kitchenette. O financiamento do projeto será obtido através do programa de incentivos SI Inovação Produtiva, que comparticipa em 30% do investimento total a fundo perdido. Relativamente aos KPI's, o VAL apresentou um valor de 240.873,47 euros e a TIR de 14%. A análise do plano de negócios indica que o ponto de equilíbrio deverá ser atingido num prazo de seis anos e meio. As conclusões e recomendações deste projeto contribuem para a base de conhecimento dos empresários e dos intervenientes na indústria do turismo rural, permitindo uma tomada de decisão informada e uma implementação bem sucedida do projeto.

Palavras-chave: Plano de Negócios, Turismo Rural, Self-check-in, Inovação Produtiva

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IDENTIFICATION OF THE PROMOTION AND THE INNOVATIVE PROPOSAL

1. Project description

Casa Clotilde embraces different projects of tourism and organic agricultural production, with a view to preserving, valuing, and sharing the values of the Fonseca family: connection to the place, simplicity, integration with nature, local tradition, family tradition, sense of community and independence.

'A family place, of tradition, connection to the land and customs.'

Clotilde's mission is to provide a warm Freixo's immersive and community driven experience, in our simple but cozy family farm, while promoting an environmental consciousness. We strive to reach our position as Douro's best agrotourism unit.

We shall become a reference in the accommodation industry and in Douro's architecture. We will build a brand, a community based on our shared values (local, simple, and sustainable driven). The Agrotourism shall be owned by Casa Clotilde S.A.

Casa Clotilde S.A. is both the developer and the operator of its projects generating a sustainable investment perspective for shareholders. This local family business has two main activities, real estate, and agriculture. The company's goal is to diversify its portfolio Real Estate investments, and to increase the company's assets value.

The company's shareholders will contribute with the land which market value is 150.000 Euros.

The project will be managed by the Casa Clotilde's administrator, Joana Vicente. Joana Vicente has 15 years of experience managing healthcare companies, namely as a general manager, as a project manager and as a suboperations director, creating and managing multidisciplinary teams and establishing creative strategies for optimizing internal operations and customer service.

2. Innovative Proposal

Clotilde is a visionary concept that seeks to redefine the agrotourism experience, offering guests a truly distinctive and immersive stay. Our mission is to provide a genuine and localized environment, where visitors can embrace the essence of simplicity and feel warmly welcomed. To enrich this extraordinary experience, Clotilde will be meticulously reconstructed in a protected area within the captivating Parque Natural do Douro Internacional, on a cherished family heritage site. Our focus is to differentiate ourselves from competitors by embracing a minimalist yet traditional architectural approach that harmoniously showcases the region's natural beauty. In line with our commitment to sustainability, we prioritize the use of traditional building materials and techniques, while honoring and preserving local customs and traditions.

Nestled within the boundaries of the renowned Parque Natural do Douro Internacional and along the serene riverbanks, Clotilde offers an idyllic setting for a memorable escape. With the capacity to accommodate up to eighteen individuals across nine thoughtfully designed houses, our property fosters a sense of intimacy and community. Guests can gather and share experiences in the inviting common areas, including a shared kitchen and two converted tanks that serve as refreshing swimming pools.

The Clotilde offers a variety of amenities and services to guarantee an exceptional stay, in addition to our unique setting and outstanding customer service. Through this user-friendly platform, guests can seamlessly manage essential tasks such as check-in, check-out, and even schedule room cleaning, enhancing their overall comfort throughout their stay.

CHAPTER I: LITERATURE REVIEW

1. Rural Tourism

Rural tourism has experienced a notable surge in popularity across different regions of the world since the 1970s-1980s. This rise can be attributed to the growing influence of a culture centered around lifestyle and leisure, as well as the strategic implementation of tourism as a means of revitalizing and developing rural areas (Walmsley, 2003). By enriching the allure of rural destinations, diversifying economic opportunities, and fostering job creation and income generation, rural tourism actively contributes to bolstering the economic vitality of these regions.

Characterized by the essence of family hospitality and taking place in rural, natural, and/or protected areas, rural tourism offers a more direct and immersive experience with nature, local communities, cultural heritage sites, and traditions. It serves as a catalyst for diversifying the national tourism sector and stimulating local development.

Furthermore, rural tourism holds significant potential in addressing the economic and social challenges stemming from the decline in agricultural production, including limited economic opportunities and population decrease in rural areas. For family farmers seeking to increase their income, rural tourism presents a viable option. By welcoming tourists and providing authentic rural experiences, family farmers can tap into the growing demand for experiential tourism, thereby establishing additional revenue streams.

In conclusion, rural tourism contributes to the economic vitality of rural areas by enhancing their attractiveness, diversifying economic activities, and generating employment and income. Anchored in family hospitality, it fosters direct engagement with nature, local communities, and cultural heritage. Moreover, rural tourism represents a promising solution to the economic and social challenges arising from the decline in agricultural production, offering family farmers a viable means to supplement their revenue (Riva and Bertolini, 2017).

2. Agrotourism

Agrotourism is gradually emerging as a unique form of recreational activity among tourists when selecting their destinations (Xu et al., 2016). This form of tourism has evolved because of the rural

land base crisis, leading to the concept of "farmland diversification" and the promotion of agrotourism (Marsden & Sonnino, 2008). Agrotourism initially involved repurposing existing properties and heritage resources as tourist accommodations (Lane & Kastenholz, 2015).

Agrotourism primarily revolves around providing accommodation on farms, where visitors can enjoy a recreational stay combined with engaging in activities such as working in orchards, animal husbandry, or experiencing local folk culture (Jureniene & Stonyte, 2016). Rural tourism offers accommodations and additional services in various recreational facilities like farmhouses, agrotourism and rural hotels.

By providing an alternative holiday experience in a natural environment and facilitating close interactions with residents, rural tourism and agrotourism cater to individuals seeking respite from their hectic lifestyles. These forms of tourism attract those who are interested in exploring new and lesser-known destinations, thereby reducing overcrowding in popular mass tourist resorts. Additionally, rural tourism can contribute to environmental preservation efforts.

In summary, agrotourism offers a distinctive approach to tourism, combining recreational stays on farms with opportunities to engage in agricultural activities and immerse oneself in local culture. It provides an alternative holiday experience while also contributing to the protection of the environment.

3. Sustainable Tourism

The field of sustainable tourism has witnessed significant development in scientific studies, especially within the tourism domain, since the late 1980s. It has emerged as a highly explored subject and one of the rapidly expanding areas of research in the sector of tourism.

According to Buckley (2012), the term "sustainable tourism" was first used approximately two decades ago. Sustainable tourism began as a negative appreciation in response to serious environmental, cultural, and social ramifications (Bramwell & Lane, 1993). With the flow of time, tourist development has been able to increase significantly via the use of sustainable tourism principles. Sustainable tourism has been critical in identifying ways for achieving positive outcomes, as well as in developing regulatory and development control measures (Bramwell & Lane, 2012).

The concept of sustainability, in relation to tourism, revolves around the government's commitment to planning for the well-being of future generations and their living conditions. Sustainable tourism emphasizes the need for the efficient utilization of resources and the protection of the environment. It also recognizes the potential of tourism to contribute positively to the economy and society. Achieving sustainability in tourism requires enhancing knowledge and adopting effective management practices to meet tourism demand while minimizing negative impacts (Liu, 2013).

4. Technology Tourism

In today's rapidly evolving world, technology has become a powerful force that significantly influences people's lifestyles across various domains. Its pervasive use has brought about substantial transformations in the functioning of businesses, leading them to actively embrace internet technologies for connecting and engaging with customers.

Recognizing the immense significance of these digital tools, companies are leveraging technology to gain competitive advantages in the current landscape. Operational efficiency, facilitated by technology, has become an imperative for business success, driving the production of goods and services.

Yüksek (2013) highlights the substantial impact of technological advancements in enhancing the efficiency of business services, contributing to increased competitiveness and improved marketing effectiveness. This influence extends beyond marketing in the tourism industry, where technology plays a vital role in various operational facets, enabling businesses to attain a competitive edge (Birkan, 1998).

The concept of smart tourism emerges as a new style of service, where technology connects tourism experiences and enhances service offers (Yoo et al., 2017). Smart tourism utilizes smart technologies to enhance people's interactions, bridge the gap between the digital and physical worlds, and enrich vacation experiences (Yoo et al., 2017). In the hospitality sector, the use of smart technologies has proven effective in increasing guest experiences, providing personalized services, and synchronizing various service aspects such as collection, storage, reception, guest relations, and rooms (Neuhofer et al., 2015).

Smart hotel technologies are extensively employed in various sections of accommodation places, including reception, reservation, guest relations, and food and beverage services. With technological advancements in recent years, hospitality enterprises in the tourism industry have gained opportunities to create innovative, smart service solutions, with personalized experiences becoming a critical necessity for businesses (Neuhofer et al., 2015).

A smart hotel is defined as an accommodation business where information technology components collaborate to create an environment that meets clients' expectations (Lai and Hung, 2017). It is an establishment where smart technologies are used across hotel operations, resulting in an enhanced guest experience. By adopting smart technologies such as computers, sensors, wireless networks, and connected devices, hotel businesses can create tailored experiences for their guests (Gokalp and Eren, 2016).

In summary, technology plays a crucial role in shaping the tourism industry and the hospitality sector, revolutionizing customer experiences, and optimizing operational processes. The utilization of smart technologies in hotels allows for personalized services, streamlined operations, and improved guest satisfaction, marking a significant shift in the way the industry operates.

5. Business Plan

Business plans often devote excessive time to financial projections and ideas, overlooking the essential information that truly matters to investors. Entrepreneurs tend to be overly optimistic, padding their projections with detailed month-by-month financial forecasts without conducting thorough background analysis.

While numbers are important, they should primarily exist within a business model that demonstrates the entrepreneurial team's consideration of critical factors influencing the venture's success or failure. This includes aspects such as the production process for manufacturers, renewal rates for magazine publishers, or distribution channels for software publishers.

A business plan is a document that includes in its content, in detail, the strategy to be adopted, the various aspects such as financial, commercial, legal, among others (Fernández-Guerrero et al, 2012; Honig, 2004).

Key questions such as "At what sales level does the business begin to generate profit?" and, more importantly, "When does cash flow turn positive?" deserve substantial attention as they provide insights into the break-even point.

For Kuratko and Audretsch (2009), the formulation of business plans is "one of the most important components of strategic management". The authors also mention that, more than writing a plan or developing a strategy, strategic management is a way of thinking, in the sense that this strategic thinking requires more focus on the external than on the internal.

Effective business concepts are simple to comprehend and recognize yet challenging to assemble. To address this, business plans should be divided into four sections: The Context, The Opportunity, The People, and The Financial Analysis of Rewards and Risks.

The Context section should consider the influence of the economy, government rules and regulations, and technological developments on the entrepreneurial ability to start a business.

The Opportunity section focuses on two crucial questions: "Is the overall market for the venture's product or service substantial, fast-growing, or both?" and "Is the industry structurally appealing to enter presently or potentially in the future?". It is important to acknowledge both the potential and vulnerabilities of opportunities and demonstrate plans to address weaknesses.

The People, "without the right team, none of the other parts really matters" (A. Sahlman, W.,1997). Recruitment strategies should be discussed to attract top talent to the company.

Finally, a comprehensive strategy should demonstrate mastery of the entire entrepreneurial process, from opportunity discovery to harvest. Concealing fatal flaws only deceives investors and leads to negative outcomes for the entrepreneur. By focusing on these essential elements and providing a well-rounded view of the venture, entrepreneurs can instill confidence in investors and increase the likelihood of securing necessary funding.

6. Family Business

Small business family owners can be studied from various aspects like personal values and attitudes, ages, education levels, gender, and the level of entrepreneurial orientations and management style.

Family companies play an important part in the tourist and leisure industry, which is dominated by small and medium-sized firms (Siller & Zehrer, 2016). To define family businesses, Fritz (1996,

pag. 9) said, "a business run by several members of the family (for instance spouses, parents, children, relatives, etc.) who are also employed in the company in an adequate form and who have an influence on the management of the business".

As a result, the following three characteristics may be seen in family businesses:

- ✓ One or more investors run the company and take on the role of entrepreneur;
- ✓ Families or a close family member raise the capital;
- ✓ The investors want to keep the family company going or keep the number of participants limited.

Family business have some advantages like special attention to each guest, enthusiasm, great personal interest in participating in the company, taking use of all operational possibilities, preservation of the company for the family, business relationships and operating experience are passed down from generation to generation and awareness of tradition.

The tremendous self-motivation of a family firm over non-family enterprises is a big benefit. Above all, this entails a personal desire to work for the organization, as seen by an improved readiness to work. This happen, because the family's income is dependent on the firm, a concerted effort is made to protect the family's life's work.

A competitive advantage over other firms is consequently gained largely via the establishment and communication of a family business's image, which also adds to the family business's performance. Strong customer relationships are a priority for family companies, (Gärtner, 2019-20).

Besides advantages are also associated risk that should be taken into consideration such as linking the company and private spheres (private and professional friction points), inheritance disputes, withdrawal of the farmer (payment of inheritance shares or compulsory portions), divorces, awareness of tradition, too few impulses from "outside", often long attendance with "stress peaks" in the season, private and professional conflicts (mood at work).

One significant obstacle, particularly for those in the tourist industry, is access to capital. As substantial weaknesses, the low equity ratio and liquidity constraints are underlined. In addition, finding skilled employees is frequently challenging. The most serious threats to family companies

can be the family itself. It's especially true when family difficulties are carried to the workplace. This can have an impact on business culture, for instance, through mistrust, reciprocal accusations, and family disputes.

CHAPTER II: METHODOLOGY

1. Data Collection and Treatment

In order to obtain all the necessary information to support the business plan, both primary and secondary data was collected. The use of primary data collection methods involves gathering firsthand information directly from the target audience or respondents, while secondary data refers to existing data that has been previously collected by other sources.

For primary data, a survey was conducted which aimed to assess the attractiveness of the proposed concept and to collect participants' views on agrotourism. It sought to understand their perspectives on the positive and negative aspects related to agrotourism, their preferred services, and whether there is a need for additional services. Additionally, the survey is designed to gauge participants' receptiveness to self-check-in and check-out technology and determine the presence of agrotourism as a preferred establishment for holidays.

Furthermore, the survey sought to identify the specific type of holiday that participants would consider in this type of establishment. Finally, it intends to collect information on participants' expectations regarding the average price per night of Agrotourism accommodation.

By analyzing the survey results, valuable insights can be obtained regarding the market's perception of agrotourism and its associated services. This information will help inform future decisions, enabling the development of a more targeted and appealing offering that meets customers' expectations and aligns with their preferences.

To analyze the demographic trend of rural tourism, it was necessary to conduct a secondary data collection. The data was gathered from reputable platforms including PORDATA, the National Institute of Statistics (INE), and the United Nations World Tourism Organization (UNWTO). This approach allows for a comprehensive analysis of the target population, the identification of patterns and the drawing of meaningful conclusions regarding the demographic dynamics in rural tourism.

2. Results' Analysis

2.1. Secondary data

In the first quarter of 2023, international tourism is showing promising signs of recovery as the number of arrivals reaches 80% of pre-pandemic levels¹. This indicates a positive upward trend, despite a 20% decline compared to the same period in 2019. The strong performance of Europe and the Middle East has been instrumental in driving this rebound.

During the initial three months of the year, an estimated 235 million tourists embarked on international travel, which is more than double the figures recorded in the corresponding period of 2022. This surge in traveler numbers reflects a growing confidence among people and a strong desire to explore new and exciting destinations.

In terms of recovery rates, Africa has made remarkable progress, achieving 88% of its 2019 levels. Similarly, the Americas and Asia-Pacific regions are steadily recovering, standing at approximately 85% and 54% of their 2019 levels, respectively. It's worth noting that Southern Mediterranean Europe and North Africa have exceeded their 2019 numbers, indicating a promising revival in these specific subregions.

The encouraging signs of recovery in international tourism during the first quarter of 2023 bring optimism for the industry. The increased number of arrivals, along with the notable recovery rates across different regions and the remarkable performance of specific subregions, all contribute to a positive outlook for the future of global tourism.

In April 2023, the tourism sector in Portugal displayed promising signs of recovery. The total number of guest arrivals in tourist accommodations amounted to 2,8 million, accompanied by 6,8 million overnight stays. This signifies a notable increase of 16.5% in guest numbers and 13.8% in overnight stays compared to the corresponding period in 2022. Projections further indicate anticipated growth of 17.5% in guest arrivals (equivalent to 400 thousand more guests) and 14.3% in overnight stays (equivalent to 853 thousand additional stays) when compared to the figures from April 2019.

During the recovery phase in April 2023, the domestic market played a pivotal role in revitalizing the tourism sector in Portugal. The contribution of residents was remarkable, with an

¹ <https://www.unwto.org/unwto-world-tourism-barometer-data>

estimated 2 million overnight stays. This represented a notable increase of 7.3% compared to April 2022. Noteworthy growth of 21.1% (equivalent to 355 thousand more stays) was observed when compared to April 2019. However, it is worth mentioning that the proportion of resident stays in the overall total slightly decreased from 31.6% in April 2022 to 29.8% in April 2023. In April 2023, the tourism sector in Portugal witnessed significant growth in non-resident stays, projected to reach 4.8 million. This represents a robust year-on-year increase of 16.8% compared to April 2022, where there were 4.1 million stays. In comparison to April 2019, there is an impressive rise of 11.6%, equivalent to 498 thousand additional stays. As a result, the share of non-resident stays in the total surged from 68.4% in April 2022 to 70.2% in April 2023.

Notably, all regions of Portugal experienced growth in the tourism sector. The Algarve region outshined the Lisbon Metropolitan Area, capturing 26.9% of overnight stays, followed closely by the North region with a 17.5% share and the Madeira Autonomous Region with 11.3%. When comparing to April 2019, remarkable growth was observed across all regions, particularly in the North region, which recorded a substantial increase of 30.8%. The Madeira Autonomous Region followed suit with an impressive growth rate of 27.1%, while the Alentejo region displayed notable progress with a growth rate of 24.8%.

During April 2023, the growth in overnight stays in Portugal was driven by both residents and non-residents. The Madeira Autonomous Region experienced an exceptional growth rate of 105.4% among residents, underscoring its strong appeal as a domestic tourist destination. Additionally, the Alentejo, North, and Central regions showcased significant positive variations of 30.2%, 25.7%, and 22.6% respectively, indicating the widespread popularity of these regions among local travelers.

In terms of non-residents, the North region stood out with a remarkable growth rate of 34.0%, solidifying its attractiveness to international visitors. The Madeira Autonomous Region also witnessed substantial growth of 17.0%, reinforcing its position as a highly sought-after tourist destination. The Azores Autonomous Region followed closely behind with a growth rate of 16.7%, highlighting its unique allure and natural beauty. Despite a comparatively lower growth rate of 1.7%, the Algarve region remained a popular choice for both residents and non-residents.

These diverse growth patterns across regions highlight the thriving and varied tourism landscape in Portugal, where different areas offer distinctive experiences and contribute to the overall growth and success of the sector.

The tourism sector in Portugal has demonstrated remarkable growth and positive trends during the cumulative period from January to April 2023. The number of guest arrivals reached 7.8 million, reflecting a significant increase of 15.1% compared to the same period in 2019².

Domestic tourism has played a pivotal role in this growth, with 3.3 million guests from Portugal, showing a notable increase of 16.5% compared to 2019. Similarly, international guest arrivals have seen substantial growth, with 4.5 million guests from abroad, representing a 14.1% increase compared to 2019.

In terms of accommodation types, hotels have been the preferred choice for guests, accounting for 6.3 million arrivals during this period. This represents a significant growth of 14.8% compared to 2019. Additionally, local accommodations, including vacation rentals and similar establishments, welcomed 1.2 million guests, experiencing a growth of 9.9%.

Notably, tourism in rural establishments and residential accommodations has seen exceptional growth, with 298 thousand guests choosing this option. This represents a remarkable increase of 52.2% compared to 2019, making it the accommodation category with the highest growth rate.

In 2019, the Douro Region in Portugal experienced a significant level of tourism activity in its rural tourism establishments. With a total of 501,573 overnight stays recorded, it showcases the region's attractiveness as a tourist destination. This figure reflects the number of guests who stayed overnight in the rural tourism establishments throughout the year.

The average revenue per available room (RevPAR) in these establishments was €38.6. RevPAR is a key performance indicator used in the hospitality industry to assess the financial performance of accommodations. The €38.6 RevPAR indicates the average revenue generated per available room in the rural tourism establishments in the Douro Region. This figure helps gauge the economic performance and profitability of the establishments. Furthermore, the presence of 105 rural tourism establishments in the region indicates a vibrant industry landscape. These establishments offer a variety of accommodation options and services to cater to the needs and preferences of tourists visiting the Douro Region.

Overall, these figures demonstrate the significance and success of rural tourism in the Douro Region in 2019, both in terms of visitor numbers and revenue generation. It highlights the appeal of the region's natural beauty, cultural heritage, and agritourism experiences, which contribute to the local economy and promote tourism development.

² <https://travelbi.turismodeportugal.pt/turismo-em-portugal/estimativas-rapidas-abril-2023/>

These figures highlight the positive performance of the tourism sector in Portugal, with significant growth in both domestic and international guest arrivals. The increasing popularity of rural establishments and residential tourism showcases the diverse and thriving tourism landscape in the country, offering unique experiences for visitors.

2.2. Primary data

The survey conducted consisted of 101 participants, out of which 82 were residents of Portugal, while 19 were foreigners. Among the respondents, 33 individuals indicated that they work remotely or follow a hybrid work system.

When asked about their preference for a specific time of year, it was found that 62 participants had no preference. However, 11 individuals expressed a preference for the almond blossom season, 5 individuals favored the festive season, and 13 individuals preferred the grape harvest season. Additionally, 10 respondents stated a preference for the olive picking season.

In terms of vacation choices, rural tourism was selected by 71 people for short weekend getaways of 2 to 3 days. Two individuals opted for longer vacations of 7 to 15 days, and 28 respondents chose rural tourism for vacations lasting 4 to 7 days. Notably, all participants regarded rural tourism as a leisure destination, with 80% stating that it was their preferred choice for vacations.

The primary reason cited for choosing rural tourism was the opportunity to be surrounded by nature and away from crowded areas. This aspect was highlighted by most respondents. Furthermore, out of the surveyed individuals, 67 were single.

When it comes to favorite activities, biking, exploring nearby villages, and enjoying river beaches emerged as the most popular choices among the participants. As for preferred features of rural tourism accommodations, free Wi-Fi, inclusive breakfast, parking facilities, and a swimming pool were mentioned as the top preferences.

These survey findings provide valuable insights into the preferences and behaviors of the participants regarding tourism choices and accommodations. The results indicate a strong interest in rural tourism as a leisure option, particularly for those seeking a tranquil environment surrounded by nature. The preference for activities such as biking and exploring local villages reflects a desire

for an immersive and authentic experience. The mentioned amenities, such as free Wi-Fi and breakfast, align with the convenience and comfort expectations of the surveyed individuals.

2.3. Economic and financial viability

Lastly, the collected data will be interpreted and treated so that conclusions can be drawn in what concerns this project's viability, mainly by resorting to a set of different indicators, such as Net Present Value (NPV), Internal Rate of Return (IRR) and Payback Period (PP).

CHAPTER III: MARKET ANALYSIS

1. External Environment

1.1. PEST analysis

1.1.1. Political context

The Government specifies the significance of the tourist industry for the Portuguese economy through the tourist 2020 Action Plan and the National Strategic Tourism Plan - PENT 2027, as well as the investment goals and priorities for our nation as a whole and for each area.

The Decree-Law No. 15/2014 of January 23 implements the second modification to Decree-Law No. 39/2008 of March 7 and Decree-Law No. 228/2009 of September 14 to provide the legal framework for the establishment, exploitation, and operation of tourist firms. All appropriate licences must be obtained from Turismo de Portugal and must fulfill the relevant criteria in order for TH/TER firms to be certified by the Portuguese Certification Association (APCER).

The ASAE - Food and Economic Security Authority also has control over the rural tourist industry. This department of the Ministry of Economy is responsible for monitoring the risks in the food supply chain and the operations in the food and non-food sectors to ensure that the requirements are effectively followed. If necessary, it has the power to close down businesses or impose penalties.

1.1.2. Economic context

The Portuguese economy experienced a deceleration in 2022 following the recovery from the pandemic crisis. Factors such as the invasion of Ukraine, increased price pressures, and the rise in international energy and food prices have contributed to this slowdown.

Employment and unemployment are expected to remain stable, suggesting a relatively steady labour market situation despite the economic challenges.

Additionally, it is stated that the Portuguese economy will continue to grow more than the euro area, except for 2020. This indicates a favourable growth performance relative to the overall euro area.

The increase in prices in 2022 is noted as the highest in the last 30 years, driven by a combination of factors including the rise in international energy and food prices as well as the recovery in tourism, which has led to increased prices in certain services.

The tourism sector is the largest exporting economic activity of the country in 2019, accounting for a contribution of 8.7% to the national GDP. Tourism activity is subject to a VAT rate of 6%. The reduced rate applies exclusively to the price of accommodation, including breakfast.

1.1.3. Social context

According to INE numbers, there were about 10.295 million residents in Portugal in 2019, an increase of 0.19% over the previous year and the first in ten years. The reasoning behind the increase is based on the fact that the migratory balance, which measures the number of persons entering and departing Portugal, increased from 11,570 to 44,506 while the natural balance, which measures the number of births and deaths, remained negative at -0.25%.

In the last ten years, the population has aged considerably, with 50% of the population now over 45.5 years old, 4.3 years older than in 2009. Europe has been experiencing a demographic ageing trend for several decades, and Portugal is no exception. The number of old people is rising while the proportion of children and adults in their 20s and 30s is declining. The proportion of young people decreased from 15.7% to 15.6% between 2012 and 2017, the most recent year for which comparable data are available from Eurostat for all 28 countries of the European Union (EU28), while the proportion of people of working age decreased from 66.1% to 64.7% and the proportion of the elderly increased from 18.2% to 19.7%.

1.1.4. Technology context

From the increasingly accessible Internet in all parts of the country, to the creation of branded mobile applications, a constant technological development is observed that reaches the various sectors of activity. In 2019, 80.9% of households in Portugal have internet access at home (1.5%

more than in 2018), and this access is more frequent in families with children up to 15 years old (94.5%), than for those without children (73.2%). In 78.0% of households access is carried out through broadband.

Social networks have enormous potential as a marketing tool and, consequently, tourism marketing, since they allow increasing the notoriety of a destination by increasing its reputation. For this reason, the customer's decision is greatly influenced by the information made available on social networks and online media, through the global sharing of experiences and tourism content with other people who have already visited the same destination. It is essential to be present on several online sales websites and to carefully treat the information provided to the customer, since comparison with the competition is instantaneous.

2. Specific external environment

2.1. 5 Forces of Porter

Threat of New Entrants:

The rural tourism market in the Douro Region has relatively low barriers to entry, making it accessible for new establishments to enter the industry. Additionally, the region's abundance of natural and cultural resources provides opportunities for leveraging unique rural tourism ventures. However, established rural tourism businesses hold a competitive advantage due to their brand reputation and loyal customer base, which may pose challenges for new entrants.

Bargaining Power of Suppliers:

Local suppliers play a significant role in providing goods and services to rural tourism establishments in the Douro Region. As establishments rely on these suppliers, their bargaining power may be limited. However, if demand for rural tourism increases, alternative suppliers may emerge, thereby reducing the individual suppliers' bargaining power.

Bargaining Power of Buyers:

Buyers, or tourists, hold relatively limited power in the rural tourism industry of the Douro Region due to the restricted number of available establishments. Nonetheless, establishments that stand out

by offering distinctive experiences, exceptional services, and appealing amenities enjoy a competitive advantage in attracting and retaining customers. By focusing on delivering unique and high-quality offerings, these establishments can enhance their appeal and increase customer loyalty in a market with limited options.

Threat of Substitute Products or Services:

The availability of alternative destinations poses a potential threat to the Douro Region's rural tourism industry. Tourists may opt to visit other regions or countries for their rural tourism experiences. To mitigate this threat, rural tourism establishments can focus on providing unique and authentic experiences that set them apart from substitutes.

Competitive Rivalry:

The rural tourism market in the Douro Region is highly competitive, with numerous establishments striving for market share. Successful differentiation and effective market positioning are essential for gaining a competitive edge. Establishments that offer distinctive experiences, exceptional services, and effective marketing strategies are more likely to succeed in this competitive landscape.

In conclusion, the rural tourism industry in the Douro Region presents both opportunities and challenges. New entrants should carefully consider the competitive landscape, supplier dynamics, buyer preferences, and potential substitutes. By differentiating their offerings and providing high-quality experiences, establishments can position themselves for success in this dynamic market.

2.2. Opportunities and Threats

The project has identified several opportunities in the external environment that can be leveraged for its success. Firstly, the growing tourism in the Douro region presents an opportunity to attract a larger customer base and benefit from the increasing popularity of the area. Additionally, the rise of rural tourism provides a chance for the project to cater to the demand for unique and authentic rural experiences.

The availability of European incentives, such as the SI Productive Innovation incentive, offers financial support for the project's development and expansion plans. By capitalizing on these incentives, the project can secure funding and enhance its competitiveness in the market.

The focus on sustainability and ecology aligns with the growing concern for environmentally friendly practices among travelers. By showcasing its use of sustainable materials and eco-friendly practices, the project can attract environmentally conscious tourists.

The increase in domestic tourism provides an opportunity for the project to target local tourists who are seeking refreshing and immersive rural experiences.

However, the project also faces certain threats that need to be addressed. The emergence of new competitors in the rural tourism market poses a threat to the project's market share and customer acquisition. It is important for the project to differentiate itself and provide unique offerings to stay ahead of the competition.

The escalating cost of living, including energy and labor expenses, can impact the project's profitability and operational costs. The project should carefully manage its costs and explore strategies to maintain its price/quality ratio.

The potential conclusion of European incentives poses a risk to the availability of funding for future development and expansion. The project should diversify its funding sources and explore alternative financing options to mitigate this threat.

Extreme weather conditions in the region, such as temperature fluctuations or weather events, may affect the project's operations and visitor comfort. The project should have contingency plans in place to ensure the safety and satisfaction of guests.

Obtaining licenses and permits for operating a tourism establishment can be challenging. The project should proactively engage with the relevant authorities and ensure compliance with all regulatory requirements to avoid delays and disruptions.

By capitalizing on the opportunities and addressing the threats, the project can position itself as a sought-after destination for rural tourism, offering a sustainable and authentic experience while effectively managing potential challenges in the market.

3. Internal Analysis

3.1. Strengths and Weakness

The project under evaluation exhibits several strengths that contribute to its potential success. Firstly, the architecture and design of the establishment are visually appealing and create a unique ambiance for guests. Additionally, the use of sustainable materials in construction aligns with environmental values and attracts eco-conscious travelers. The implementation of self check-in and check-out technology enhances operational efficiency and provides convenience to guests.

The project's location within the International Douro Natural Park is a significant advantage, as it offers access to breathtaking natural landscapes and outdoor activities, appealing to nature enthusiasts. Furthermore, the availability of a reliable internet connection caters to the needs of digital nomads and ensures a seamless online experience for all guests. The project also boasts a good price/quality ratio, providing competitive rates and value for money.

With the presence of a dedicated app, the project facilitates effective communication and customer relations. Guests can easily manage their bookings, access personalized concierge services, and provide feedback, enhancing their overall experience. However, it is important to acknowledge some weaknesses. The project's limited accessibility, dependent on private transportation, may hinder potential guests who rely on public transit.

Additionally, the lack of nearby health infrastructures may pose challenges in emergency situations and inconvenience guests seeking immediate medical assistance. The absence of an on-site restaurant limits dining options, which may affect guest satisfaction, especially for those who prefer on-site dining convenience.

As a new brand in the market, the project faces the challenge of building brand awareness and establishing its reputation among potential customers. Implementing targeted marketing strategies and creating unique selling propositions will be crucial to overcome this weakness.

Identifying these strengths and weaknesses enables the project to capitalize on its advantages while addressing potential shortcomings. By leveraging its strengths and developing strategies to mitigate weaknesses, the project can enhance its competitiveness, attract a broader customer base, and establish a strong presence in the rural tourism industry.

4. Competitive Analysis

4.1. SWOT

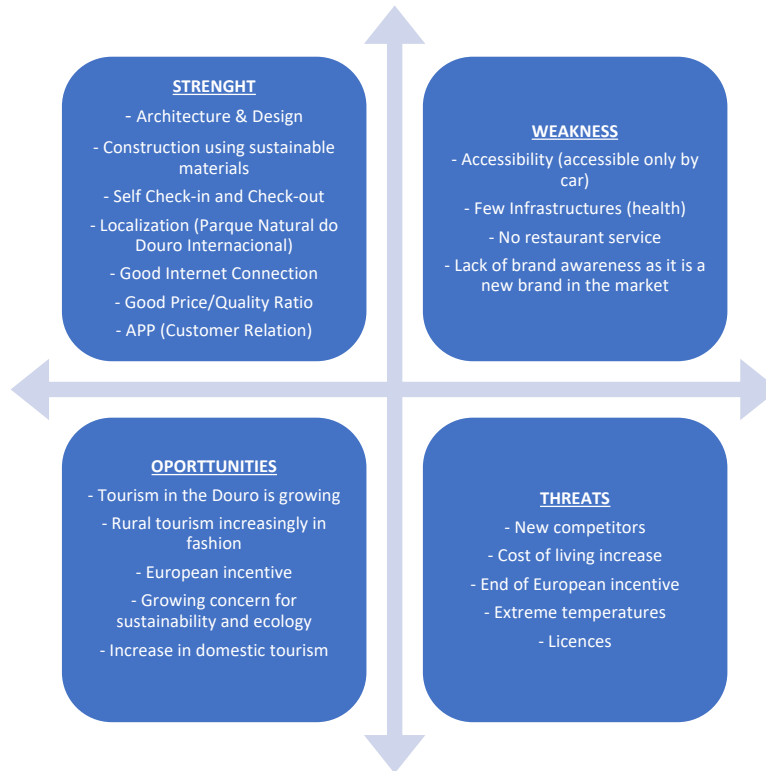


Figure 1 - SWOT Analysis

4.2. Competitors

The market analysis reveals a competitive landscape with six direct competitors of Clotilde: Quinta das Aveliras, Villa Auri, Quinta do Salgueiro, Casa das Quintas, Casa do Rio Wine Hotel, and Casas do Juízo. These rural properties, all considered "quintas," offer different types of accommodations, experiences, and amenities to attract visitors.

Table 1 - Competitors Analysis

Competitors	Individual	Twin Room	Number of Rooms	Location	Type	Amenities	Booking rating
Quinta das Aveleiras	100 €	100 €	4 houses	40km	Quinta	Swimming pool, WI-Fi, park, coffee/tea maker, tennis court, bicycle rental, kitchenette	8,2
Villa Auri	97 €	107 €	4 houses e 2 apartments	31km	Quinta	Swimming pool, park, WI-Fi, bar	8,8
Quinta do Salgueiro	90 €	90 €	8 rooms	1km	Quinta B&B	Swimming pool, park, WI-Fi, bar	8,5
Casa das Quintas	190 €	190 €	2 rooms and 2 houses	28km	Casa de Campo	Swimming pool, WI-Fi, park, coffee and tea machine	9,4
Casa do Rio Wine Hotel - Vallado	330 €	330 €	8 rooms	46km	Enoturismo	Wine tasting, Swimming pool, Spa, Boat trips, Picnics, Jeep tours, Hiking trails, Canoes and Stand Up Paddle, E-Bikes/Bicycles, Fishing program, Concierge	9,7
Casas do Juizo	87 €	87 €	8 houses	70km	Turismo de aldeia	Outdoor covered swimming pool, leisure area, barbecue, wood oven, wood stove, organic vegetable garden, greenhouse, animal stable	9,0

Examining the data, several key points can be identified:

- a) **Location:** The distances range from 2km to 70km in relation to Clotilde. This means that the proximity of some competitors can be an attractive factor for tourists who wish to explore the region.
- b) **Amenities:** Most competitors offer amenities such as a swimming pool, Wi-Fi, and leisure areas. However, there is differentiation in terms of additional amenities, such as parks, bars, wine tastings, spas, and outdoor activities. These offerings can impact customers' choices.
- c) **Ratings:** The ratings on the Booking platform range from 8.2 to 9.7 among competitors. This metric reflects guest satisfaction and service quality. Casa do Rio Wine Hotel achieved the highest rating, indicating a high level of customer satisfaction.
- d) **Types of Accommodations:** The variety of accommodation types, such as rooms and houses, offered by the competitors allows for catering to different visitor needs. This demonstrates the importance of having flexible options to appeal to a wide range of customers.
- e) **Average Daily Prices (ADR):** The average daily prices range from €90 to €348. This price range shows diversity in the pricing strategies of competitors. It is crucial for Clotilde to carefully analyze its pricing strategy to ensure competitiveness without compromising profitability.

Based on this data, Clotilde needs to position itself uniquely to stand out in the market. It can focus on its architectural appeal, technological advancements, and sustainability as competitive

advantages. Additionally, Clotilde should carefully consider its pricing strategy in relation to competitors, offering fair and attractive value to potential customers. The market analysis provides valuable insights for Clotilde to make strategic decisions and differentiate itself in a competitive landscape.

After the final analysis of the competition we can conclude that the most direct competitor is Casa do Rio Wine Hotel - Vallado, since it is the competitor with the most similar characteristics to Clotilde, which are Architecture and Design, Concierge Service, Self-Check in and Check out, Agrotourism, Good Internet Coverage, Conscious values / local but sophisticated lifestyle, and Immersive experiences.

5. Plan Objectives / Development Strategy

The project implementation process begins with a thorough evaluation of the business plan to assess its economic and financial viability. If deemed feasible, the project will require approvals from relevant authorities, including the chamber, REN, and RAN. Once these approvals are obtained, the project can proceed to apply for the SI Inovação Produtiva incentive program to secure funding and support. With the project accepted into the program, construction of the agrotourism units can commence, adhering to regulations and guidelines. Effective project management will ensure timely completion within budget. After construction, the units will be ready to offer an authentic rural tourism experience. Continuous monitoring and evaluation will optimize operations and enhance guest satisfaction. This step-by-step approach ensures successful project implementation, from planning to the operation of the agrotourism units.

6. Implementation Plan

6.1. Segmentation, Target, and Positioning

6.1.1. Segmentation and Target

The target audience for this project consists primarily of couples between the ages of 27 and 50, whether they reside in Portugal or are from abroad. Additionally, the project aims to attract digital nomads who are seeking a connection with nature, rural surroundings, and local culture.

From a socio-economic standpoint, the project targets individuals belonging to the middle and upper-middle classes. These are individuals who typically have a higher disposable income and are willing to spend on quality experiences. The project also caters to individuals who are comfortable using the internet or telephone to make their bookings, reflecting a tech-savvy customer base.

By focusing on this specific target audience, the project aims to cater to the preferences and interests of couples and digital nomads who are seeking a unique and immersive rural tourism experience. The combination of nature, cultural immersion, and the convenience of digital tools for booking and management is designed to meet the needs and expectations of this target market.

6.1.2. Positioning

The Clotilde project, in Freixo de Espada à Cinta, intends to identify itself as an answer of choice to the needs of the tourist who seeks the type of rural tourism, proximity to the rural environment and nature, tranquility, authenticity and high-quality service, in line with a segment also of high level. The project will stand out from the identified competitors, presented in 4.2., through the characteristics of the space that is presented and offered to the public, the quality of its services and the way in which communication with the client will be developed.

6.2. Marketing-mix

6.2.1. Product

Clotilde's primary focus is on providing authentic local accommodation to its esteemed clients. Our objective is to create a lodging experience within a humble and unassuming dwelling that stays true to the traditional aesthetics of the Douro region, while effectively capturing the essence of what it means to be from Freixo de Espada à Cinta. We aspire to cultivate an inviting ambiance that reflects the local community's curiosity and openness towards the world, acknowledging the Portuguese people's innate passion for exploration and cultural exchange.

At the core of our mission is the warm reception and hosting of our valued guests, ensuring their utmost comfort in thoughtfully designed homes. We firmly believe that the architectural design of these houses should seamlessly blend with the surrounding environment and harmonize with the desired lifestyle we aim to offer our discerning visitors. Our commitment lies in preserving authenticity and safeguarding the traditional architectural heritage specific to the Freixo de Espada à Cinta region.

Nestled within the renowned Douro wine region, Clotilde serves as a serene retreat that holds sustainability and local engagement in high regard. Our endeavor is to bestow upon our cherished guests an authentic and immersive experience, allowing them to truly embrace the distinct architectural style and cultural identity of Freixo de Espada à Cinta. We wish for them to feel completely immersed in the local way of life and to relish in the splendor of the Douro region, renowned for its picturesque vineyards and breathtaking landscapes.

Moreover, we place immense value on fostering meaningful connections with the local community, actively encouraging our guests to partake in community activities and events. By forging deeper bonds with the region and actively promoting sustainable community development, we offer our guests the chance to delve into the customs, traditions, and rich historical tapestry of Freixo de Espada à Cinta.

Our aim is to provide our esteemed guests with an authentic and enriching experience, allowing them to unwind, bask in the tranquility of the Douro wine region, and forge a genuine connection with the local culture. Clotilde stands as a place of exceptional significance for those seeking an unparalleled and meaningful sojourn in the Douro region, thanks to our unwavering commitment

to preserving the distinctive aesthetics and architectural heritage of Freixo. Embracing the values of sustainability and community involvement, we strive to deliver a service of the utmost quality, leaving indelible memories in the hearts of our visitors.

6.2.2. Pricing

Based on the comprehensive analysis of a questionnaire, which garnered an impressive response rate of 101 participants, it has been revealed that a significant 58% of the respondents expressed their willingness to pay a minimum of 150€ per night for their chosen accommodation. Additionally, an extensive evaluation of our competitors' pricing strategies during both the low and high seasons uncovered valuable insights. On average, our competitors charge 170€ per night during the low season, while prices escalate to 195€ per night during the high season.

With our overarching objective of establishing a position of superiority in terms of design, architecture, and the overall simplicity of our services when compared to our competitors, it is justifiable to consider a slight adjustment to our pricing. In line with this, we propose a rate of 180€ per night for the low season, which takes into account the added value we offer to our discerning guests. Similarly, for the high season, we suggest a rate of 200€ per night, reflecting the exceptional experiences and heightened demand during that period.

Our pricing decisions are guided by the aim of aligning the perceived value we provide with our exceptional facilities and service quality. By doing so, we seek to attract discerning customers who not only recognize but also deeply appreciate the unique experience we are committed to delivering. These proposed rates will not only enable us to maintain our desired positioning in the market but also ensure that our esteemed guests receive outstanding value for their investment. Ultimately, our goal is to leave a lasting impression and surpass the expectations of each and every individual who chooses to grace our establishment with their presence.

6.2.3. Promotion

Promotion plays a crucial role in effectively communicating the value of our rural hotel and establishing strong connections with customers. Our main objectives are to highlight the distinctive

offerings of our hotel, generate interest among potential guests, and solidify our position in the market.

Considering the need to optimize our resources and allocate them wisely, we prioritize communication channels that provide maximum impact within our budgetary constraints. This ensures that we avoid unnecessary expenses while still effectively reaching our target audience. However, our promotion strategy remains adaptable to evolving market dynamics, allowing us to make necessary adjustments as required.

To enhance customer loyalty and cultivate long-lasting relationships, a number of strategies have been implemented. These include developing a comprehensive customer database and conducting surveys to gather valuable information from our guests. By understanding their current needs and preferences, it will be possible to incorporate their feedback and continuously improve our offerings to meet their expectations.

Collaboration with marketing partners is another possible way to effectively promote our rural hotel. By partnering with businesses that align with our values and complement our offerings, we can extend our promotional reach and engage with a wider audience. This collaborative approach includes initiatives such as cross-promotion through the exchange of leaflets or business cards between our establishments. Through these collaborations, we aim to provide customers with a comprehensive experience that showcases the best of both businesses.

In our quest to increase visibility and connect with our target audience, we have identified potential partners, magazines, and Instagram pages that resonate with our brand image. Some of these include NIT, Best Portugal Hotels, Fremeweb, Publituris, Condé Nast Traveller, and Visual Pleasure. By partnering with these entities, we not only expand our reach but also offer customers a diverse range of sources through which they can discover and engage with our hotel.

Our commitment lies in implementing a well-rounded promotion strategy that fosters customer engagement and loyalty. We leverage various communication channels, forge strategic partnerships, and harness the power of digital platforms to effectively communicate the unique value of our rural hotel and create memorable experiences for our guests.

6.2.4. Distribution

The mainly targeted segment customers, the Millennials, are mainly reachable through an omnichannel customer service and a mobile marketing strategy. Clotilde will take advantage of its mobile app that will ease the purchase and enhance and personalize the communication. Online direct distribution channels will be privileged, and the mobile app, social media and community engagement will be a priority for Clotilde. Namely, social media presence through all channels: Facebook, twitter, Instagram, Tik Tok, Snapchat, where sharing videos and pictures by our guests will be highly appreciated, in order to promote Word of Mouth marketing. Building a brand community who shares Clotilde's values and lifestyle is essential to build a loyal customer relationship.

6.2.5. Location, Layout and Equipment

The company has its headquarters in Freixo Espada à Cinta, in Bragança, which coincides with the location of the space to be exploited. The physical space is presented in Annex E. It will consist of nine housing units and a surrounding area, including agricultural crops, common areas and parking area, in a total of 3471m². The accommodation units will range in size from 30 to 57 and each will be able to accommodate up to two people per unit.

Each unit will include a complete bathroom, kitchenette, living room, bedroom, and terrace. There will also be some common areas such as a kitchen, fountains, sauna and two swimming pools. The equipment of the units will include all interior and exterior furniture, bathroom textiles, crockery, decoration items, internet point, among others necessary to comply with the style, functionality of the space and operationalisation of the business. Additionally, and for greater efficiency, solar panels will be installed in each of the units.

7. Organizational

7.1. Societal structure

The investment in the reconstruction of the units, as well as the investment for the filling, will be the responsibility of the operating company. The exploitation of the business will be carried out by the family company, which operates in the form of a limited company with a share capital of five hundred thousand euros (EUR 500,000.00). The management and control of the business will be carried out by the promoter in the form of a hotel manager.

The total value of the investment for this project is 594.317 Euros, being 25% financed by the shareholders and the remaining by long term loan debt.

Taking into account the necessary capital for the investment of the project, it will be distributed according to the following table:

Table 2 - Capital Structure

Capital structure	Amount	%
Debt	444 317,94 €	75%
Equity	150 000,00 €	25%
Investment capital	594 317,94 €	100%

The land and pre-existent units are owned by the promoter, and its market value (150.000 €) will be included in the Share Capital/Equity.

7.2. Organizational structure

Casa Clotilde hotel recognizes the importance of effective human resource management in achieving its operational goals. To ensure seamless operations, the hotel has made strategic decisions regarding staffing and support services. A hotel manager will be hired from the staff of Casa Clotilde, who will also take over the management of the company's other properties.

Bringing onboard a seasoned hotel manager from Casa Clotilde itself is a significant step towards enhancing the hotel's performance. This experienced professional will provide valuable insights and consulting services, overseeing various aspects of the hotel's functioning. Their

expertise will contribute to maintaining high standards, optimizing guest experiences, and fostering a productive work environment.

In addition, a position will be created to manage the app, with the hotel manager's supervision. This role will handle booking and social media management, handle the customer service side of the business, and personalized concierge service, ensuring the wellbeing of customers.

To support the maintenance and cleaning needs, Clotilde Hotel will establish a partnership with an outsourcing company, RuralClean. This strategic collaboration ensures that skilled professionals handle maintenance tasks promptly and efficiently, minimizing downtime and ensuring the hotel's facilities are well-maintained. Moreover, the outsourcing company will take charge of cleaning services, ensuring a pristine and inviting atmosphere for guests.

Through these initiatives, Casa Clotilde hotel aims to optimize its human resource management, leverage internal expertise, and seek external support when necessary. By doing so, the hotel endeavors to provide exceptional service, maintain operational efficiency, and meet the evolving needs of its guests.

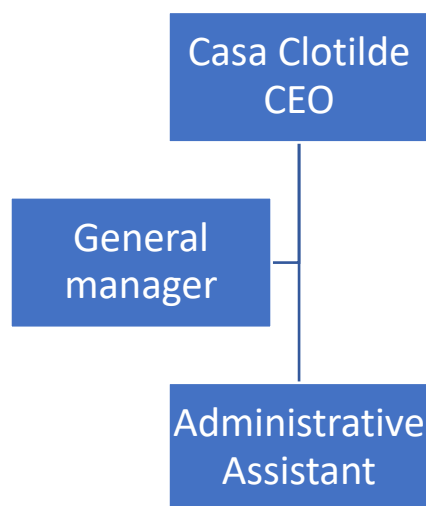


Figure 2 - Organogram

7.3. Business Model

The business model of the Clotilde by the vineyards project is based on the tourist exploitation of an area integrated in a rural environment, family property of the business promoter and some of

his relatives. Since the project will be included in an already established family business, it will not be necessary to enter into concession contracts regarding the land to be used.

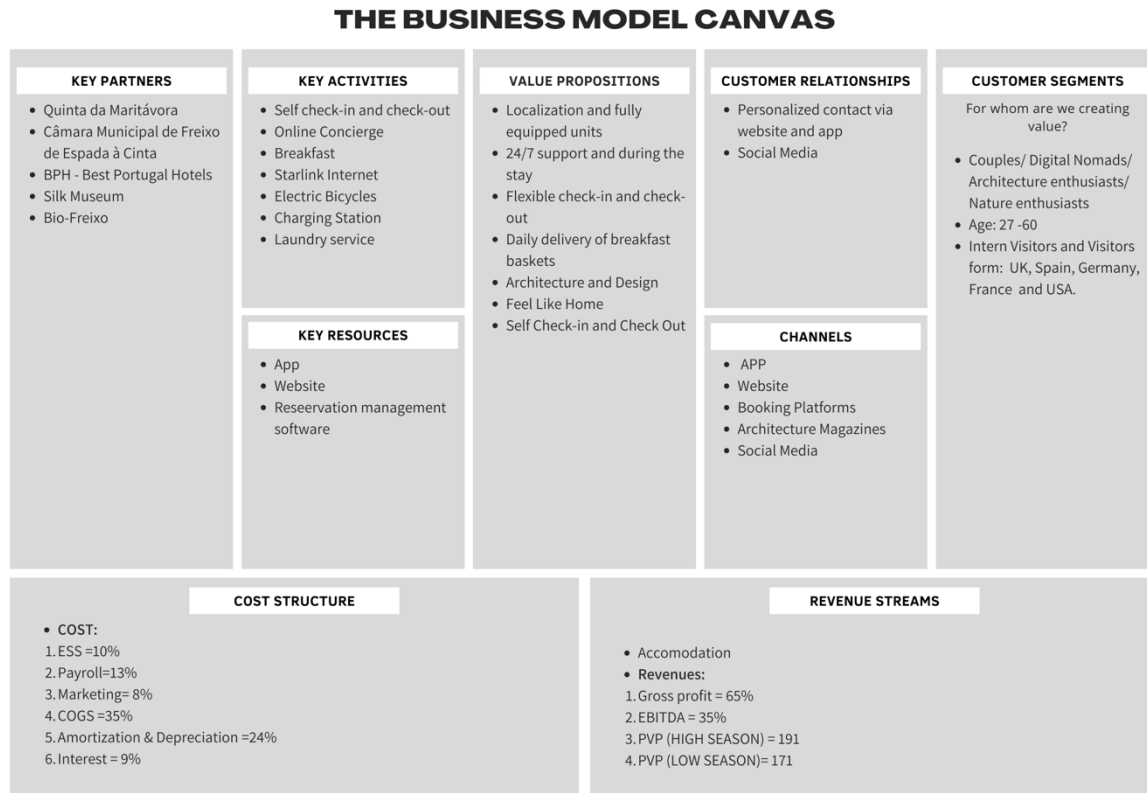


Figure 3 - Business Canvas

8. Financial Plan

8.1. Financing

The project will be financed in two ways: application to European funds to finance 30% of the total investment and 70% in the form of a long-term bank loan.

The business project has conditions to apply SI Inovação Produtiva incentive, as the creation of a new establishment promoting innovations in several areas such as marketing and processes while fulfilling the sectoral development policies. It is considered to use this incentive because it will fund 30% of the total value of the eligible investment, which is a tremendous advantage for the continuation of the project.

Regarding the bank loan modality, and after requesting a simulation of the conditions with Banco Português de Investimento, a proposal was presented with the following conditions:

- Effective Annual Rate of 4%;
- Maximum maturity of 17 years with a grace period of 2 years;
- Constant instalments of yearly frequency;
- Opening commission of 1.00% levied on the contracted amount (4% of stamp duty);
- Management commission of 1.50 % every year levied on the amount owed at each year (4% of stamp duty).

These conditions were assumed for the loan of €444,317.94, which will be established for a period of 17 years, with a 2-year grace period. The table below represents the debt service map throughout the maturity of the loan.

Table 3 - Debt & Interest Schedule

Debt & Interest Schedule	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19
Debt opening	444 318 €	444 318 €	444 318 €	418 182 €	392 045 €	365 909 €	339 773 €	313 636 €	287 500 €	261 363 €	235 227 €	209 091 €	182 954 €	156 818 €	130 682 €	104 545 €	78 409 €	52 273 €	26 136 €
Issuance (repayment)	0 €	0 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €
Debt closing	444 318 €	444 318 €	418 182 €	392 045 €	365 909 €	339 773 €	313 636 €	287 500 €	261 363 €	235 227 €	209 091 €	182 954 €	156 818 €	130 682 €	104 545 €	78 409 €	52 273 €	26 136 €	0 €
Interest expense	17 773 €	17 773 €	17 773 €	16 727 €	15 682 €	14 636 €	13 591 €	12 545 €	11 500 €	10 455 €	9 409 €	8 364 €	7 318 €	6 273 €	5 227 €	4 182 €	3 136 €	2 091 €	1 045 €

8.2. Estimated Demand

The Clotilde project, with its 9 units, has the possibility to accommodate up to 2 people per dwelling. In the high season, in the opening year, an average occupancy rate of around 47% is forecast, which reaches the reference value for the Douro area in 2019 of 62% from year 3. In the low season, an occupancy rate of around 26% is forecast in the initial year, which reaches 34% in year 3 and 38% in year 10. It was assumed by default two guests per unit sold. Therefore, the average annual occupancy rate evolves from 36% in year 1 (corresponding to 2,392 guests), to 48% in year 3 (corresponding to 3,366 guests) and 53% in year 10 (corresponding to 3,514 guests).

The occupancy rate for the Douro area in 2019 was taken into consideration as a reference and, the high season was considered to be the months that present an occupancy rate equal to or higher than 55%. Thus, the high season includes the months of May to October and the low season includes the months of January to April, November, and December. It is expected to reach the

reference occupancy rate in the third year of the project, 75% of this value in year 1 and 85% in year 2.

Table 4 - Occupancy rate forecast

Month	Douro's occupancy rate 2019*	Season	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Jan	19%	Low	14%	16%	19%	19%	20%	20%	20%	20%	21%	21%
Feb	25%	Low	19%	21%	25%	25%	26%	26%	27%	27%	27%	28%
March	44%	Low	33%	37%	44%	45%	45%	46%	47%	47%	48%	49%
April	47%	Low	35%	40%	47%	48%	48%	49%	50%	51%	51%	52%
May	60%	High	45%	51%	60%	61%	62%	63%	64%	65%	66%	67%
June	55%	High	41%	47%	55%	56%	57%	58%	58%	59%	60%	61%
July	55%	High	41%	47%	55%	56%	57%	58%	58%	59%	60%	61%
August	68%	High	51%	58%	68%	69%	70%	71%	72%	73%	74%	75%
September	75%	High	56%	64%	75%	76%	77%	78%	80%	81%	82%	83%
October	59%	High	44%	50%	59%	60%	61%	62%	63%	64%	65%	65%
November	40%	Low	30%	34%	40%	41%	41%	42%	42%	43%	44%	44%
December	31%	Low	23%	26%	31%	31%	32%	32%	33%	33%	34%	34%
	48%		36%	41%	48%	49%	50%	50%	51%	52%	53%	53%

8.3. ESS & COGS

In table 5, are represented the projected values for the variable costs associated to the sale of the rooms and for the structure costs. Among the main variable costs are the commissions with intermediaries, the cost with breakfasts, room cleaning, amenities, and banking transaction commissions. Regarding external supplies and services, we highlight maintenance, legal support, accounting, insurance, and software licenses for self-check-in and check-out.

Table 5 - Projected variable costs

Rubric	Assumptions	
COGS	Nr guests/ room	2
	Unitary cost breakfast	6,51 €
	Unitary costs by ammenities	0,73 €
	Nr expected amenities consumed per guest per night	1,46 €
	Unitary costs of cleaning goods consumed	0,40 €
	Costs of office material / year	1 500 €
	Annual cost of other goods consumed	1 000 €
	Credit card transitions fee	3%
ESS	Accounting consultancy	150 €
	Legal consultancy	300 €
	Insurance (Liability and Property)	800 €
	Telephone, Internet & Postage	70 €
	Office material	100 €
	Misc / Other	83 €
	Television	40 €
	Self check-in/ out locker licence (total of units)	90 €
	Infrastructure maintenance	136 €
	Bank & Merchant Fees	10 €

8.4. Hiring Plan

The company's salary policy for the project is as follows:

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Administrativ assistant	1	1	1	1	1	1	1	1	1	1
Hotel manager	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Administrativ assistant	15 595 €	15 902 €	16 214 €	16 533 €	16 858 €	17 190 €	17 528 €	17 873 €	18 224 €	18 583 €
Hotel manager	11 265 €	11 486 €	11 712 €	11 942 €	12 177 €	12 417 €	12 661 €	12 910 €	13 164 €	13 423 €
TOTAL HR Expense	26 860 €	27 388 €	27 926 €	28 476 €	29 036 €	29 607 €	30 189 €	30 783 €	31 388 €	32 005 €

8.5. Initial Investment

The initial investment foreseen will amount to 634,740 euros + VAT, referring to the equipment necessary for the operation of the activity, complying with the style and functionality of the space: interior and exterior furniture, home and bathroom textiles, crockery, decoration items, solar panels, rehabilitation works of the units and several investments in intangible assets, such as the app and in biological assets such as the "mirandês" donkey. This investment will be the target of an application to European funds that is expected to finance 30% of the investment. The remaining 70% will be supported through a bank loan made by the operating company.

Table 6 - Investment descriptive

Tangible Fixed Assets	Acquisition costs
Building & Reconstructions Costs	481 374 €
Living room (sofa, desk, bookcase, chairs, dining table, television, landline, mobile, fan)	28 035 €
Mattress	7 724 €
Wardrobe	1 463 €
Kitchen (Countertop, Microwave, Mini-Fridge, 1/2 hob, extractor hood)	10 976 €
Bathroom (shower and mirror)	3 659 €
Construction terrace	8 061 €
Salamander	7 317 €
Smart lock	3 090 €
Others	9 268 €
Solar panels	16 470 €
Starlink (internet equipment)	2 700 €
Wallbox (electric charging)	1 400 €
Electric bikes	8 500 €
Mirandès donkey (female)	1 500 €
Mirandès donkey (male)	800 €
Total Tangible Fixed Assets Investment	592 337 €
Intangible Assets	Acquisition costs
Licensing	4 500 €
Masterplan	5 171 €
Developmet	9 000 €
Licensing delivery	10 500 €
Visual Identity and project communication	2 846 €
Softwares, etc.	257 €
Backoffice development	3 252 €
App	3 252 €
Website	1 626 €
Videos & Comunication	2 000 €
Total Intangible Assets Investment	42 403 €

8.6. Financial Reports

8.6.1. Income Statement

The projected results demonstration for the first ten years are summarized in the following table. Visit Annex F for more detailed information.

Table 7 - P&L (10 years)

Month	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Revenues	206 293 €	232 784 €	279 363 €	287 853 €	296 534 €	305 411 €	314 675 €	324 148 €	334 027 €	344 130 €
COGS	72 198 €	81 082 €	96 017 €	98 242 €	100 503 €	102 800 €	105 194 €	107 627 €	110 162 €	112 737 €
Gross Profit	134 095 €	151 702 €	183 347 €	189 610 €	196 031 €	202 611 €	209 480 €	216 520 €	223 866 €	231 393 €
Expenses										
ESS	19 601 €	20 375 €	21 502 €	21 976 €	22 461 €	22 955 €	23 463 €	23 981 €	24 514 €	25 057 €
Payroll	26 860 €	27 388 €	27 926 €	28 476 €	29 036 €	29 607 €	30 189 €	30 783 €	31 388 €	32 005 €
Marketing	16 198 €	16 516 €	16 841 €	17 172 €	17 510 €	17 854 €	18 206 €	18 564 €	18 929 €	19 301 €
Amortization & Depreciation	49 498 €	49 498 €	49 498 €	49 498 €	49 498 €	32 271 €	32 271 €	32 271 €	24 875 €	24 875 €
Interest	17 773 €	17 773 €	17 773 €	16 727 €	15 682 €	14 636 €	13 591 €	12 545 €	11 500 €	10 455 €
Total Expenses	129 929 €	131 549 €	133 540 €	133 849 €	134 186 €	117 324 €	117 720 €	118 144 €	111 205 €	111 692 €
Earnings Before Tax	4 166 €	20 153 €	49 807 €	55 761 €	61 845 €	85 287 €	91 760 €	98 376 €	112 661 €	119 701 €
Taxes	875 €	4 232 €	10 459 €	11 710 €	12 987 €	17 910 €	19 270 €	20 659 €	23 659 €	25 137 €
Net results	3 292 €	15 921 €	39 347 €	44 051 €	48 857 €	67 377 €	72 491 €	77 717 €	89 002 €	94 564 €

8.6.2. Balance Sheet

The following table 8 summarizes the financial position of the project in the first ten years of operation.

Table 8 - Balance Sheet (10 years)

Assets	Annual									
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Current Assets										
Cash	46 476 €	111 118 €	172 521 €	239 739 €	311 760 €	385 072 €	463 490 €	547 130 €	634 650 €	727 728 €
Accounts Receivable	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Inventory	0 €	0 €	0 €	0 €	0 €	1 €	2 €	3 €	4 €	5 €
Total Current Assets	46 476 €	111 118 €	172 521 €	239 739 €	311 760 €	385 073 €	463 492 €	547 133 €	634 654 €	727 733 €
Fixed Assets										
Assets	544 820 €	495 321 €	445 824 €	396 327 €	346 829 €	314 556 €	282 284 €	250 012 €	225 135 €	200 260 €
Total Fixed Assets	544 820 €	495 321 €	445 824 €	396 327 €	346 829 €	314 556 €	282 284 €	250 012 €	225 135 €	200 260 €
Total Assets	591 296 €	606 440 €	618 345 €	636 066 €	658 589 €	699 629 €	745 775 €	797 144 €	859 789 €	927 993 €
Liabilities and Owner's Equity										
Liabilities										
Accounts Payable	-6 313 €	-7 090 €	-8 396 €	-8 590 €	-8 788 €	-8 988 €	-9 196 €	-9 408 €	-9 628 €	-9 852 €
Line of Credit Balance	444 318 €	444 318 €	418 182 €	392 045 €	365 909 €	339 773 €	313 636 €	287 500 €	261 363 €	235 227 €
Total Liabilities	438 005 €	437 228 €	409 786 €	383 455 €	357 121 €	330 785 €	304 440 €	278 092 €	251 735 €	225 375 €
Owner's Equity										
Common Stock	150 000 €	150 000 €	150 000 €	150 000 €	150 000 €	150 000 €	150 000 €	150 000 €	150 000 €	150 000 €
Retained Earnings	3 292 €	19 212 €	58 560 €	102 611 €	151 468 €	218 845 €	291 336 €	369 053 €	458 055 €	552 619 €
Total Owner's Equity	153 292 €	169 212 €	208 560 €	252 611 €	301 468 €	368 845 €	441 336 €	519 053 €	608 055 €	702 619 €
Total Liabilities and Owner's Equity	591 296 €	606 440 €	618 345 €	636 066 €	658 589 €	699 629 €	745 775 €	797 144 €	859 789 €	927 993 €

8.6.3. Cash Flow Statement

The estimated cash flow statements for the first ten years of operation are projected in table 9 below. Please refer to Annexes G for more information.

Table 9 - Cash Flow Statement (10 years)

	Annual										
	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Operating Cash Flow											
Net earnings	0 €	3 292 €	15 921 €	39 347 €	44 051 €	48 857 €	67 377 €	72 491 €	77 717 €	89 002 €	94 564 €
	0 €	49 498 €	49 498 €	49 498 €	49 498 €	49 498 €	32 271 €	32 271 €	32 271 €	24 875 €	24 875 €
Less: Changes in Working Capital	0 €	-6 313 €	-777 €	-1 306 €	-195 €	-198 €	-200 €	-208 €	-212 €	-221 €	-224 €
Cash from Operations	0 €	46 476 €	64 642 €	87 539 €	93 354 €	98 157 €	99 448 €	104 554 €	109 777 €	113 656 €	119 214 €
Investing Cash Flow											
Investments in Property & Equipment	444 318 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Cash from Investing	444 318 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Financing Cash Flow											
Issuance (repayment) of debt	444 318 €	0 €	0 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €
Issuance (repayment) of equity											
Cash from Financing	444 318 €	0 €	0 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €	26 136 €
Net Increase (decrease) in Cash	0 €	46 476 €	64 642 €	61 403 €	67 218 €	72 021 €	73 312 €	78 418 €	83 640 €	87 520 €	93 078 €
Opening Cash Balance	0 €	0 €	46 476 €	111 118 €	172 521 €	239 739 €	311 760 €	385 072 €	463 490 €	547 130 €	634 650 €
Closing Cash Balance	0 €	46 476 €	111 118 €	172 521 €	239 739 €	311 760 €	385 072 €	463 490 €	547 130 €	634 650 €	727 728 €

8.7. Valuation

It is relevant to analyze the debt effects on the value of the investment project since the project will be financed in 25% by equity and 75% by debt. We used Weighted Average Cost of Capital (WACC) to incorporate the effects of the capital structure decision.

In order to compute the WACC, we used the Capital Asset Pricing Model (CAPM), which aggregates the time value of money and the risk for the investors, to estimate the project's cost of equity.

We considered the beta equity of 1,24 of the Real Estate (development) industry, according to Damodaran data.

Regarding the risk-free rate, it was considered 0,38%, subtracting the inflation rate from the yield of the Treasury bond matching the investment duration.

According to Damodaran data, it was assumed the Portuguese market risk premium of 8,46% (the premium investors demand for investing in an average risk investment, relative to the risk-free rate).

Based on the previous data, one computed the cost of equity ($\text{Cost of Equity} = \text{Risk Free} + \text{Beta} * (\text{Market rate} - \text{Risk Free rate})$) and obtained a percentage of 10,87.

Having the previous data into consideration, WACC was computed ($\text{Cost of Equity} * \text{Equity Percentage} + (\text{Cost of Debt} * \text{Debt Percentage}) * (1 - \text{Corp. Tax rate})$) (Table 25) and we can conclude that the minimum rate of return this project must generate, in order to meet the return expectations of lenders and shareholders, should be 5.1%. One can also conclude that the 4,5% WACC is lower than the return on equity (please check the Key Performance Indicators).

Table 10 - Free Cash Flow (10 years)

FREE CASH FLOW	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Cash from operations	0 €	46 476 €	64 642 €	87 539 €	93 354 €	98 157 €	99 448 €	104 554 €	109 777 €	113 656 €	119 214 €
CAPEX	444 318 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
FCF	-444 318 €	46 476 €	64 642 €	87 539 €	93 354 €	98 157 €	99 448 €	104 554 €	109 777 €	113 656 €	119 214 €
Growth rate	0%										
Terminal value											2 335 355 €
Total CF	-444 318 €	46 476 €	64 642 €	87 539 €	93 354 €	98 157 €	99 448 €	104 554 €	109 777 €	113 656 €	119 214 €
Accumulated CF	-444 318 €	-397 841 €	-333 200 €	-245 660 €	-152 306 €	-54 148 €	45 300 €	149 854 €	259 630 €	373 287 €	492 501 €
NPV (€)	240 873,47 € NPV>0										
IRR%	14% IRR>0										
PP (years)	6										

The payback period (PP), internal rate of return (IRR) and net present value (NPV) methods are the most common approaches to project selection.

Taking the terminal value into consideration, and analyzing the business project, it will achieve a positive NPV of 240.873,47 euros, with a 0% growth rate assumption. One can conclude the project is financially viable.

The expected IRR earned on this project is 14%. The IRR is higher than the WACC of 5.1%. This fact suggests that the capital project is a profitable endeavor and one can accept the project.

The expected payback period is 6,5 years, which is the length of time required to recoup the original investment.

8.8. Key Performance Indicators

In order to evaluate Clotilde' expected success, during the first 10 years, we decided to analyze different indicators, namely, economic, financial and operational ones, defined on table 11 (please check the used formulas on Annex H).

Table 11 - Key Performance Indicators (10 years)

Key Indicators	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Operational Indicators										
Available Rooms (units)	3285	3285	3285	3285	3285	3285	3285	3285	3285	3285
Occupied Rooms (units)	1196	1345	1583	1607	1631	1655	1680	1705	1731	1757
Occupation Rate (%)	36%	41%	48%	49%	50%	50%	51%	52%	53%	53%
RevPAR (Euros)	63 €	71 €	85 €	88 €	90 €	93 €	96 €	99 €	102 €	105 €
Operational Cost POR (Euros)	60 €	64 €	65 €	65 €	66 €	66 €	67 €	67 €	68 €	68 €
Average Daily Rate	172 €	173 €	176 €	179 €	182 €	185 €	187 €	190 €	193 €	196 €
Gross Operating Profit Per Available Room (ARPAR)	7 €	12 €	21 €	22 €	24 €	30 €	32 €	34 €	38 €	40 €
Market penetration index (MPI)	75,0%	83,7%	98,5%	100,0%	101,5%	103,0%	104,6%	106,1%	107,7%	109,3%
Average rate index (ARI)	130,6%	133,2%	135,8%	137,9%	139,9%	142,0%	144,2%	146,3%	148,5%	150,8%
Economic Indicators										
Revenue Growth Rate	-	13%	20%	3%	3%	3%	3%	3%	3%	3%
Operational Efficiency	11%	16%	24%	25%	26%	33%	33%	34%	37%	38%
EBITDA Margin	35%	38%	42%	42%	43%	43%	44%	44%	45%	45%
Net Profit Margin	2%	7%	14%	15%	16%	22%	23%	24%	27%	27%
Economic-Financial Indicators										
Return on Investment (ROI)	1%	3%	6%	7%	8%	11%	11%	12%	14%	15%
Return on Asset (ROA)	1%	3%	6%	7%	7%	10%	10%	10%	10%	10%
Asset Turnover	35%	38%	45%	45%	45%	44%	42%	41%	39%	37%
Fixed-Asset Turnover	38%	47%	63%	73%	85%	97%	111%	130%	148%	172%
Return on Equity (ROE)	2%	9%	19%	17%	16%	18%	16%	15%	15%	13%
Financial Indicators										
Equity Ratio	26%	28%	34%	40%	46%	53%	59%	65%	71%	76%
Debt-to-Equity Ratio	286%	258%	196%	152%	118%	90%	69%	54%	41%	32%

8.9. Sensitivity Analysis

In order to assess the robustness of the economic and financial viability of Clotilde, one evaluated the sensitivity of the project to changes in some relevant variables, namely the lodging pricing and

Clotilde's expected occupation rates. Both variables are highly influenced by the external context and also have a direct impact on operational costs.

For both variables, we considered an increase and a decrease of 10 and 20%.

The table below, presents the impact on increasing and decreasing pricing rates in 10 and 20% and its impact on NPV, IRR and PP.

Table 12 - Sensitivity analysis: pricing

Pricing changes	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	PP (years)	NPV (€)	IRR (%)
-20%	144,46 €	147,30 €	150,19 €	152,45 €	154,73 €	157,05 €	159,41 €	161,80 €	164,23 €	166,69 €	-	3 558 €	-
-10%	162,51 €	165,71 €	168,97 €	171,50 €	174,07 €	176,69 €	179,34 €	182,03 €	184,76 €	187,53 €	7,20	120 214 €	10,0%
0%	180,57 €	184,12 €	187,74 €	190,56 €	193,42 €	196,32 €	199,26 €	202,25 €	205,28 €	208,36 €	6,50	240 873 €	14,2%
10%	198,63 €	202,53 €	206,52 €	209,61 €	212,76 €	215,95 €	219,19 €	222,48 €	225,81 €	229,20 €	5,10	361 532 €	18,0%
20%	216,68 €	220,94 €	225,29 €	228,67 €	232,10 €	235,58 €	239,11 €	242,70 €	246,34 €	250,04 €	4,80	482 191 €	21,4%

The table below, presents the impact on increasing and decreasing occupancy rates in 10 and 20% and its impact on NPV, IRR and PP:

Table 13 - Sensitivity analysis: occupancy rates

Occupancy rates change	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	PP (years)	NPV (€)	IRR (%)
-20%	16%	21%	28%	29%	30%	30%	31%	32%	33%	33%	-	175 041 €	-
-10%	26%	31%	38%	39%	40%	40%	41%	42%	43%	43%	8,20	39 778 €	6,8%
0%	36%	41%	48%	49%	50%	50%	51%	52%	53%	53%	6,50	240 873 €	14,2%
10%	46%	51%	58%	59%	60%	60%	61%	62%	63%	63%	5,30	438 804 €	20,3%
20%	56%	61%	68%	69%	70%	70%	71%	72%	73%	73%	4,30	556 264 €	24,4%

9. Requirements for the implementation

For the project to be successfully implemented, several requirements must be met. Among them, obtaining the necessary licenses from the Chamber, REN (National Ecological Reserve) and RAN (National Agricultural Reserve), in order to comply with local regulations and ensure environmental sustainability. The approval of the SI Inovação Produtiva incentive programme is fundamental to guarantee the financial support for the project development. Finally, compliance with legal and regulatory requirements related to rural tourism, construction, health and safety, and accessibility is essential.

CHAPTER IV: CONCLUSIONS

The culmination of an exhaustive analysis for this business proposal strongly advocates for the establishment of an agrotourism endeavor in Freixo de Espada à Cinta. This initiative has been thoughtfully crafted to extract the maximum potential from the family-owned land, providing visitors with an immersive and distinctive encounter while optimizing the resource utilization.

The fundamental idea of integrating a dedicated app to facilitate guest interactions, including automated check-in/check-out procedures, alongside an online concierge service, lays the foundation for a contemporary and convenient guest experience. The construction of nine fully equipped lodging units, each featuring essential amenities like bedrooms, kitchens, living spaces, bathrooms, and terraces, reaffirms the commitment to ensuring a comfortable and homely environment.

Furthermore, the supplementary services portfolio, encompassing offerings such as breakfast provisions, laundry amenities, and bicycle facilities, enhances the overall guest journey and elevates the value proposition of the agrotourism venture. These services not only enhance convenience but also contribute to the overarching narrative of an all-encompassing and unforgettable stay.

Forecasts for occupancy rates showcase a promising trajectory, with a robust initial year backed by consistent growth. Projected average occupancy rates, aligning with regional benchmarks, paint an optimistic picture over time. This upward trajectory underscores the allure of the agrotourism experience, mirroring the projected increase in guest numbers drawn to the tranquil and captivating ambiance the project offers.

From a financial perspective, the viability of the business plan is underscored by encouraging indicators. The Net Present Value (NPV), Internal Rate of Return (IRR), and PayBack Period collectively attest to a sturdy financial groundwork, indicating the venture's potential to yield substantial returns on investment. These metrics highlight the project's capability not only to offset expenses but also to generate positive gains, rendering it an attractive proposition as a sustainable and lucrative endeavor.

In conclusion, the agrotourism venture encapsulates the fusion of responsible land use with the potential of the hospitality sector. With promising occupancy projections, solid financial performance, and a robust foundation of amenities and services, the project stands as a testament

to excellence in agrotourism. By delivering an immersive and authentic experience while optimizing resource allocation, this venture has the potential to fulfill its goals and contribute to the regional economy in the years ahead.

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ANNEXES


Annex A– Questionnaire

Survey about rural tourism and the use of self check-in and check-out technology

This questionnaire is part of an academic work carried out in the scope of the Master in Hospitality and Tourism Management at the Instituto Universitário de Lisboa (ISCTE). It aims to know your opinion about some aspects related to rural tourism and the use of automated check-in and check-out technology.

Your participation is voluntary and anonymous, and the data will only be processed collectively. The results will be used exclusively for academic purposes and confidentiality is assured.

antonio.maria.fonsecas@gmail.com [Mudar de conta](#) 

 Não partilhado

*** Indica uma pergunta obrigatória**

What's your age? *

Less than 25

25 - 34

35 - 44

45 - 54

55 - 64

More than 64

What is your gender? *

Female

Male

Prefer not to say

In what country and city do you live? *

A sua resposta _____

What is the monthly household income? *

- Less than 2000€
 - 2001€ - 5000€
 - 5001€ - 10000€
 - 10001€ - 15000€
 - 15001€ - 20000€
 - More than 20000€
-

On a scale of 1 to 5, evaluate rural tourism as a destination of choice? (1 being not very likely and 5 being very possible) *

- | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1 | 2 | 3 | 4 | 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
-

Have you ever been to a rural tourism establishment ? *

- Yes
 - No
-

Name two aspects that you liked most about rural tourism? *

- Observe the local life
- Stay away from crowds
- Stay away from touristy prices
- Birdwatching
- Being able to be in the middle of nature
- Fresh and local products
- Historical Tourism
- Vineyards
- Sustainable Architecture

What is your level of education? *

- Elementary
- Secondary
- Bachelor's Degree
- Master's Degree
- PhD

What is your work regime? *

- Remote
- Hybrid
- Office work
- Not applicable / Currently not working

Number of household members? *

A sua resposta _____

What is your civil status? *

- Single
- Married or Cohabiting
- Divorced or separated
- Widowed

Name two aspects that you disliked the most about rural tourism? *

- Insect bites
 - Lack of infrastructure
 - Poor network coverage
 - Isolation
 - Few restaurants
 - Lack of hospital infrastructure
 - Few cultural activities
 - Extreme temperatures
 - Difficulty to communicate with foreign languages
-

Is the distance to get to the tourist establishment a problem? *

- Yes
 - No
-

How long are you willing to drive? *

- Less than 1 hour
 - 1-2 hours
 - More than 2 hours
-

What time of the year would you do rural tourism in the Douro area? *

- Harvests
- Almond blossoms
- Olive picking
- Folk Festivals
- All the above

Is it important to you that the front desk service exists? *

Yes

No

Do you think that using an app to check in and check out would be appealing? *

Yes

No

What are for you the most appealing features when using an automated check-in * and check-out service?

Privacy

Security

Autonomy

Fastness and efficient

No need to interact with staff

Quick communication with the client

Easy access to information

What services do you value when you go on tourism? *

Self check-in/check-out

Welcome package

Breakfast included

Free Wi-Fi

Gym

Spa

Bath Tube

Barbecue facilities

Parking

Are there any other services that you value and that are not present in the previous question?

A sua resposta

On a scale of 1 to 5, how important is it for you to have restaurant service on the establishment? *

- | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1 | 2 | 3 | 4 | 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Are you interested in taking your meals out and seeing the countryside around the property? *

- Yes
- No

If there is no restaurant service, but it is possible to cook in the house with local, homemade products, would that be an option? *

- Yes
- No

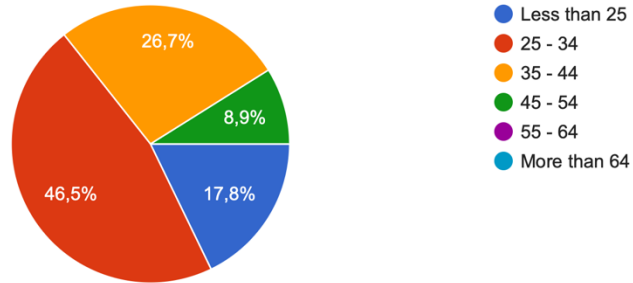
If there is a common area of the farm for socializing and cooking, would that be an option for you for dining? *

- Yes
- No

Annex B - Analysis of Questionnaire Results

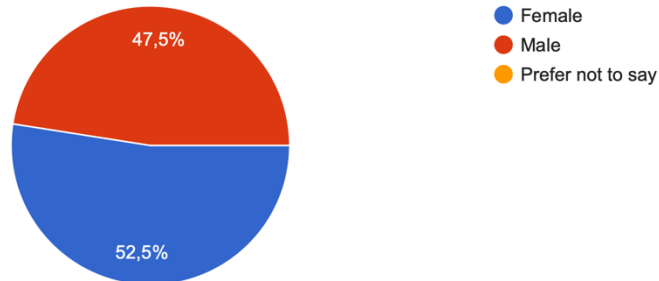
What's your age?

101 respostas



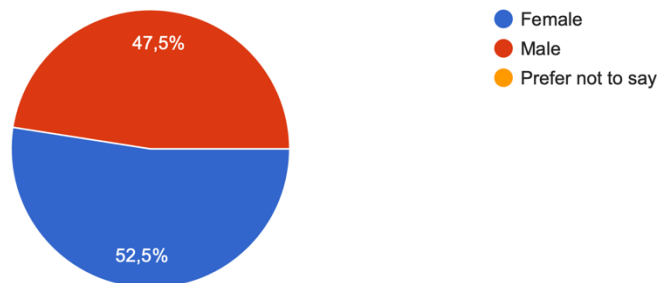
What is your gender?

101 respostas



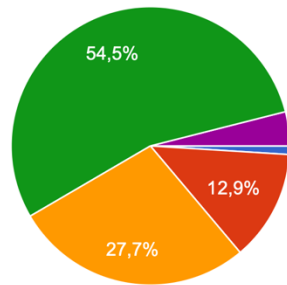
What is your gender?

101 respostas



What is your level of education?

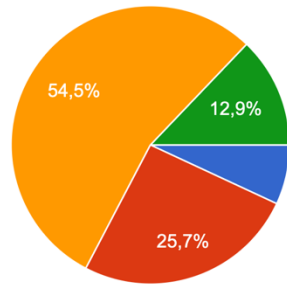
101 respostas



- Elementary
- Secondary
- Bachelor's Degree
- Master's Degree
- PhD

What is your work regime?

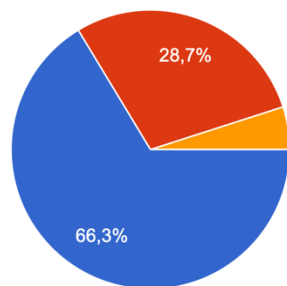
101 respostas



- Remote
- Hybrid
- Office work
- Not applicable / Currently not working

What is your civil status?

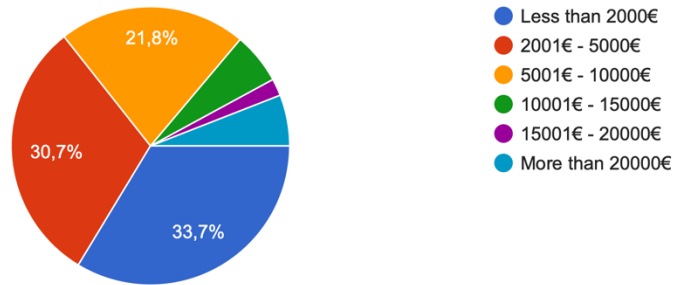
101 respostas



- Single
- Married or Cohabiting
- Divorced or separated
- Widowed

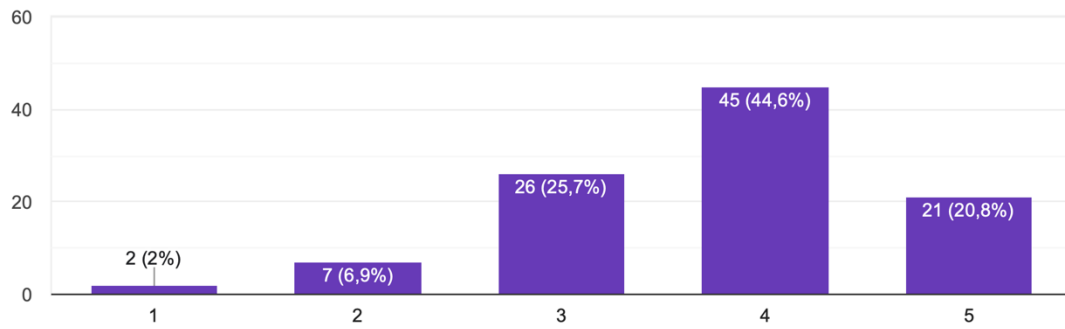
What is the monthly household income?

101 respostas



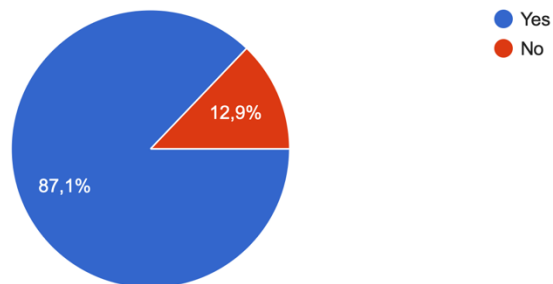
On a scale of 1 to 5, evaluate rural tourism as a destination of choice? (1 being not very likely and 5 being very possible)

101 respostas



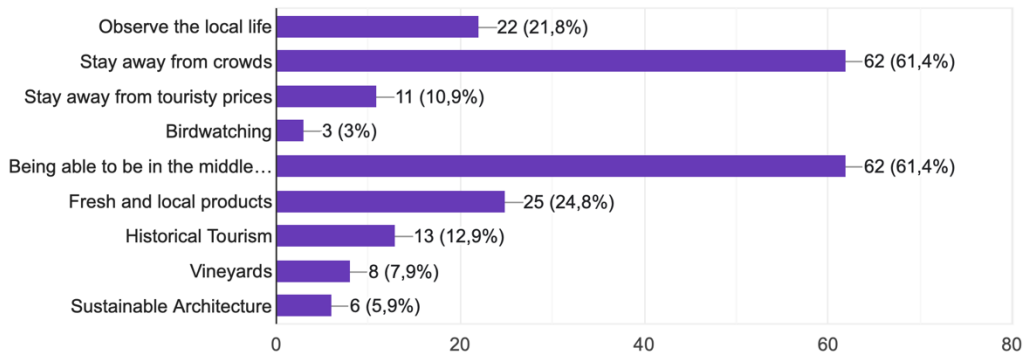
Have you ever been to a rural tourism establishment ?

101 respostas



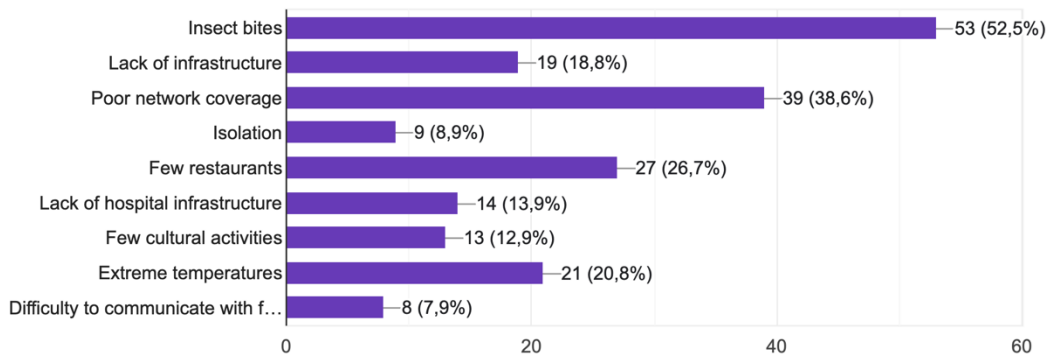
Name two aspects that you liked most about rural tourism?

101 respostas



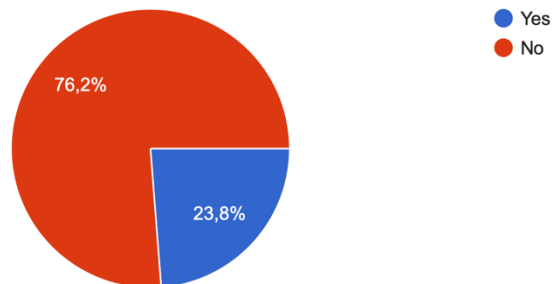
Name two aspects that you disliked the most about rural tourism?

101 respostas



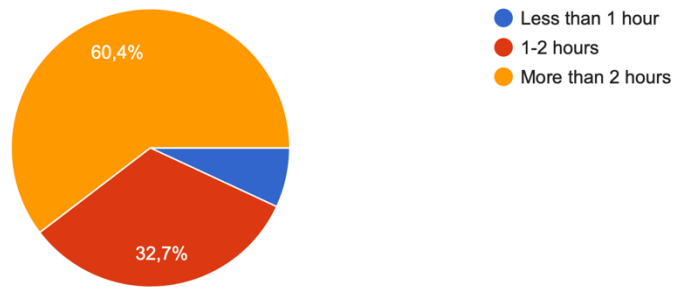
Is the distance to get to the tourist establishment a problem?

101 respostas



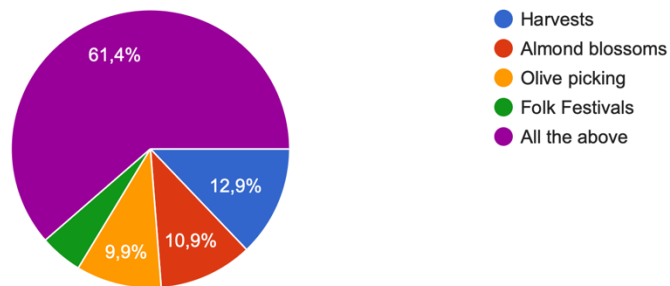
How long are you willing to drive?

101 respostas



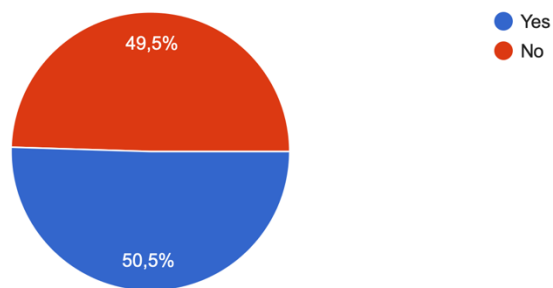
What time of the year would you do rural tourism in the Douro area?

101 respostas



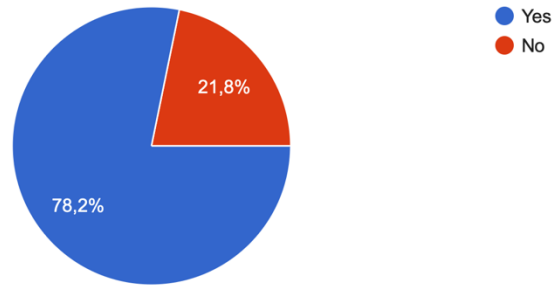
Is it important to you that the front desk service exists?

101 respostas



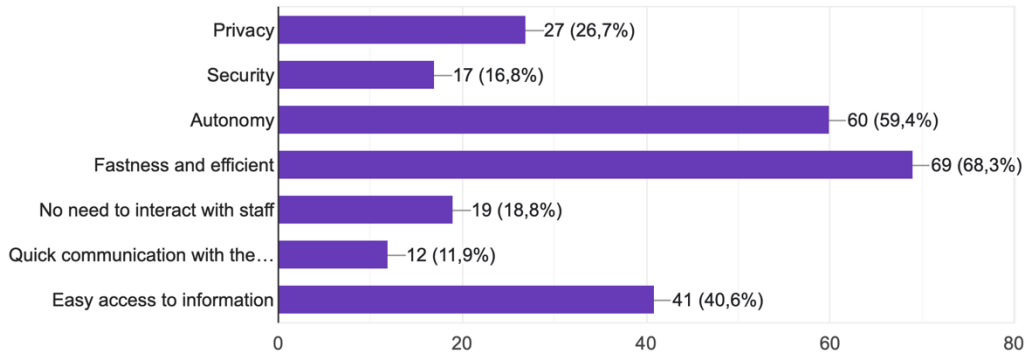
Do you think that using an app to check in and check out would be appealing?

101 respostas



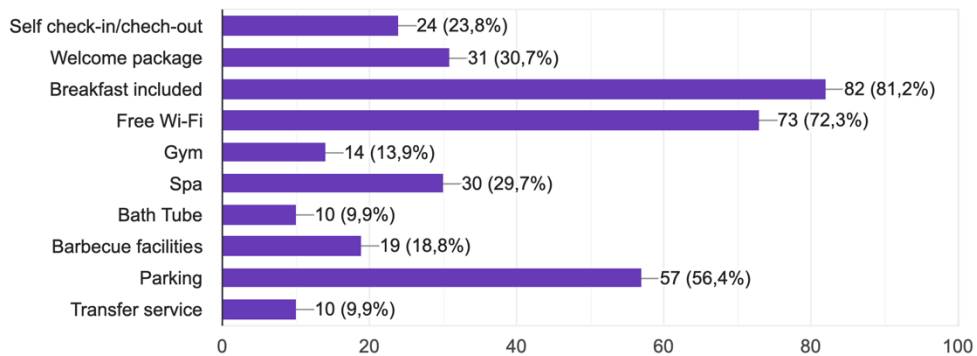
What are for you the most appealing features when using an automated check-in and check-out service?

101 respostas



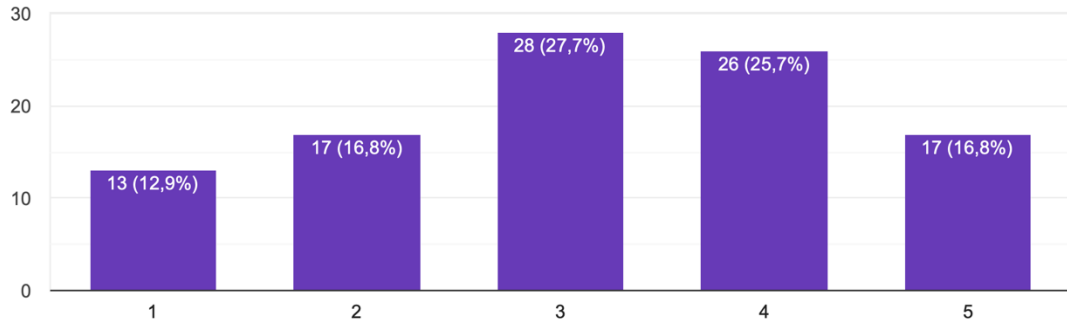
What services do you value when you go on tourism?

101 respostas



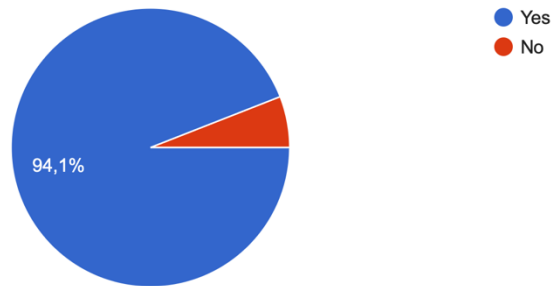
On a scale of 1 to 5, how important is it for you to have restaurant service on the establishment?

101 respostas



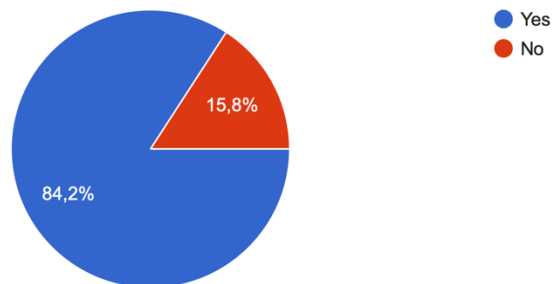
Are you interested in taking your meals out and seeing the countryside around the property?

101 respostas



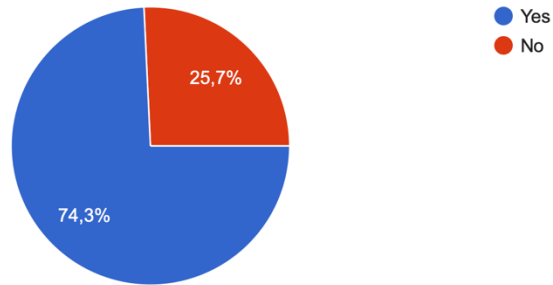
If there is no restaurant service, but it is possible to cook in the house with local, homemade products, would that be an option?

101 respostas



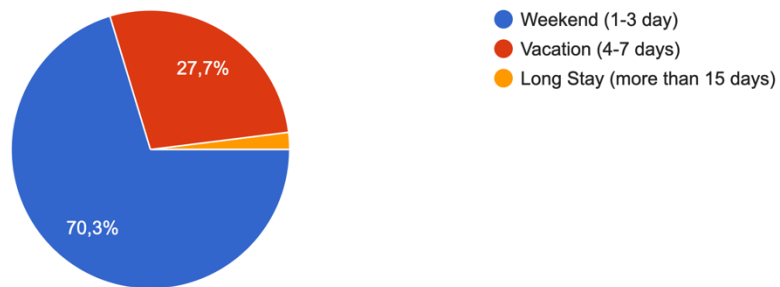
If there is a common area of the farm for socializing and cooking, would that be an option for you for dining?

101 respostas



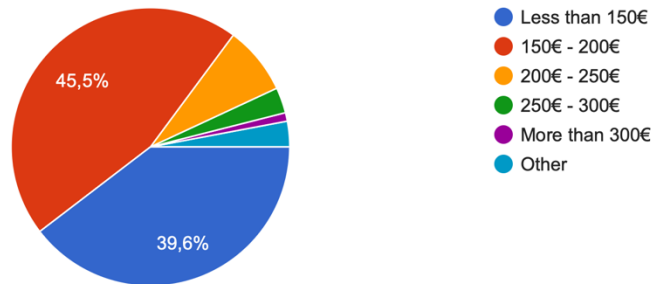
When you look for a rural tourist establishment, how many nights would you consider staying?

101 respostas



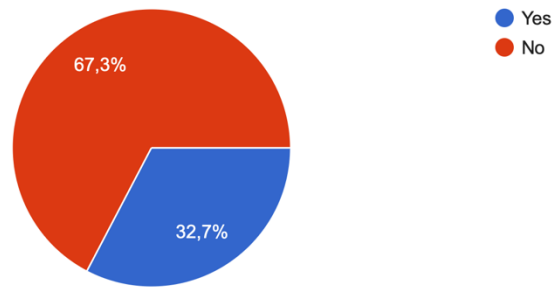
How much would you be willing to pay? (per night)

101 respostas



Have you stayed in a rural tourism establishment that offers self-booking?

101 respostas

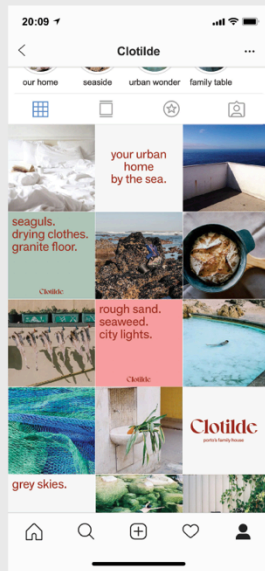
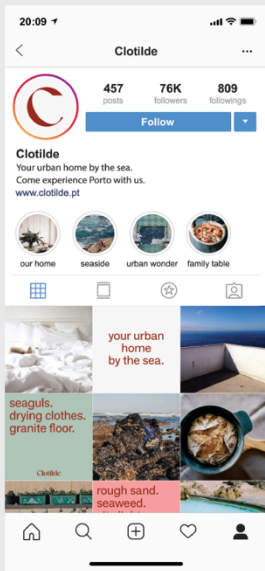


Annex C – Brand Identity

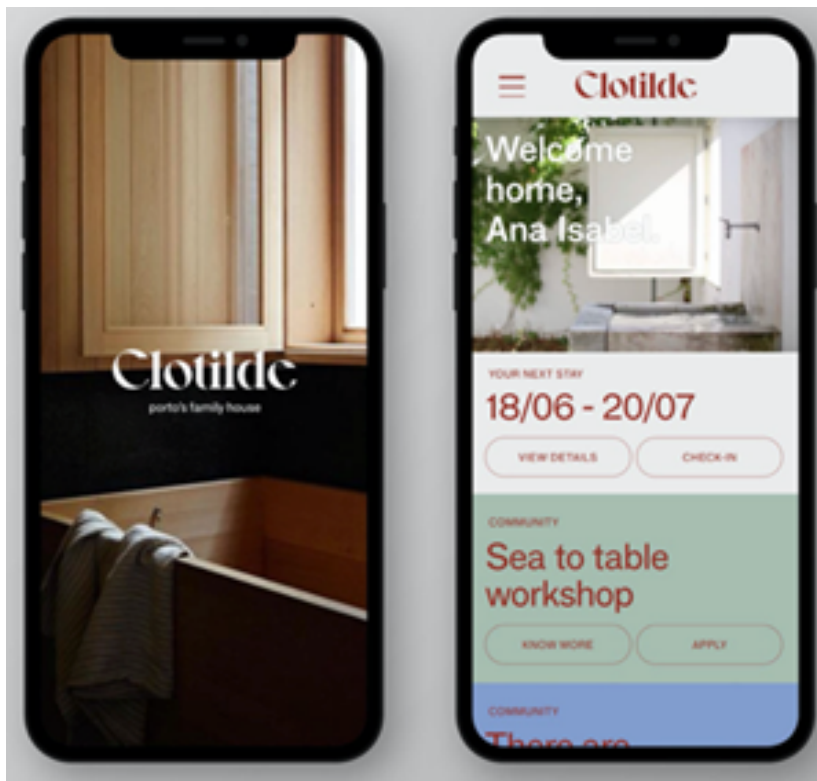
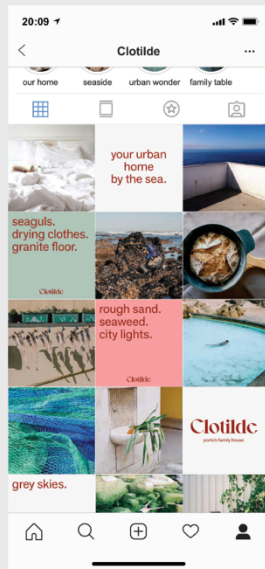
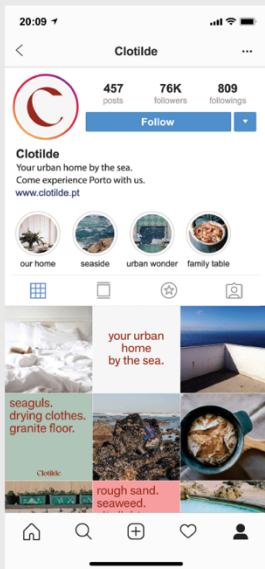
LOGOTIPO

Clotilde

CLOTILDE E...



CLOTILDE E...

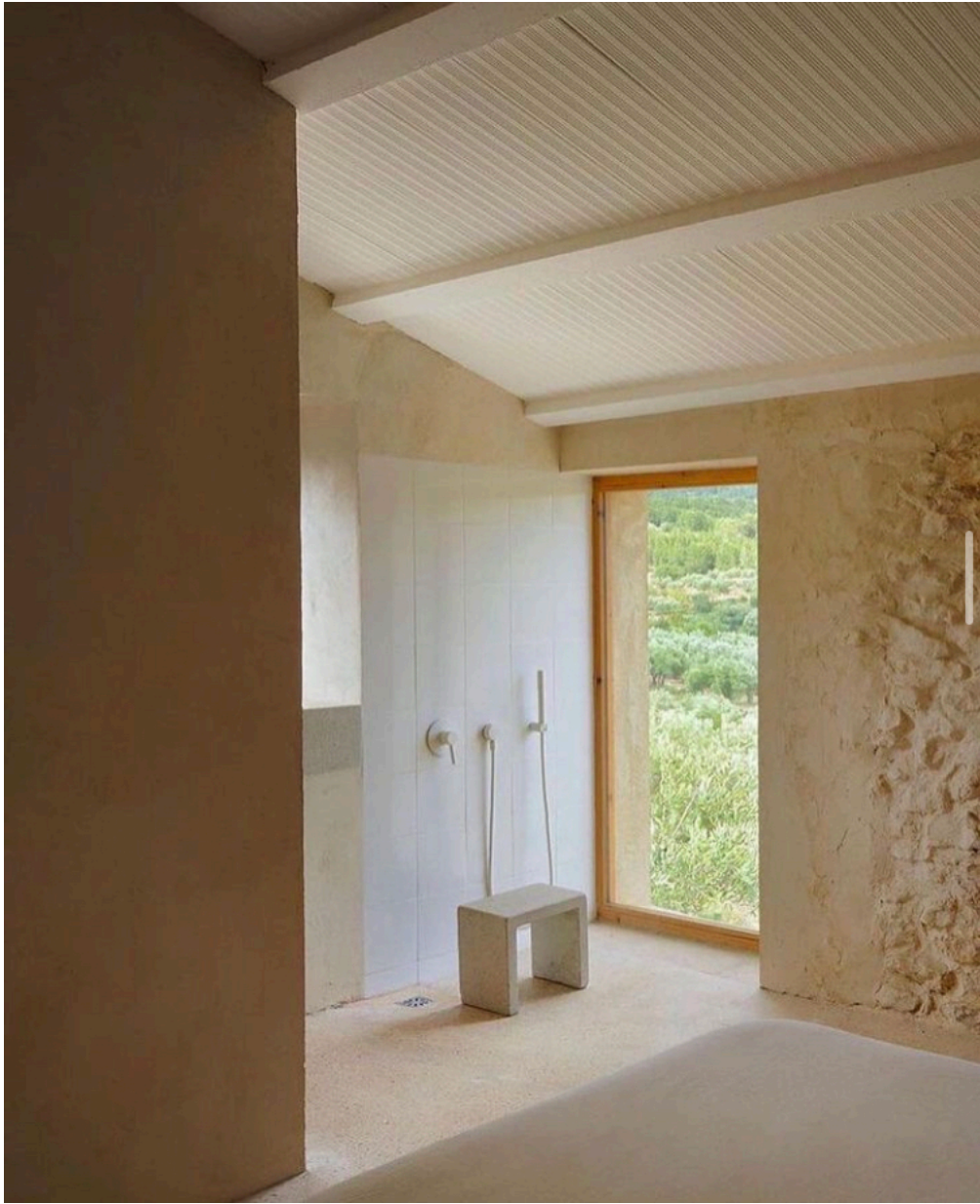


Annex D – Arqiteture inspiration



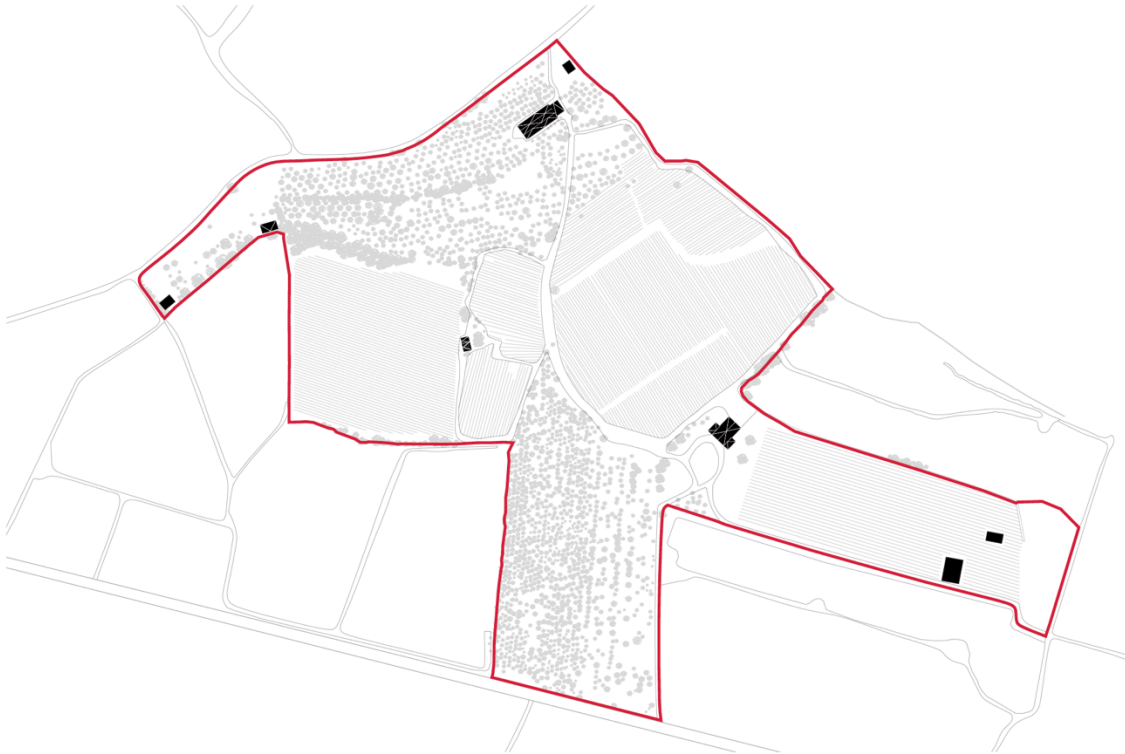








Annex E– Masterplan



Annex G– Cash Flow Statement

Cash Flow Statement

Month	Monthly											
	jan	fev	mar	abr	mai	jun	jul	ago	set	out	nov	dez
Operating Cash Flow												
Net earnings	-6 745 €	-5 934 €	-1 373 €	-1 069 €	3 872 €	2 242 €	2 708 €	5 852 €	6 900 €	3 640 €	-2 590 €	-4 211 €
Less: Changes in Working Capital		-478 €	-2 691 €	-179 €	-2 248 €	888 €	-254 €	-1 712 €	-571 €	1 775 €	3 018 €	957 €
Cash from Operations	-6 745 €	-6 413 €	-4 065 €	-1 249 €	1 625 €	3 130 €	2 454 €	4 140 €	6 329 €	5 415 €	428 €	-3 254 €
Investing Cash Flow												
Investments in Property & Equipment	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Cash from Investing	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Financing Cash Flow												
Issuance (repayment) of debt												
Issuance (repayment) of equity												
Cash from Financing	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Net Increase (decrease) in Cash	-6 745 €	-6 413 €	-4 065 €	-1 249 €	1 625 €	3 130 €	2 454 €	4 140 €	6 329 €	5 415 €	428 €	-3 254 €
Opening Cash Balance		-6 745 €	-13 157 €	-17 222 €	-18 471 €	-16 846 €	-13 716 €	-11 262 €	-7 122 €	-792 €	4 623 €	5 051 €
Closing Cash Balance	-6 745 €	-13 157 €	-17 222 €	-18 471 €	-16 846 €	-13 716 €	-11 262 €	-7 122 €	-792 €	4 623 €	5 051 €	1 796 €

Annex H – Key Performance Indicators Formulas

KPIs

Key Indicators	Formula
Operational Indicators	
Available Rooms (units)	
Occupied Rooms (units)	
Occupation Rate (%)	occupancy Rate = Total Number of Occupied Rooms / Total Number of Available Rooms
RevPAR (Euros)	Average daily rate * Occupancy rate
Operational Cost POR (Euros)	Cost Per Occupied Room (CPOR) = Total Room Expenses / Occupancy
Average Daily Rate	ADR = Room revenue / number of rooms sold
Gross Operating Profit Per Available Room (ARPAR)	GOPPAR = Gross Operating Profit (Revenue-Expenditure) / Number of Available Rooms
Market penetration index (MPI)	MPI = Hotel occupancy % / Market occupancy %
Average rate index (ARI)	ARI = our Average Daily Rate (ADR) / Competitors' ADR * 100
Economic Indicators	
Revenue Growth Rate	Revenue Growth Rate(%) = [(\$) Revenue Month B - (\$) Revenue Month A] / (\$) Revenue Month A X 100
Operational Efficiency	Operating Profit margin = ((Operating income / Revenue) * 100)
EBITDA Margin	EBITDA Margin = EBITDA / Net Sales
Net Profit Margin	Profit Margin = Net Profits / Net Sales (or Revenue)
Economic-Financial Indicators	
Return on Investment (ROI)	ROC (Return on Capital) or (ROIC) Return on Invested Capital = EBIT (1-t) / (BV of Debt + BV of Equity-Cash)
Return on Asset (ROA)	ROA = Net Income / Total Assets (or average total assets)
Asset Turnover	Asset Turnover = Net Sales / Average Total Assets
Fixed-Asset Turnover	Fixed Asset Turn Over = Net Sales / Average Net Fixed Assets, average net fixed asset = fixed asset - Depreciation
Return on Equity (ROE)	ROE = Net income / book value of equity
Financial Indicators	
Equity Ratio	Equity Ratio = Total Equity / Total Assets
Debt-to-Equity Ratio	DER = Total Liabilities / Total Equity