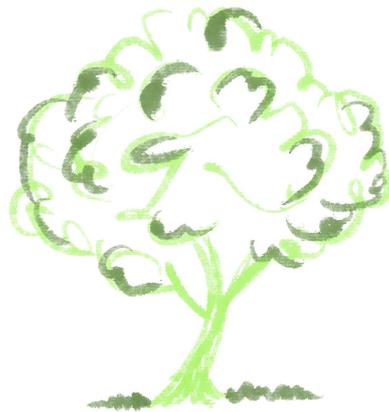


INTERNATIONAL BUSINESS GRADUATION PROJECT

**SPANISH ONLINE SUSTAINABLE TRAVEL COMPANY
ANALYSIS**



FORESTIA

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1. EXECUTIVE SUMMARY

The purpose of this project is to study the viability of a sustainable travel agency. The study analyses the competition, and the current market trends and determines that the business has few advantages such as experience in the field, lack of competitors offering similar services internationally, and a virtuous timing to deliver a service that has not reached maturity yet.

To put into practice the knowledge obtained during the last years, this business plan will evaluate a wide range of aspects that help to determine the feasibility of a business, such as an internal and external analysis, as well as a financial plan, among others.

After undergoing periods of change and uncertainty during the last years due to COVID-19, many people need more than ever to feel a genuine connection with themselves and the environment. Getting away from the stress and the city in those long-awaited holidays, now that tourism has officially recovered and taking into account that it was one of the most damaged sectors in the economy worldwide. In addition, as will be seen in this work, there are more and more people who want to live in a more sustainable way, and that includes as well to travel looking for real sensations and unique experiences. That is exactly what our travel agency will offer.

After analyzing all these indicators we concluded that our company is well-differentiated, as we not only offer a service but a full experience based on sustainability which is a growing concern worldwide. Although the business model is not disruptive, it offers an integrated set of services for those clients seeking to do tourism in a different way. Traditional tourism is at stake since the irruption of the pandemic and the new trend on how this industry is going to adapt and grow is just unfolding. The study is favorable about this project and believes we can positively benefit from the transit to the 'new normality'.

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2. INTRODUCTION

In 2017, the tourism sector was exponentially growing owing to a relatively robust global economy, a growing middle class in emerging economies, technological advances, new business models, affordable travel costs, and visa facilitation; international tourists arrivals grew by 5% in that year (World Tourism Organization, 2018).

The two following years experienced an increase as well, but the expansion of coronavirus disease (Covid- 19) from the end of the year 2019 to 2020 heavily impacted our world, industries, and individuals. The hospitality and travel fields are not considered a necessity; hence they were hugely responsive to shocks like the COVID-19 pandemic. Tourism negatively impacts the environment, from the depletion of natural resources to pollution and waste problems. Thus, Eco-tourism is a rapidly growing industry that arises from the need to create a type of tourism that allows travelers to continue enjoying the wonders that we can find worldwide while being appreciative and enduring the conservation of nature. The International Ecotourism Society defines it as “responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education” (The International Ecotourism Society, 2015). From now on, there will be some changes in the travel experience. New desires, mindsets, and needs are emerging (some fueled by lockdowns and the new conditions imposed by governments to mitigate the expansion of COVID-19), taking individuals towards a more nature-oriented choice when traveling (King C. & Burns O., 2021). There has been an increase in the demand for local experiences as well; consumers pursue authentic experiences, getting away from the average tourism and going deeper into more meaningful entertainment (Baidin, 2020). Furthermore, sustainability is in growing demand; according to the digital travel platform Booking, 53% of global travelers want to travel more sustainably in the future (Zhang, n.d).

The scenario described above represents a worthwhile opportunity to start a sustainable travel company that will make tourists discover a new way of traveling and connect with the environment and local culture in a respectful manner. As UNWTO Secretary-General Zurab Pololikashvili said: “Sustainability must no longer be a niche part of tourism but the new norm for every part of our sector. That means an opportunity to build back better and create an industry that is more resilient and aligned with the UN’s Sustainable Development Goals” (Zhang, n.d).

The aforementioned facts are the opportunities we intend to examine in this business project. A research will be executed in order to comprehend more the structures and challenges of this apparent window of potential and opportunities. In the first place, we are going to determine the research problem and question, so that we can decide our focus and planning.

2.1. Research Problem

In this part of the paper, we have found out the main challenge that influences e-commerce and the travel sector. Through this analysis, we discovered our research problem. In order to address it, we are going to build an effective solution, that will allow us to carry out our activities in a productive way.

The business model we think would be more appropriate for an online travel agency like the one we want to create, is an e-commerce B2C (Business-to-consumer) model. As with every business model, the e-commerce market has its own advantages and difficulties for the persons involved in this kind of industry. In accordance with our market research, in 2020, the percentage of companies selling online products in Spain was above 24.5%. This figure represented an increase of approximately five percentage points compared to 2019. Additionally, we have found that, according to a survey conducted in Spain between October 21 and November 7, 2021, more than 55% of the study participants claimed to have purchased travel-related services online (Orús, 2022). These facts make us think that, as e-commerce is increasing rapidly, not only in Spain but also all around the world, the travel and tourism industry is increasingly relying on this channel to make sales. This is good news, but at the same time, it represents a

problem, as it means that there are many other businesses trying to do the same as we want to do, that is, offering travel and tourism services online, and we will have to find a way to differentiate ourselves and to motivate people to switch to a sustainable way of traveling.

2.2. Research Question

Regarding the previous information, we have defined our research question as to the following statement: how might we build a successful sustainable travel agency which is capable of competing against conventional travel agencies, which normally offer lower prices?

The previous question will be the priority of our investigation, in order to understand what and how we should commercialize the services we want to deliver.

2.3. Business description

The vision of Forestia is, to create a sustainable travel company that offers a portfolio of sustainable tourism services, with accommodation in typical rural houses and entertainment activities for local tourism. Moreover, the company will provide a set of other environmentally friendly activities such as visits to ecological farms, sustainable factories, and workshops which the company will previously create agreements with. Forestia will offer its own *forest bathings* as well since it is an activity of which we would like to raise awareness. For a general understanding, the definition of this practice, explained by Sunny Fitzgerald in National Geographic states as follows: “The term emerged in Japan in the 1980s as a physiological and psychological exercise called *shinrin-yoku* (“forest bathing” or “taking in the forest atmosphere”). The purpose was twofold: to offer an eco-antidote to tech-boom burnout and to inspire residents to reconnect with and protect the country’s forests “ (Fitzgerald, 2019). We believe that this novel activity can have great potential in these times of growing stress, especially in this post-pandemic moment when people's mental health is increasingly fragile. According to a report by the Spanish Confederation of Mental Health, the WHO has

stated that mental health problems have increased during the COVID-19 pandemic. At the level of the general population, a clear increase in levels of anxiety and stress has been observed, with various surveys showing that around a third of adults report levels of distress (Confederación Salud Mental España, 2021).

For the time being, the company's activity will take place in strategic locations in Spain, but with a chance of increasing the number of sites (across Europe) in the future. The targeted locations will be Mallorca and the Galician region in Spain. Those places have been chosen considering different factors such as the landscapes they offer, the frequency of forest bathing activities in the area, and since they have a high cultural value from which we could provide wonderful experiences.

2.3.1. Company's core values



- **Sustainability:** We support and promote sustainable tourism and protect natural and cultural resources in all our decisions. Additionally, the company contributes to the development of sustainable and local businesses.



- **Trust:** Create an engaging community where customers will trust what we do and how we perform. They will choose us for the values we demonstrate.



- **Commitment to customers:** Our way of working with customers is always honest, open, and respectful. We want to create unforgettable experiences for their holidays.

3. OBJECTIVES

3.1. Main Objective

The general objective that this business plan wants to achieve is to detail all the necessary actions to carry out the creation of this new company, analyzing both the technical and economic viability of the project.

3.2. Specific Objectives

For this business project, we have classified our main objective into sub-objectives with a more detailed and specific explanation of the goals we hope to achieve.

1. Financial objective:
 - To understand the financial viability of the project through the elaboration of a financial plan, acknowledging the different costs.
 - Study both economic and financial feasibility as well as its profitability. For this, various analyses will be carried out, such as the balance sheet and the profit and loss account.
2. Strategic objectives
 - Identify the strategic environment, and explore the already existing competitors and the market.

3.3. Mission

Create a travel agency that will benefit three main elements; individuals, the environment, and the regional culture of the chosen locations.

3.4. Vision

Being a recognized travel agency by 2025, known for our sustainable approach and quality in the services that we offer. As well as actively contributing to environmental and community well-being.

4. MARKET ANALYSIS

4.1. Peer Competitors

There are various competitors which offer similar services. For this analysis, the majority of companies included are quite small. Our scope towards forest-bathing and sustainability is a key differentiator, as it is still a very new concept and there aren't many companies that commercialize it. We also considered the fact that we outsource accommodations and experiences (except for the forest bathing activity), which will give customers a wider range of possibilities where to choose from. Few companies are dedicated to Forest bathing specifically in Spain, since, as we said previously, this type of activity is still in the growth phase, although with great potential due to the trends mentioned previously in this study, oriented toward a sustainable future.

-MALLORCA:

- Can Ribera: this small company owns an ancient manor located in Sóller. The house also has a big extension of land, so they have taken the opportunity to offer excursions and forest baths. His negative point regarding us would be that, as I mentioned before, we offer more options of activities and different places to stay, that can result more attractive for potential clients since they can try several times our services, and change the hotel or activities. In short, a more dynamic experience.



-GALICIA:

- Rooteiro : ecotourism, Galician wine, and gastronomy tourism company. They offer several activities (cooking workshops, forest bathing, and wine tasting experiences) which can result really interesting for curious and foodies. They have the “Green Tourism” label and are definitely a competitor for us, but when compared, they don’t offer accommodation.



-OTHER AREAS (Spain, and International territories):

- Viajarsolo.com: offers all kinds of trips (Pet friendly, gay friendly, for singles, nature-oriented, etc.) around the world. They have many options to choose from, although, as the name says, it is more aimed at people who will be traveling alone, not families. They offer “Nature” trips but they can’t be considered an ecotourism company.



- Airbnb: We do not consider Airbnb as a direct competitor, but it is obviously a large and well-known company, therefore we have to take it into account. In addition, they began to offer "experiences" in addition to accommodation. They still do not offer forest baths in Spain but they do in other countries.



- Instituto de baños de bosque: This company is dedicated especially to forest bathing, and carries out activities and certifications to be a forest guide. At the moment, they are the only ones to offer these certifications in Spain. Compared to us, they have no accommodation offer and their experiences are exclusively focused on forest baths.





- Pranayama: This online travel agency focuses on well-being in general and Yoga. It also offers forest baths but it is not the main attraction. It also organizes trips outside of Spain and Europe. It also focuses more on the well-being of oneself, not so much on the environment and sustainability.

4.2. Clients

Although it is true that, in Spain, a large part of the tourists travel attracted by its offer of sun and beach, the alternatives are many and varied. Before the appearance of the pandemic, rural tourism already experienced a boom in 2014 and 2019 when the annual number of tourists staying in rural tourism accommodations in Spain reached a record 4.4 million tourists. In 2020 alone, the COVID-19 pandemic put a stop to that boom. Even so, just over 1.8 million residents in Spain and almost 200,000 residents abroad stayed in one of the more than 11,500 establishments that are estimated to have opened their doors throughout the national territory. Among them, although more and more foreigners are deciding on rural destinations, domestic tourists continue to stand out (Statista, 2022). These signs make us think that, despite the fact that the numbers have decreased due to the pandemic, the market has great potential. In addition, the Government of Spain developed a plan in 2019, the “ *Strategy for sustainable tourism in Spain 2030*”. Its main aim is to “ lay the foundations for the transformation of Spanish tourism towards a model of sustained and sustainable growth”, which is also a positive indicator and can give us guidance on future trends (Ministerio de Industria, Comercio y Turismo, 2019).

Regarding the previous facts, and other evidence collected in this work, the basis of our travel agency will be to offer an easy way to book rural hotels, to which they will be able to add experiences that enrich our clients with the culture of the region, and will allow them to live an original and different experience. In addition, for a good purpose, as our services will respect the environment of the localities.

4.3. Sales strategy

The sales strategy is mainly based on digital channels, minimizing the commercial labor cost. However, the physical presence of the headquarter in Mallorca is important in order to give the client an omnichannel buying experience.

- The physical office will be the space to receive regular clients or the general public that is local and lives in Palma.
- The online store, which allows the distribution strategy to be a little more extensive, is able to reach customers throughout Spain, and everywhere else in the world. It is important to pay attention to the user's browsing experience on the brand's website. The process should be easy, straightforward, and uncomplicated. It should be considered that the customer's experience with the brand begins on the web, at the time of the order, not when the travel date has arrived.

5. EXTERNAL ANALYSIS

5.1. PESTEL Analysis

We live in a constantly changing world. Every time people and companies have to adapt more quickly to the novelties in different areas. That's why the analysis of the external environment of Forestia is essential, but always taking into account that it will keep changing and we have to be aware of those independent variations all along the journey, as well as of the international expansion that we plan for our company in the next few years.

5.1.1. Political Factors

In Spain, the political form is a parliamentary monarchy. The system of government is based on national sovereignty, the division of powers, and a parliamentary system. The Spanish Constitution of 1978 establishes the institutional organization of Spain and heads its legal system. The state is responsible, among other things, for directing international politics, administering justice, planning economic activity and public works of general interest, dictating laws for the entire state, taking charge of national defense, and organizing the monetary system. On the other hand, the Autonomous Communities have the power to plan and develop their economy, exploit their resources, take care of public works and roads, protect the environment, promote culture, take care of education and health, etc.

Spain is a member of the European Union and participates in this economic and political project since 1986. Currently, Spain is going through a period of political instability. The political party that currently governs is a coalition between the PSOE and Unidas Podemos (left-wing), being Pedro Sánchez the president of the government. Regarding public aid for companies, the Ministry of Industry, Trade, and Tourism grants loans to companies whose share capital is mostly in the hands of partners aged 40 or younger (Ministerio de Industria, Comercio y Turismo, n.d). Therefore, our company could benefit from this help.

5.1.2. Economic factors

Spain was on the right path to a balanced recovery in the last years. However, the 2020 COVID-19 crisis triggered an economic recession that affected businesses, individuals, and the country as a whole (Pindado, 2020). GDP was reduced by 12,8%, one of the worst results in Europe. The service sector was strongly damaged, especially the tourism industry. Moreover, GDP growth is expected to decrease a 4.1% in 2022 and 3.3% in 2023. The main reason is the impact of the invasion of Ukraine, the sanctions

imposed on the Russian economy, and the increase in prices, especially of energy, which has occurred in recent months (BBVA Research, 2022).

The annual inflation of the CPI in April 2022 is 8.3%, according to the indicator prepared by the National Institute of Statistics (INE, 2022). In its 2021 budget, the government led by Pedro Sánchez plans to increase taxes on large companies and high salaries, to stimulate revenues by € 6.8 billion. (Santander, 2021). Additionally, the unemployment rate stood at 13.65% in the first quarter of 2022, which is 32 hundredths more than in the previous quarter. In the last year, this rate has decreased by 2.33 points (Instituto Nacional de Estadística, 2022).

5.1.3. Social factors

Regarding social aspects, the generations millennial and Z are transforming the travel industry, which is experimenting a metamorphosis. A Skift Research survey fielded in July 2019 in five different countries revealed that members of Gen Z are traveling at relatively similar rates to their millennial peers in most countries. These generations prefer trips where they can immerse themselves in the culture of the destination, they want unique and different experiences. Unlike their parents or grandparents, they don't mind not staying in quality hotels, they opt for hostels, sharing rooms with people from other places, they see it as a way to socialize and thus meet other perspectives. Unlike their predecessors, they are people who don't use the money they have to buy houses or cars, the vast majority use it to travel, for them, it is a lifestyle. They are also the highest spenders when they travel, they spend around about \$3,500 per trip and \$60 a day (Condor, 2021).

According to National Geographic, more trends to consider are those of human sustainability and regenerative tourism. That is, how the traveler impacts local communities, 63% of travelers will avoid, also for health reasons, going to the most popular attractions, and 48% will opt for destinations without crowds. Moreover, *regenerative tourism*, namely those types of trips that contribute to destinations in

which the traveler's money has a more direct impact on the destination society will grow. Two-thirds of the people surveyed (67%) said they would like their travel decisions to contribute to the recovery of a destination, and more than half (55%) want their money to go back to local communities. Nature-related plans are growing: 46% of respondents say they think green for their next trips (National Geographic, 2020).

Our business fits perfectly with the current social trends, which can be considered an advantage. In addition, these data indicate that although we target people of all ages, we should especially focus on younger customers.

5.1.4. Technological factors

There is no doubt that we live in an increasingly cybernetic world. Internet use worldwide is 5 billion this year, 63% of the entire population. Of this total, 4.65 billion are social media users (Statista, 2022). For this reason, and to continue innovating without being left behind, industries are increasingly digitalized, including the tourism industry. Furthermore, it is necessary to highlight the rise of social networks, especially as a method of business promotion, which Forestia will take into account.

Another critical technological factor is the Internet of things (IoT), which can have positive impacts on travel management such as accurate data collection, acute personalization of user control, seamless travel, connectivity, smart solution to sustainability goals, energy-saving, maintenance, repairs, and detailed understanding of users through analysis of data in real time (Verma & Shukla, 2019).

Information and knowledge about our clients are key assets for the management of tourist activity. Without a doubt, it is essential that our company equips itself with the most appropriate Information Technology instruments in order to obtain valuable information that serves as support to improve the management of our business activity, the quality of our customer service, as well as the promotion of our services.

5.1.5. Environmental factors

The environmental issue has gained considerable strength in recent years due to climate change. Sustainability is even thought of as “the new normality” (World Tourism Organization, 2020). In January 2020, the Council of Ministers approved the Declaration agreement on the Climate and Environmental Emergency in Spain, adopting 30 priority lines of action to combat climate change. Other initiatives are also being carried out such as the *National Plan for Adaptation to Climate Change 2021-2030*, the *Long-Term Decarbonization Strategy 2050*, and the *National Strategy for Green Infrastructure and Ecological Connectivity and Restoration* (Ministerio para la Transición Ecológica y el Reto Demográfico, 2020).

The factors mentioned can only be an advantage for our company, which is going to dedicate itself to fulfilling all the requirements to be environmentally friendly.

5.1.6. Legal Factors

One of the Spanish legal instruments are Statutes of autonomy, which are basic Spanish institutional rules applicable to individual autonomous communities and recognized by the Spanish Constitution of 1978. (European Justice, 2021)

To create Forestia, we must take into account the regional laws of the Balearic Islands, since that is where the company will be registered. If the travel agency is virtual, the informative data that must appear on the web pages, in accordance with Law 34/2002, of July 11, on Information Society Services, are:

- Name or company name
- Identification number (DNI, NIE, CIF, etc.)
- Address or address of one of its permanent establishments in Spain
- Email address or any other direct and effective communication channel (contact form, telephone, etc.)

- Registration number (AVBAL)
- Clear information on the prices of services
- The goods and services marketed in Spain must appear, at least, in Castilian, the official Spanish language of the State.
- In the case of provision of services related to tourist stays in homes, the corresponding registration number or the entry registration number must be displayed.

Concretely in the Balearic Islands, Legislative Decree 1/2020, of August 28, was published in the Official Gazette of the Balearic Islands, approving the revised text of the Environmental Assessment Law of the Balearic Islands (Eurofins, 2020).

5.2. Porter's Five Forces Analysis

The following figure represents Porter's Five Forces analysis, which is meant to provide a clear and comprehensive insight into the market conditions in the sector we want to enter in Spain. Additionally, it will help us to make sound decisions for our enterprise, being more aware of this specific market environment.

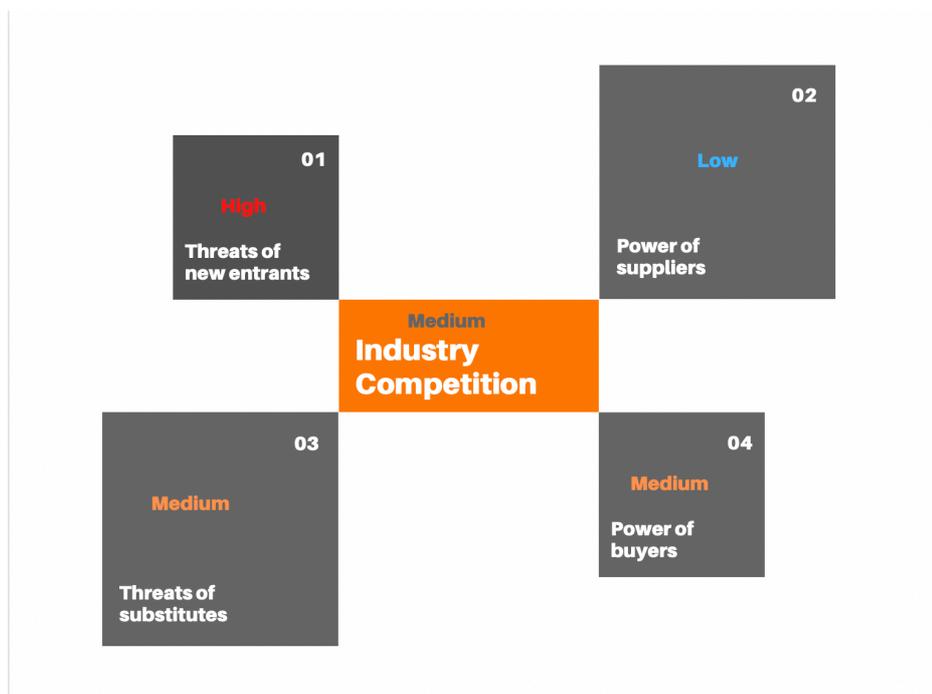


Illustration 1. Porter's Five Forces analysis

5.2.1. Threats of New Entrants

In this case, the threat is high, as there are low barriers to entry. Moreover, there is the threat of our biggest competitors, which are just conventional travel agencies such as Booking, or digital platforms that offer accommodation of all types as Airbnb, expanding to sustainable tourism. The fact that sustainability is trendy in the market is also an indicator that is an appealing industry. Finally, the costs of setting up an online travel agency are relatively low.

5.2.2. Power of Suppliers

By being a travel agency, we have very few suppliers, as well as low switching costs due to a large number of software or website developers. That's why we can consider having a Low Power of Suppliers.

5.2.3. Threats of Substitutes

Medium, as there are plentiful substitutes in some aspects of our business. Many companies offer travel plans, and bigger competitors are increasingly offering rural accommodation. However, we make sure our enterprise can add some value by offering experiences that are not so easy to find through big companies (for example, visits to an ecological farm, regional cooking workshops, or forest bathing activities).

5.2.4. Power of Buyers

In our market, customers have a high power influence. Our customers have low switching costs and many options available to them. Moreover, the increase in the use of technology for travel planning and choosing a company for your holidays make our customers be more aware of the different possibilities, and therefore, they will be more critical when making a decision. That's why we will work on a strategy that appeals to customers from the beginning. We understand that the promotion in social media, for example, can result extremely advantageous when is well performed.

5.2.5. Industry Competition

As mentioned several times in this business plan, there are many potential competitors, and it is fairly easy to switch from our travel company to another one, but we also believe that the customers won't find an exactly similar service with our same characteristics and values. Forestia's aim is to develop differentiation strategies so that it boosts our competitive advantage. For example, customers that are really engaged with sustainability won't move to a big company that not only offers sustainable services but also conventional ones, as they will trust a small company whose true focus is to transition into more respectful tourism. This is why we consider it a medium Industry Competition.

6. INTERNAL ANALYSIS

6.1. SWOT analysis

The SWOT analysis will allow us to synthesize the diagnosis of the company's situation in terms of internal and external factors.

	Seasonality	Stable geopolitics	COVID-19	Economic downturns	TOTAL
STRENGTHS					
Innovative concept	3	-1	-2	1	1
Therapeutical approach	2	1	2	0	5
Office ownership	0	1	0	3	4
Sustainability is trendy	3	2	0	1	6
WEAKNESSES					
Established competitors	0	0	-1	-2	-3
No previous experience managing a travel agency	-2	-1	0	-2	-5
Financial Requirements	0	-1	-2	-3	-6
IMPACT	6	1	-3	-2	

Table 1. SWOT analysis

6.1.1. Strengths

As can be observed in *Table 1*, our main strengths are the fact that our *forest bathing* activity is starting to have more recognition as a therapeutic method. According to the World Health Organization, one of the consequences of the COVID-19 pandemic is a 25% increase in anxiety and depression. Mental illnesses are increasing at a fast pace, especially among teens (World Health Organization, 2022). This fact, despite being terrific, indicates to us that more and more people will be looking for solutions, and new ways to relieve these illnesses. On the other hand, sustainability is increasingly becoming a must for the operations of many businesses, and the number of people who prefers to pay a bit more for a more sustainable option is increasing as well, especially for the Z Generation consumers (World Economic Forum, 2022). It will be one of our main assets, and moreover, it is included in the core values of our company.

6.1.2. Weaknesses

As for the main weaknesses, the lack of experience in the sector would be one of our main concerns, the personnel from which the business is formed lack the necessary knowledge to develop in the travel agency sector. Financial requirements should be considered as well, as we are a new company and therefore we will have few financial resources and market knowledge.

It is also worth considering that we are a newly created company. Thus, there is little knowledge of the company because it is new, and the different agencies around it are better known.

6.1.3. Opportunities

In terms of opportunities, the advancement of communications and the use of social networks to promote ourselves can open doors for us to get clients, creating accounts on both Facebook and Instagram to provide adequate follow-up to keep the client correctly informed. In addition, there is little competition in forest bathing therapies, and few travel agencies include it in their activities.

6.1.4. Threats

In Palma, tourism lacks regularity. That is to say, during the summer months, millions of people appear who later leaves in the colder months. It will be necessary to take into account that some months will be weaker than others in terms of benefits. On the other hand, we will also try to attract not only national or international tourists but also the inhabitants of the island.

7. MARKETING PLAN

7.1. Industry Overview

According to the United Nations World Tourism Organization (UNWTO, n.d.), ecotourism refers to a form of tourism with the following characteristics:

1. All nature-based forms of tourism in which the main motivation of the tourists is the observation and appreciation of nature as well as the traditional cultures prevailing in natural areas.
2. It contains educational and interpretation features.
3. It is generally, but not exclusively organized by specialized tour operators for small groups. Service provider partners at the destinations tend to be small, locally owned businesses.
4. It minimizes negative impacts on the natural and socio-cultural environment.
5. It supports the maintenance of natural areas which are used as ecotourism attractions by:
 - Generating economic benefits for host communities, organizations, and authorities managing natural areas with conservation purposes;
 - Providing alternative employment and income opportunities for local communities;

- Increasing awareness towards the conservation of natural and cultural assets, both among locals and tourists.

Ecotourism's market size globally was estimated at 181.1 billion U.S dollars in 2019 and the sector forecast states it will reach 333.8 billion U.S dollars in 2027. So it's definitely an industry that will continue growing. France, Spain, and the United States were the countries with the largest tourist arrivals in 2019 (Statista, 2021). This year, the number of tourists visiting Spain reached almost 9.7 million (La Moncloa, 2022),

According to Santander Bank, tourism is pivotal to the Spanish economy (Santander, 2022). This is good news, but it can also represent that there are more competitors, and more companies offering travel experiences. However, we are the only Spanish travel agency that offers its own forest bathing therapy.

We should consider the industry trends and adapt our company in a way that we respond to them, according to Sustainability Leaders Project, some are:

- First, a guarantee of safety both for residents and visitors.
- Regenerative tourism, for the benefit of residents and the natural environment.
- *Staycation, domestic travel, slow tourism*. All of them have become even more popular than they were before (Sustainability Leaders Project, 2021).

Furthermore, the European Parliament has set the “ *EU Strategy for sustainable tourism*”, where they state that Europe should strengthen a transition to a sustainable, responsible, and smart tourism and they call on the Commission to develop a path for sustainable tourism which includes measures to reduce environmental and climate footprint of this industry. A way of doing that is to develop more sustainable forms of tourism. They also call on the Member States, to come up with sustainable tourism action plans nationally and regionally and to make use of the Next Generation EU funds to finance these tourism transition plans (European Parliament, 2021).

Regarding Spain itself (Secretary of State for Tourism, n.d.), the Government is developing a sustainable tourism strategy as well. Before 2030, the country wishes to focus more on quality tourism, instead of the “sun and beach” approach, which has been used for so many years, but it no longer helps manage the current challenges, which require a new vision.

7.2. Marketing Mix

7.2.1. Product

The agency's offer is based on natural and sustainable experiences for the targeted potential clients. The following is the initial product portfolio, which is thought to satisfy the customer segments selected as targets for the company:

- **Tours:** these are the longer option for potential clients. This option offers different alternatives for 5 to 7 days trips. These tours include generally 3 to 5 activities and accommodation.
- **Getaways:** These are a middle option for potential clients that are time-limited. This option offers different alternatives for 2 to 3 days trips. These getaways packages include generally 1 or 2 activities and accommodation.
- **Experiences/Activities:** the different activities offered by our partners are offered separately. This alternative is mainly destined to local clients which are interested in natural and sustainable experiences.
- **Luxury getaway:** This alternative is addressed to the higher income segment of clients which may have higher standards in terms of accommodation, services, and logistics in general. The main difference with the second option already described is the fact that includes top-tier rural hotels (4*- 5*) and private transfers to each location and back.

7.2.2. Price

The price strategy for the business would be a combination of two different ones, considering the differentiation between the diverse alternatives. Penetration pricing, which seeks to enter the market quickly and easily, is proposed as the three first options. Its objective is to capture the attention of consumers through "makeup" prices. Once it has achieved this, the company will begin to raise the prices of the services progressively.

The pricing skimming strategy, which consists of offering the services at high prices, as long as the demand in the market where it operates is low, is suggested for the luxury getaways, as it is destined to high economic profile buyers, it has little competition and offers a high-quality service.

When the brand has already managed to capture the customer's attention, prices will progressively decrease. For pricing skimming to achieve its objectives, the following factors must be present: low demand, the high economic profile of the buyer, little or no competition, and high quality of the product or service.

- Tours: 500 to 800 Euros per pax
- Getaways: 300 to 500 Euros per pax
- Experiences/Activities: from 30 Euros per pax
- Luxury getaway: From 1.000 Euros per pax

Some of the experiences offered in all the alternatives are:

- Forest therapies: The session consists of about two hours of relaxed walk around a forest. Participants led by a monitor will perform various breathing exercises, contemplation, silence, and meditation. Some of the alternatives are:
 - Cabo Home. Morrazo Peninsula (Galicia)

- Sa Cometa des Morts. Natural Park of the Serra de Tramuntana (Balearic Islands)
- Can Ribera in Sóller, Mallorca
- Forest baths in Euskadi, Basque Country
- Gastronomic and wine tastings
- Healthy food and ecology workshops
- Birdwatching
- Meditation and yoga day

7.2.3. Place: Distribution

The agency will concentrate its services in 2 Spanish regions that offer different alternatives for natural and sustainable tourism. There will only be one office, and it will be located in Palma de Mallorca.

7.2.4. Promotion: Communication Strategy

The communication strategy will be based on the following tactics and proposals, using various tools available today.

- Personalized advice for potential clients: it is important to incorporate elements of personalization in communication with the potential client. For this, there are various tools that must be added to the communication strategy:
 - Incorporation of data analysis to obtain more detailed information on potential customers and users interested in the brand's offer. From this, it will be possible to generate micro profiles (personas) that allow more

effective direct marketing actions.

- Incorporation of a periodic mailing or newsletter strategy to achieve closeness with the potential client. It is possible with current tools to customize the emails that are sent to each client, from using the name of each contact to head the message, to sending alternatives, options and offers specified according to their tastes, preferences, family group, among others.
- Omni-channel communication with the client, giving them multiple alternatives to contact the company and enable advice and even sales through various channels, attending to the new omni-channel trends in the market. Among the channels that must be enabled for communication with the client are the web, direct messaging channels on social networks, WhatsApp.
- Increase in the use of online channels, with greater interaction with the consumer through a growing multi-platform structure. This is possible thanks to a renewed intensity in the use of technologies and their effectiveness in achieving high levels of personalization. We will also offer 24/7 customer service in case they have any issue. Being fast-responsive always gives a positive image, and that you care about your customers.
- The online channel will continue to be exploited to reach more potential consumers through new technological forms. Among the enabled channels are:
 - Social networks: We will enter specific Instagram and Facebook profiles for the new brand. The objective will be to create a relationship of interaction with the target audience that, according to the research, mainly use these media. The planning of the content to be published has to do with the new offer mainly, giving specific details of it because the target customer will want to know the product from these media. It is of great importance that the quality of the content produced for networks is of high quality and that they reflect the brand and the new proposal.

In the profiles, the access link to the company's e-commerce will be present. In this store you can make direct purchases, private reservations or make orders or inquiries. In addition, this website will be integrated with the Instagram catalog function, with the aim of generating more traffic to e-commerce.

The prices and details of the offer must be clarified precisely in the digital channels. There should be no doubts for the potential buyer of the products.

The direct contact alternatives offered by RRSS profiles should be well used, especially in the case of Instagram. For the publications, a calendar of 2 posts a week will be generated for both the Instagram and Facebook profiles. It is also suggested that the new resources offered by the RRSS be used as reels in the case of Instagram since this will help the algorithm to better position the brand's publications. On the other hand, the activity through Instagram stories must be daily.

- SEO strategy: in order to improve the positioning of the web in search engines, it is necessary to propose an organic positioning strategy. It is necessary to review the keywords with the best positioning in the industry and to be able to generate content related to them so that the venture is accessible to a greater number of people.

In this sense, it is necessary to add a section to the company website for creating a blog containing articles related to industry, events, fashion and culture. By using the appropriate keywords, the positioning of the web in the search engine will be enhanced.

The SEO strategy approach is based on the following factors:

- The title of the web page, which must contain the keywords, which must also be configured based on the search spiders that help to achieve an improvement in the searches by creating the crawl through the sites.
- The keywords should be considered for the writing of the titles or

downloads of blog articles, especially those with a long tail. In addition, they should consider interesting topics that reflect the personality of the consumers they are targeting.

- Link-building must be applied to permanent links, considering both internal and incoming links that correspond to different platforms or web pages linked to the industry.
- Content: mainly considering blog articles, images and multimedia content included within the platform and that improves the movement of the web.
- SEM strategy: to begin with, it is proposed to establish a moderate advertising strategy in the search engine only in order to reinforce the organic positioning strategy described in the previous point. To control the operation of this tool, audits will be planned once a month and, if necessary, the SEM objectives will be modified.
- Increased awareness of environmental sustainability and the preservation of the landscape and heritage. This must also be communicated and exalted in the content published on the web and social networks.
- Security - Attributes related to security and trust in the destination will be more important. For this reason, the work must be carried out on the improvement of health security measures, real-time care, and content that reinforces trust and the image of a safe destination.

7.3. Target Audience

According to the analysis, it is possible to determine the target of the company, in accordance with the analyzed segments.

- Families: These people are identified with their family nucleus and their consumption is based on that nucleus. They generally have school-age children. Their consumption

decisions are based on maintaining practicality, quality service, and that it is effective for visitors. These are people with little time available, so they prioritize obtaining a fast service that can be contracted simply. The price is important and, in some cases, decisive for the final purchase decision. They are identified as promotion seekers and are interested in obtaining offers that are good value for money. In general, they are families that take advantage of family vacations to share with their children and choose rural destinations to be able to relax in a natural environment. They seek to escape from city life to rest, so rural experiences will be those of their greatest interest.

- "Trend Markers": They are young adults (20 - 35) who have a very active life in the work and social sphere. They are people who try to live a healthy life and enjoy outdoor sports. They are related to and interested in sustainability and caring for the environment. They are independent, and value freedom and disconnection, although they are considered hyper-connected people who come to their lives closely linked to technology and digital media. Regarding the stay preferred by this type of visitor, it is identified as a short stay in general, although at present and with the trends of remote work that are observed in a large number of companies, it is possible that the average stay could rise by the number of days. To achieve this, it is necessary to offer facilities that allow visitors to occupy some hours of the day in work activities.

7.4. Value proposition and brand identity

The opening of a business is an opportunity to propose a branding strategy that shows in some way the personality of the brand. This process must of course involve and highlight the improvements and innovations of the proposal, especially in these circumstances in which adaptation is one of the most important axes for the client.

In this case, it is proposed to base the brand positioning strategy on the imaginary of customers, focusing on 4 pillars:

- The brand's personality. In this sense, it is necessary to highlight not only aspects related to safety and health, necessary for the current context but also to emphasize the spirit of the proposal, in order to make it attractive for the newly defined target that includes segments that may not have previously been considered by these types of establishments.

Thus, the brand must convey a free, young, and innovative spirit, which values freedom, nature, comfort, and active life.

- Sustainability: it is necessary to take advantage of this new resurgence to position the brand as an alternative that cares about caring for the environment, offering alternatives that reduce the ecological impact. This must be reflected both in the message that is transmitted by the various means of contact with the client, and in the service, including gastronomy, and maintenance, among others.
- Digitization and omni-channel experience: one of the renovations that should be evident in the perception of the brand. From the communication channels and customer service to the services offered in the facilities.

8. HUMAN RESOURCES PLAN

The company will be composed of a team of four people. For this opportunity, the proposal is that of a basic structure, considering that it is a small business unit and that it is in its infancy. The structure has a pyramid model and is based on the various essential functions. The managerial positions will be assigned to the founding partners.

- Branch Manager: 2 in total
- Branch Assistant: 1 in total
- Forest bathing guide: 1 in total

The manager of the company will be dedicated to the main tasks, the Assistant will be supporting the work of the managers and carrying out the tasks assigned to him or her, which will vary depending on the week. Finally, the forest bathing guide will be in charge of the forest bathing activity our company offers. These jobs that our company will include along with their characteristics are detailed below.

(i) Manager job description

Basically, carry out the work of management and the functions of the organization, planning, execution, and control of a central nature of the company, among which are included:

- Management functions: motivate, guide, lead and direct the activities of the staff, make decisions and direct the activities in the direction of the organization's objectives.
- Organization functions: design and determine the organizational structure, anticipate personnel requirements, assign roles and tasks to the person, anticipate the need for materials, machinery, and establish work processes.

(ii) Assistant job description

In addition to supporting the managers, the assistant will be in charge of carrying out:

- Administrative tasks: organize the agency and carry out economic-financial management, actions that must be handled so that the company remains organized and functions efficiently.
- Customer service and social media tasks.

It is possible that, depending on how hard the workload is, we have to add another assistant.

(iii) Forest bathing guide job description

Our Forest Bathing Guide will offer nature connection activities structured in a carefully designed sequence that aims to create experiences that promote connection with nature and strengthen social relationships, increasing the therapeutic and restorative effects of nature on health and wellness.

9. FINANCIAL PLAN

9.1 Financial Presentation

Regarding the financial aspects, Forestia will be a limited company with two capitalist partners. Besides, we will always be open to new partner incorporations. The initial capital amounts to 50.000EUR and an office valued at 230.000EUR. Thus the Total Partner contribution gives a total amount of 280.000EUR. In the following table, these contributions are reflected, as well as the expenses of the company's creation:

PARTNER CONTRIBUTION	
211 BUILDINGS	230.000,00 €
572 BANK	50.000,00 €
SOCIAL CAPITAL TOTAL	280.000,00 €
BANK DEPOSIT	15.000,00 €
CONSTITUTION EXPENSES 02/01/2022	
FECHA CONSTITUCIÓN	
623 Notary's office and management agency	450,00 €
629 Commercial registry	123,00 €
21% VAT	120,33 €
TOTAL PAYMENT	693,33 €
PAID BY BANK	693,33 €
ACQUISITION OF FIXED ASSETS	
217 2 COMPUTERS	2.000,00 €
217 2 PRINTERS	
216 FURNITURE	
	2 Tables 206,00 €
	2 Chairs 360,00 €
	2 Footrests 65,95 €
219 OTHER TANGIBLE FIXED ASSETS	
	1 Coffee machine 90,00 €
206 COMPUTER SOFTWARE	219,11 €
21% VAT	617,62 €
TOTAL PAYMENT	3.558,68 €
PAID BY BANK	3.558,68 €
OTHER PROCEDURES	
Retail travel agency deposit	60.101,21 €
TOTAL PAYMENT	60.101,21 €
PAID BY BANK	60.101,21 €

Table 2. Company's creation Partner contribution, and expenses.

9.2 Loan Amortization

In order to cover the set-up of the company, we will add a bank loan of 60.000EUR that we'll pay in 4 years with a 5,50% interest.

Year	Paiment	Interest	Principal	Balance
0				60.000,00 €
1	16.744,66 €	2.955,85 €	13.788,81 €	46.211,19 €
2	16.744,66 €	2.178,05 €	14.566,61 €	31.644,58 €
3	16.744,66 €	1.356,38 €	15.388,28 €	16.256,30 €
4	16.744,66 €	488,36 €	16.256,31 €	0,00 €

Table 3. Loan Amortization Sheet

9.3 Cost analysis

The cost structure for cost management will be flexible and subject to changes while the business is growing. The following is the approximation that has been designed to project the profitability of the business:

Variable costs		
Accommodation		25 to 200 € per night per pax
Experiences		12 to 50 € each
Fixed costs		Annual
Labor cost	1 manager and 6 employees	183.932,87 €
Services		6.000,00 €
Marketing costs		17.800,00 €
Total		207.732,87 €

Table 4. Cost structure

-VARIABLE COSTS:

- Accommodation: it is considered a wide range, considering that the alternatives

offered include luxurious and affordable options. The reference price range is taken from Booking, a platform that shows accommodation alternatives in the locations of interest ranging from 25 Euros per person per night to 200 (Booking, 2021).

- Experiences: The experiences or activities are also varied, so a range should be considered as a reference price. It begins with experiences of 12 euros, which refers to activities of a few hours, up to 50 euros, for activities that can last the whole day, including food and drink.

- FIXED COSTS:

- Labor costs: For this estimate, 2 employees in each of the branches have been considered, plus the salary of the general director corresponding to the owner. The references are taken from the collective bargaining agreement of the Balearic Islands (Govern Illes Balears, 2018).

Position	Vacancies	Gross salary	Taxes	Labor cost
General Manager	2	1.874 €	560 €	2.434 €
Employees	2	1.503 €	449 €	1.952 €

Table 5. Labor costs

- Marketing Costs: The following estimation accounts for a year, according to the communication strategy designed.

SEM/ SEO budget	4000 €
Re-marketing budget	2000 €

Promotions budget	2000 €
Social Network Ads budget	2500 €
Total	10.500 €

Table 6. Marketing Costs

9.4 Financial Statements

Table 4 shows the simplified version of the Balance Sheet, which includes the Assets, Equity, and Liability for five years and the initial Balance. The company's total assets increase 340% in the fifth year from the first year basically focusing on the treasury. It reflects the company's capacity to extend its investments.

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS						
Non-current Assets	230.000,00 €	228.481,50 €	228.481,50 €	228.481,50 €	228.481,50 €	228.481,50 €
Current Assets	49.898,79 €	243.499,24 €	545.439,77 €	847.905,23 €	1.015.191,22 €	1.208.404,16 €
Total Assets	340000,00 €	532081,95 €	834022,48 €	1136487,94 €	1303772,93 €	1,496.986,87
EQUITY AND LIABILITIES						
Equity	280000,00 €	467190,73 €	698554,87 €	848367,42 €	1037635,79 €	1191774,48 €
Non-current Liabilities	46211,19 €	31644,58 €	0,00 €	0,00 €	0,00 €	0,00 €
Current Liabilities	13788,81 €	33246,63 €	51074,00 €	39859,27 €	45656,43 €	52323,17 €
Total Equity and Liabilities	340000,00 €	532081,95 €	834022,48 €	1136487,94 €	1303773,93 €	1496986,87 €

Table 7. Simplified Balance Sheet

Table 8 shows forecast sales in a normal scenario. Profitability from the first year can be highlighted, with positive Cash Flow. This indicates a return on investment in a few years.

PROFIT AND LOSS ACCOUNT					
A) CONTINUOUS OPERATIONS	Year 1	Year 2	Year 3	Year 4	Year 5
1. Net turnover	511.100,00 €	845.250,00 €	972.037,50 €	1.117.843,13 €	1.285.519,59 €
b) Provision of services	511.100,00 €	845.250,00 €	972.037,50 €	1.117.843,13 €	1.285.519,59 €
4. Supplies	4.100,00 €	6.000,00 €	8.000,00 €	8.000,00 €	8.000,00 €
b) Consumption of raw materials and other consumable materials	4.100,00 €	6.000,00 €	8.000,00 €	8.000,00 €	8.000,00 €
5. Other operating income	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €
a) Ancillary and other currently managed revenues	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €
6. Labour expenses	176.058,29 €	176.058,29 €	176.058,29 €	176.058,29 €	176.058,29 €
a) Wages, salaries and assimilated	123.240,80 €	126.508,00 €	127.267,00 €	128.030,00 €	128.798,00 €
b) Social charges	52.817,49 €	38.430,99 €	38.661,58 €	38.893,54 €	39.126,91 €
7. Other operating expenses	367.319,51 €	496.687,56 €	568.202,07 €	650.436,25 €	744.998,06 €
a) External services	366.374,00 €	495.642,05 €	567.106,56 €	649.290,74 €	743.802,55 €
b) Taxation	945,51 €	545,51 €	545,51 €	545,51 €	545,51 €
d) Other current management costs		500,00 €	550,00 €	600,00 €	650,00 €
8. Depreciation of fixed assets	-4.889,56 €	-4.889,56 €	-4.889,56 €	-4.889,56 €	-4.889,56 €
A.1) EBIT	-40.067,35 €	162.814,60 €	216.087,59 €	279.659,03 €	352.773,69 €
12. Financial income					
b) Of transferable securities and other financial instruments					
13. Financial expenses	6.913,81 €	8.723,67 €	8.883,84 €	9.144,94 €	9.955,06 €
b) For debts with third parties	6.913,81 €	8.723,67 €	8.883,84 €	9.144,94 €	9.955,06 €
A.2) FINANCIAL RESULT	-6.913,81 €	-8.723,67 €	-8.883,84 €	-9.144,94 €	-9.955,06 €
A.3) EBT	-46.981,16 €	154.090,93 €	207.203,75 €	270.514,09 €	342.818,62 €
17. Profit Taxes		38.522,73 €	51.800,94 €	67.628,52 €	85.704,66 €
A.5) NET PROFIT	-46.981,16 €	115.568,20 €	155.402,81 €	202.885,57 €	257.113,97 €
DONATIONS 5%		5.778,41 €	7.770,14 €	10.144,28 €	12.855,70 €
DISTRIBUTABLE PROFIT		109.789,79 €	147.632,67 €	192.741,29 €	244.258,27 €
CASH FLOW	-42.091,61 €	158.980,48 €	212.093,30 €	275.403,65 €	347.708,18 €
NET PROFIT	-42.091,61 €	115.568,20 €	155.402,81 €	202.885,57 €	257.113,97 €
LEGAL RESERVES		56.000,00 €			
INCOME (LOSS) FOR THE YEAR	-42.091,61 €				
VOLUNTARY RESERVES		23.113,64 €	31.080,56 €	40.577,11 €	51.422,79 €
DIVIDEND PAYABLE		28.892,05 €	38.850,70 €	50.721,39 €	64.278,49 €
REMAINING BALANCE		7.562,51 €	85.471,55 €	111.587,06 €	141.412,68 €
TOTAL DISTRIBUTION		115.568,20 €	155.402,81 €	202.885,57 €	257.113,97 €

Table 8. Profit and loss account

The different sources of revenue were calculated on the basis of estimations in a demand file we created. Then we can find the expenses which are related to labor expenses, operating expenses, and the depreciation of fixed assets, as well as financial expenses.

9.5 Ratios

Table 10 shows the different ratios that are common in the analysis of forecast financial statements. They all indicate that the company has very low indebtedness and that both the assets and the profits generated allow for healthy growth and enable it to obtain financial resources on the market for potential investments.

Indebtedness and Liquidity	Year 1	Year 2	Year 3	Year 4	Year 5
Debt to Equity	0,14	0,07	0,04	0,04	0,04
Guarantee	8,20	16,33	28,51	28,56	28,61
Capital Debt Repayment	4,23	11,77	18,05	18,79	19,43
Liquidity	7,32	10,68	21,27	22,24	23,10
Working Capital	210.252,6 1	494.365,21	808.045,96	969.534,79	1.156.080,9 9

Table 9 Indebtedness and Liquidity

- *Figure 5* presents the evolution of net profits. The cumulative profit rate over the five years is 30%.

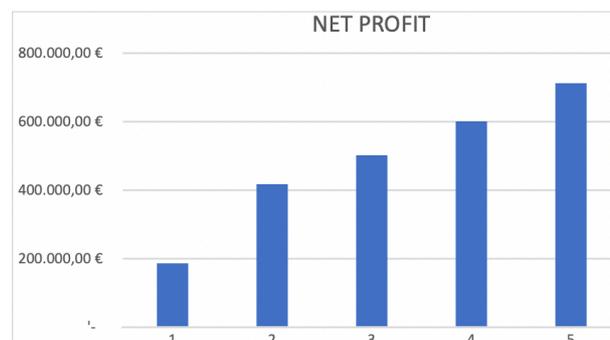


Figure 1 Net profit

- The company's debt is decreasing every year, reaching very low levels. This is shown in *Figure 6*.

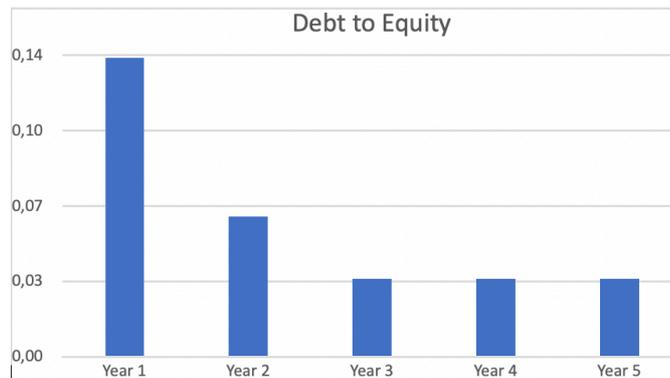


Figure 2: Debt to Equity

- The guarantee ratio shows total assets over liabilities. This value increases in each of the years, but remains almost constant in the last three years, as one can observe in *Figure 7*.



Figure 3: Guarantee of repayment

- Capital Debt Repayment shows how the financial resources generated cover several times the debts, which allows the company to present an unbeatable financial structure. This fact is represented below in *Figure 4*.

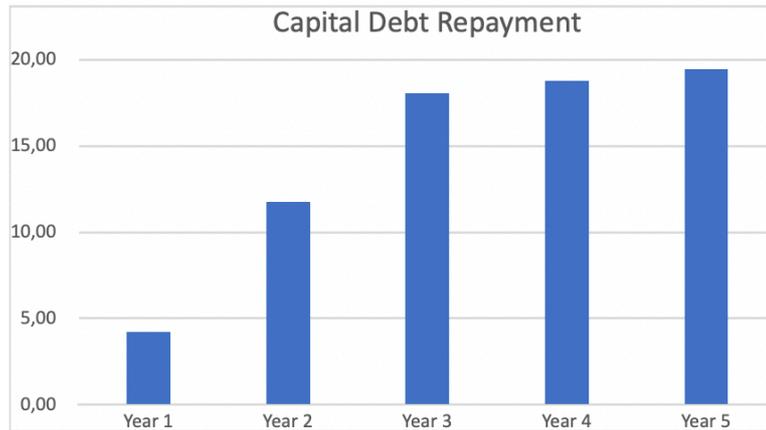


Figure 4. Capital Debt Repayment

- Liquidity shows the ratio of cash to current liabilities. The company generates a high level of liquidity over the five years. With this cash, investments and expansion in the following years can be met without the need to draw on liabilities. These values can be seen in the following figure:

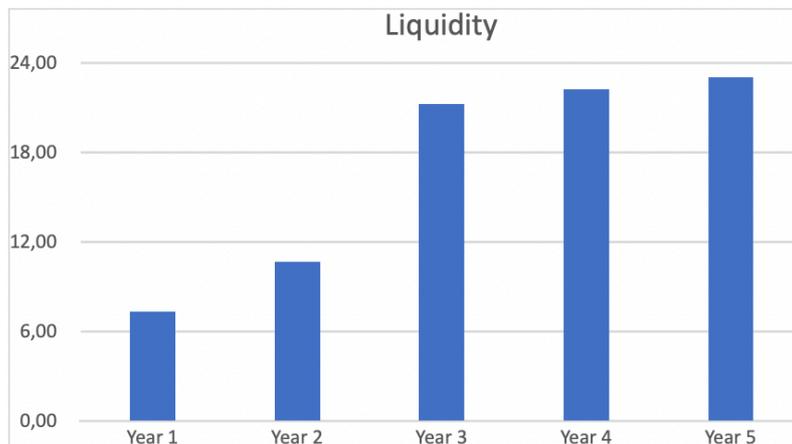


Figure 5. Liquidity

- Finally, the working capital is shown as the difference between current assets and current liabilities. The difference is always positive, which shows once again the financial equilibrium of the company.

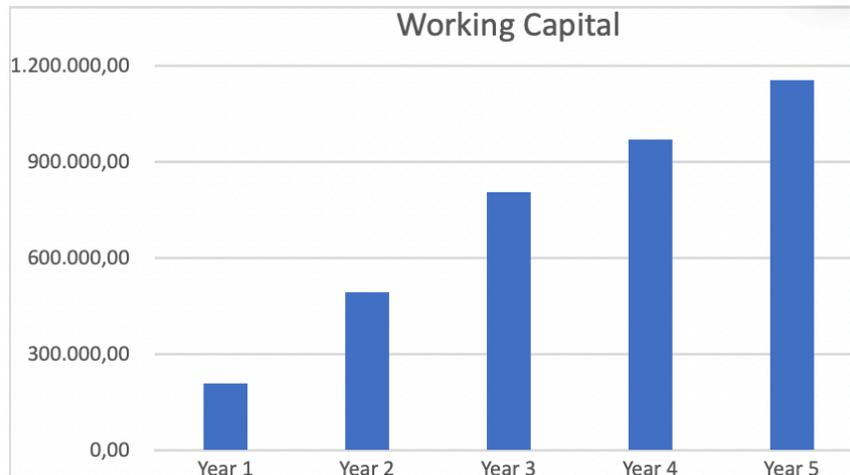


Figure 6. Working capital

9.6 Profitability

Table 10 shows the main profitability ratios and the break-even point for each of the years. These values are at a very high level above those of the market.

Profitability	Year 1	Year 2	Year 3	Year 4	Year 5
Return on Equity ROE (%)	70,37%	94,30%	67,59%	57,70%	59,73%
Return on Investimen ROI (%)	59,99%	84,44%	64,51%	56,48%	58,40%
Break Even Point (Thousands)	207,10 €	197,81 €	193,42 €	190,22 €	187,87 €

Table 10. Profitability and Break-Even Point

- ROE shows very high rates of return on equity. Always above 50%. as shown in the figure below:

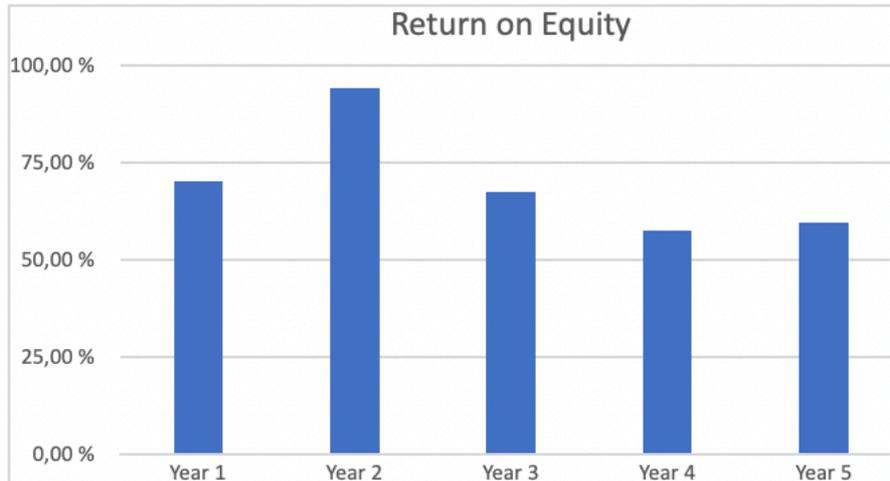


Figure 7. Return on Equity

- The rate of return on investment follows a similar evolution to ROE as presented in the figure below and analogous considerations can be made:

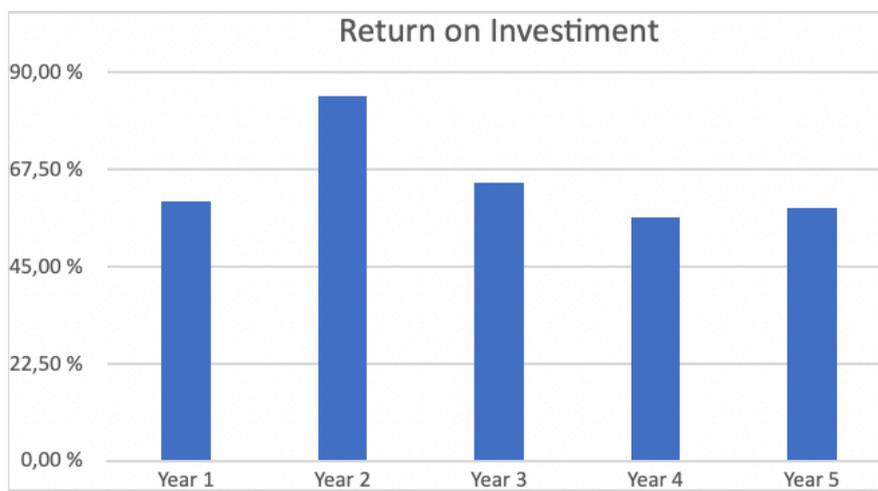


Figure 8. Return on Investment

- The break-even point shows, for each year, the level of net turnover from which profits are made (fixed and variable costs have been absorbed). The figure below shows the break-even point for the first year, where the point at which revenues always exceed costs and thus generate profits:

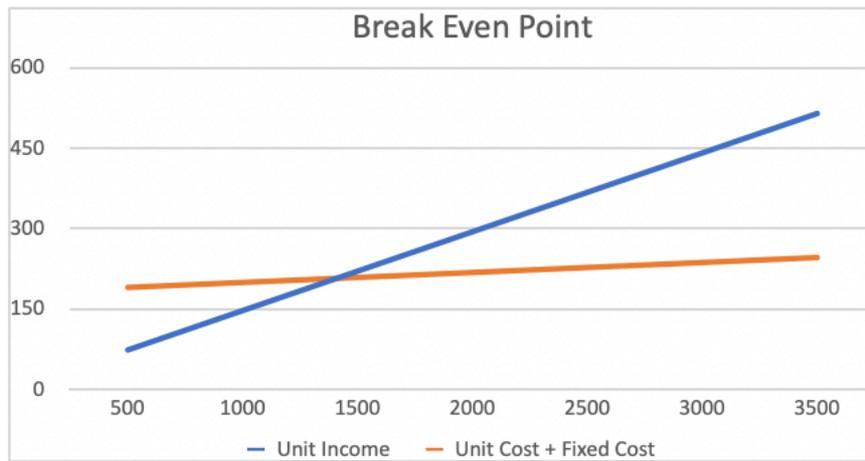


Figure 9. Break-Even Point

5.5.1 NET PRESENT VALUE & INTERNAL RATE OF RETURN

In investment projects, different mechanisms are often used to determine profitability and as an evaluation and decision-making criterion. One of the most commonly used is the Net Present Value criterion, which uses the flow of flows, the net cash flow as defined in another section, to determine the present discounted value of these future flows and uses an interest rate in the calculation. The cash flow data defined as profit plus depreciation are shown in the following table:

	Year 1	Year 2	Year 3	Year 4	Year 5
CASH FLOW	267.613,39 €	592.334,98 €	710.450,98 €	848.514,97 €	1.006.786,20 €
Initial investment	280.000,00 €				

Table 11 Cash Flow

It is common for the interest rate used in the calculation to represent the opportunity cost for investors, as the best possible alternative for investments with similar characteristics and levels of risk. It is also quite common to use long-term market interest rates as a benchmark. In this project, we have considered the interest rates on

government bonds, whose average value over the last three years has been 2.05 %. In this case, their value would be 2.911.511,01 €. From this point of view, the investment is highly recommended.

On the other hand, the Internal rate of return is defined as the rate of return generated by the investment. That rate, when applied to discount the future flows of the investment, guarantees the recovery of the initial investment. In this case, the value obtained is 150%, a value that makes the investment highly recommendable.

The conclusion of the financial analysis is that the investment project is very strong and coherent from the point of view of financial equilibrium and from the point of view of profitability.

10. CONTINGENCY PLAN & LIMITATIONS

The main limitations of the industry, in general, have to do with the situation that the world, in general, is experiencing and which Spain does not escape: the COVID-19 pandemic. The effects that the behavior and development of the country's health situation may have on the tourism industry are very serious, so, first of all, all projections made here are subject to this risk factor, which can destroy the assumptions used for the project; secondly, they oblige the consideration of a contention plan to be able to act in case of adverse circumstances:

- Before the activity
 - Promote the telematic management of all reservation requirements, payment, etc.
- During the development of the activity, the client must be informed about:
 - how to collect and use the material and equipment, so as to reduce the risk of contagion.
 - how to use the facilities (e.g. changing rooms, toilets, if applicable);
- After the activity: It is recommended to reduce personal contact in post-activity procedures by promoting telematic communication.

11. CONCLUSION

Our aspiration throughout this business plan was to determine the possibilities of this idea and to apply the knowledge learned throughout the last few years.

Regarding the macro and microenvironment in the industry, The tourism sector is a sector with a relevant weight in the Spanish economy since it has been consolidating in recent decades as one of the strategic activities of the Spanish economy. Furthermore, in the sustainability aspect, many doors are opening and our study shows that a business like ours would be well received in the market. We also noticed we must focus especially on young adults and families, although our offers are very varied and can appeal to people of all ages meaning we would have a wide variety of customers. As for the timing, it is a good moment to start a business, since the economy is recovering and tourism is going back to its normal functioning again after the pandemic of COVID-19 and the disruptions it has made in the tourism sector, we are looking to take advantage of the so-called 'new normality' and we strongly believe this is a suitable business for the time we are living.

This type of company has been chosen mainly because of the limited liability to the contribution made by the partners and because of the initial capital outlay, which is not very high, and thus, makes it suitable for a company that has just started.

Finally, through the analysis of the profit and loss account in the realistic scenario, a notable benefit is obtained, indicating an economic opportunity.

All in all, for the above-mentioned reasons, we believe in the success of Forestia that in addition to being a profitable business, will contribute to a better future and a more careful way of doing business with tourism.

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Annexes

• Balance sheet:

ASSET	HOME	Year1	Year2	Year3	Year4	Year5
A) NON-CURRENT ASSETS	230.000,00	228.481,50	228.481,50	228.481,50	228.481,50	228.481,50
I. INTANGIBLE FIXED ASSETS		700,00	600,00	500,00	400,00	300,00
206. Computer applications		800,00	800,00	800,00	800,00	800,00
(280) CUMULATIVE DEPRECIATION OF INTANGIBLE FIXED ASSETS		-100,00	-200,00	-300,00	-400,00	-500,00
II. Tangible fixed assets	230.000,00	227.681,50	227.681,50	227.681,50	227.681,50	227.681,50
211 Buildings	230.000,00 €	230.000,00 €	230.000,00 €	230.000,00 €	230.000,00 €	230.000,00 €
216. Furniture		460,00	460,00	460,00	460,00	460,00
217. Computer		2.108,00	2.108,00	2.108,00	2.108,00	2.108,00
(281) CUMULATIVE DEPRECIATION OF MATERIAL FIXED ASSETS		-4.886,50	-4.886,50	-4.886,50	-4.886,50	-4.886,50
V LONG-TERM FINANCIAL INVESTMENTS	60.101,21 €	60.101,21 €	60.101,21 €	60.101,21 €	60.101,21 €	60.101,21 €
5 Other financial assets						
26 Long-term bonds and deposits	60.101,21 €	60.101,21 €	60.101,21 €	60.101,21 €	60.101,21 €	60.101,21 €
B) CURRENT ASSET	49.898,79	243.499,24	545.439,77	847.905,23	1.015.191,22	1.208.404,16
VII. Cash and other equivalent liquid assets	49.898,79	243.499,24	545.439,77	847.905,23	1.015.191,22	1.208.404,16
57 Treasury	49.898,79 €	243.499,24	545.439,77	847.905,23	1.015.191,22	1.208.404,16
TOTAL ASSETS	340.000,00	532.081,95	834.022,48	1.136.487,94	1.303.773,93	1.496.986,87
LIABILITY	HOME	Year1	Year2	Year3	Year4	Year5
A) EQUITY	280.000,00 €	467.190,73 €	782.947,92 €	1.096.628,66 €	1.258.117,50 €	1.444.663,69 €
A-1) Own Funds	280.000,00 €	467.190,73 €	782.947,92 €	1.096.628,66 €	1.258.117,50 €	1.444.663,69 €
I. Capital	280.000,00 €	280.000,00	280.000,00	280.000,00	280.000,00	280.000,00
100 Share capital	280.000,00 €	280.000,00 €	280.000,00 €	280.000,00 €	280.000,00 €	280.000,00 €
III. RESERVES	0,00	0,00	37.438,15	83.710,97	100.542,50	120.216,62
112 Legal reserves			56.000,00 €			
113 Voluntary reserves			37.438,15 €	83.710,97 €	100.542,50 €	120.216,62 €
V. Results of previous years	0,00	0,00	46.954,90	230.205,18	276.491,88	330.595,71
120 Remaining balance			46.954,90 €	230.205,18 €	276.491,88 €	330.595,71 €
121 Negative results from previous years						
VI. Other member contributions	0,00	0,00	0,00	0,00	0,00	0,00
118 Contributions from partners or owners						
VII. Income (loss) for the year	0,00	187.190,73	418.554,87	502.712,51	601.083,11	713.851,36
129 Income (loss) for the year		187.190,73 €	418.554,87 €	502.712,51 €	601.083,11 €	713.851,36 €
B) NON-CURRENT LIABILITIES	46.211,19	31.644,58	0,00	0,00	0,00	0,00
II. Long-term debts	46.211,19	31.644,58	0,00	0,00	0,00	0,00
170 Long-term bank loans	46.211,19 €	31.644,58	0,00	0,00	0,00	0,00
C) CURRENT LIABILITIES	13.788,81	33.246,63	51.074,56	39.859,27	45.656,43	52.323,17
III. Short-term debts	13.788,81	14.566,61	16.256,30	0,00	0,00	0,00
520 Short-term bank loans	13.788,81 €	14.566,61 €	16.256,30	0,00	0,00	0,00
V. Trade and other payables	0,00	18.680,02	34.818,26	39.859,27	45.656,43	52.323,17
6. Other debts with Public Administration	0,00	18.680,02	34.818,26	39.859,27	45.656,43	52.323,17
TOTAL LIABILITIES	340.000,00	532.081,95	834.022,48	1.136.487,94	1.303.773,93	1.496.986,87

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