



MBA PROGRAMME

Son Guineu Luxury Agrotourism

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2. Abstract

In the wake of the hospitality industry's struggle with demand due to the recent COVID-19 pandemic, new opportunities are emerging. Customers are now gravitating towards longer stays in tranquil, less crowded environments. This shift opens the door for the growth of rural tourism. On the island of Mallorca, traditionally known for its massive tourism of sun and beach, a unique proposition emerged in the shape of a luxury agrotourism in the heart of the island, Ariany.

This agrotourism venture promises a peaceful escape blended with luxury, offering guests an authentic Mallorcan experience. Visitors will indulge in the island's rich traditions, savoring local cuisine, basking in breathtaking landscapes, and immersing themselves in the vibrant local culture. The project encompasses the complete development of this agrotourism haven, from designing activities and experiences for guests to crafting effective marketing strategies to raise public awareness.

A thorough analysis of the project's viability will be conducted, considering all potential revenues and costs. The aim is to demonstrate the feasibility of establishing a unique agrotourism destination in the heart of this stunning island, providing a luxurious yet traditional escape for travelers seeking tranquility and cultural richness.

Keywords: Hospitality industry, rural tourism, agrotourism, Mallorca.

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5. Introduction

In recent years, Mallorca has seen a significant rise in the demand for hospitality services, driven by high-status tourists seeking authenticity and luxury in a rural setting. Responding to this trend, Son Guineu agrotourism, located in Ariany, Mallorca, aims to be an exclusive destination for couples and high-status individuals seeking an authentic experience in a luxurious rural setting. With a proposal focused on the production and offering of typical Mallorcan products, as well as exclusive activities such the elaboration of typical Mallorcan herbal liqueur and its botanic garden visits, wine and olive oil tastings, Son Guineu aspires to differentiate itself in a market saturated with agrotourism in the area.

The marketing strategy focuses on optimizing online presence through booking platforms, a professional website, and Google advertising campaigns, as well as active promotion on social networks. With competitive prices within the market range and careful attention to the customer experience, confidence lies in the ability to establish Son Guineu as a benchmark in the luxury agrotourism sector in Mallorca.

This business plan details the vision, strategies, and financial projections for the sustainable success of Son Guineu, leveraging its privileged location, rich local tradition, and growing demand for authentic experiences in Mallorcan rural tourism. With a focus on service excellence and innovation in offerings, Son Guineu is prepared to become a desired destination for discerning travelers seeking a unique experience on the island.

6. Business opportunity and description

6.1 Description and opportunity and tendencies of the rural tourism market

6.1.1 Description

Prior to diving into the business plan, it's essential to establish a clear definition of rural tourism, its growth as a sector, and its trends. The UNWTO (United Nations World Tourism Organization) defines rural tourism as “a type of tourism activity in which the visitor's experience is related to a wide spectrum of products linked to nature activities, agriculture, ways of life and rural cultures, fishing with canes and visiting places of interest.” (UNWTO, 2023). A connection that expands across multiple sectors and involves a broader range of economic activities beyond simply the industry of hospitality.

Furthermore, it can be comprehended in the context of non-urban (rural) settings with the following characteristics (UNWTO, 2023):

1. Low population density.
2. Landscapes and land use planning where agriculture and forestry prevail.
3. Social structures and traditional ways of life.

It is crucial to recognize that this type of tourism is intrinsically dependent on agriculture in all its forms.

6.1.2 Growth & GDP

A business plan cannot be developed without a thorough analysis of the sector, hospitality industry, growth globally and locally. It has to be considered the significant downturn experienced by this sector during the pandemic years, as a result of not being able to practice their economic activity. The WTTC (World Travel Tourism Council) reported a 49.4% decline in activity and a loss of close to \$4.5 trillion the year 2020 compared with the 2019.

Tourism revenues were not expected to recover to 2019 levels until 2023 (IMF, 2020). Latest report from 2023 indicates that tourism is well on track to return to pre-pandemic levels in 2024. According to the UNWTO World Tourism Barometer, international tourism ended in 2023 at 88% of pre-pandemic levels, suggesting a full recovery to pre-pandemic levels in 2024. The initial estimators of 2024 point out that the growth of the sector can be 2% above 2019 levels (UNWTO, 2024). Promising satisfactory years ahead, that the forecast for 2023 indicates that tourism will constitute 11.6% of the global economy (WTTC, 2023). The tourism sector is positioning itself for sustained

growth and is anticipated to expand further in the forthcoming years, giving an advantage for those who engage with industry.

6.1.3 Trends

By reviewing the literature of the past few years, several trends can be identified regarding the evolution of rural tourism. Based on a 2023 report from ForwardKeys, these 6 trends relevant to rural tourism can be identified:

I. Long term impact of climate change

The year 2023 has seen a rise in extreme temperatures, wildfires, and floods, that for the moment haven't had limited effects on travel. However, long term, the report predicts significant reshaping of travel preference, based on those factors. And predicts a change in demand of decreasing hotter destinations and increasing interest in cooler regions (ForwardKeys, 2023).

As a major tourist destination, Spain faces significant challenges due to climate change. According to the study "Regional impact of climate change on European tourism demand" by the Joint Research Centre (JRC) of the European Commission, projections for Spain indicate especially severe impacts during the high season. Annually, a temperature rise of three and four degrees Celsius could reduce tourism demand by 1.6% and 3.1%, respectively, even accounting for increased demand from October to May. However, for July and August, the forecasts predict a nearly 10% drop in tourism demand with a three-degree increase and over a 15% drop with a four-degree increase. Spain, particularly the Region of Murcia and the Balearic Islands, is identified as highly vulnerable. In an extreme scenario with a temperature increase of four degrees Celsius, these areas could see a yearly drop in inbound tourism of over 5%.

II. Preference for luxury travel

Demand for luxury experiences has surpassed regular travel options, especially in the Asia-Pacific region. High-income consumers in the America and Middle East/Africa regions show resilience to pricing pressure, maintaining a preference for premium stays.(ForwardKeys, 2023)

Key data from the luxury travel industry state that it has had an incrementation to pre-pandemic levels and is currently thriving, with a global market value of US\$1.2 trillion in 2021 and a projected Compound Annual Growth Rate (CAGR) of 7.6% until 2030, according to market research surveys of Grand View Reach (Rosenberg, 2023).

III. Emphasis on group travel

Many travelers value shared experiences, leading to the resilience of family group travel, which has recovered the fastest across all regions. Couple travel is also resilient, particularly in the Asia-Pacific and Americas regions. (ForwardKeys, 2023)

IV. Recovery of booking lead times

Booking patterns are returning to pre-pandemic norms in Europe and Middle East/Africa, with lead times for 2023 on par with 2019. However, in Asia-Pacific and the Americas, recovery is slightly muted due to pricing pressure, with lead times remaining slightly longer than pre-covid 19 levels. (ForwardKeys, 2023)

The proportion of bookings made 8-30 days prior to check-in has decreased, while bookings with lead times of 30 days or more have grown in popularity. Hotels have transitioned from experiencing an almost even distribution of lead times to predominantly receiving bookings over a month in advance or on the opposite of the spectrum, receiving bookings to 0-7 days prior or even between 0-3 days prior.

V. Preference for longer, meaningful trips

Traveler preferences are shifting towards fewer, longer trips, driven by higher travel costs, increasing awareness of environmental impacts, and emerging domestic travel trends. Short trips are losing popularity compared to medium and long trips, presenting opportunities for destinations to attract more impactful visitors and promote sustainable travel. The popularity of short trips (1-3 nights) has decreased by 4 percentage points globally in comparison to medium trips (4-13 nights) and long trips (14+ nights), (ForwardKeys, 2023).

VI. Digital future for travel agencies

While there was a significant shift towards direct booking during the pandemic, the report indicates a growth in the share of booking made via travel agencies in 2023. However, it remains uncertain to what extent travel agencies will recover market share, with online agencies showing a better recovery. (ForwardKeys, 2023)

6.2 Description and opportunity of the tourism rural market in Balearic Islands

6.2.1 GDP contribution to the mallorcan economy

The Balearic Islands is becoming the most dynamic region in Spain, in step with the full reopening after the pandemic. According to CaixaBank Research, the Balearic GDP grew by 3.8% in 2023, above the Spanish average (2.5%), and recovered pre-crisis level. The tourism boom drove job creation and consumer spending. A point to have in mind is that the productive structure of the Balearic Islands stands out for the higher relative weight of the commerce, transportation, hospitality, and leisure (40.8% of the region's GDP, 12 points higher than in Spain).

In 2022, rural tourism consolidated its growth and culminated in a historic season. Rural tourism solidifies the growth shown after COVID and in 2023 broke records. October already surpassed the number of travelers and overnight stays for the entire year 2022, completing the best annual balance in its history, according to data from the INE (Cerón, 2023).

6.2.2 Location and Landscape

Ariany is a small mountain village located in the central region of Mallorca known as Pla de Mallorca. It has fewer than 900 inhabitants and is one of the youngest and least explored villages on the island. Although it is a fairly small town, Ariany celebrates large festivals and markets that keep its community united and proud of its roots.

Archaeological findings indicate that this area has been inhabited since before the Talayotic period. Records during the reign of King Jaume I, in the 13th century, show that there was a farm called Arian. Two centuries later, the land passed into the hands of the Cotoner family as a reward for their loyalty to King Felipe V during the War of Succession.

The first Marquess of Ariany, Don Marc Antoni Cotoner y Sureda Vivot, founded a new church that was completed in 1737 that is a replica of the Virgin of Atocha from Madrid, and it is the principal attraction of the town.

7. Market analysis

7.1 Analysis of the tourism market

7.1.1 Five forces

I. Threat of New Entrants: High

The luxury agrotourism industry in Mallorca presents significant barriers to entry for new competitors. Among these barriers are the limited availability of tourist accommodations, which makes it difficult for new businesses to establish themselves in the market. Additionally, entering this sector requires a considerable investment in infrastructure, marketing, and high-quality services to effectively compete with already established establishments. These barriers make the threat of new entrants high and limit the likelihood of new competitors entering the market and generating increased competition.

II. Bargaining Power of Suppliers: Moderate

While there are numerous suppliers in Mallorca's luxury agrotourism market, not all meet the high standards required by the newly established luxury agrotourism venture. For essential items such as hotel-specific furniture, uniforms, and digital tools; assets in general, the island's dependency on tourism has led to the creation of many companies catering to the hospitality industry. This abundance of suppliers presents an opportunity, as the establishment will be able to navigate through numerous quality and price options.

Conversely, products intended for breakfast offering, the small shop items, and wine or liquor tastings must adhere to specific conditions. These products must be produced entirely on the island for the purpose of embodying the island's traditions and customs but also for transportation reasons, as it is one of the biggest pollutants, to be more environmentally responsible. These products have also to be produced environmentally friendly (e.g. fruits and vegetables cultivated sustainably with land and ecological).

This scenario results in moderate bargaining power for suppliers. Some suppliers, due to their unique product offerings and limited competition, may have more leverage. However, for other products, the plethora of options allows establishments to negotiate better prices and conditions.

III. Bargaining Power of Buyers: Moderate

Buyers in the luxury agrotourism market in Mallorca have some bargaining power

due to the wide variety of options available and the ability to compare different establishments and offerings. However, the bargaining power of buyers is moderated by the exclusivity and high quality of services offered by luxury establishments, which can limit their ability to demand significant discounts or favorable conditions. Buyers often value the unique and personalized experience offered by these establishments, reducing their willingness to compromise solely on price grounds.

IV. Threat of Substitution: Moderate to high

In the luxury agrotourism market in Mallorca, there are various alternatives that could pose a threat of substitution for luxury establishments. These alternatives include options such as rural hotels, private villa rentals, and other types of tourist accommodations. While each of these alternatives offers a different experience, they all compete for attracting the same market segments seeking exclusive getaways and authentic experiences. Therefore, the threat of substitution is considered moderate to high and requires luxury establishments to differentiate themselves and offer unique value propositions to maintain their position in the market

V. Competitive Rivalry: High

The competitive rivalry in the luxury agrotourism market in Mallorca is high due to the presence of several prominent competitors offering attractive propositions and unique experiences for luxury travelers. Establishments compete not only in terms of services and amenities but also in terms of location, exclusivity, and the quality of the experience offered. This intense competition forces establishments to constantly innovate, differentiate themselves, and improve the quality of their services to remain relevant and attract the most discerning customers.

7.1.2 Business Model Canvas

Figure 1. Model Canvas

Key Partners <ul style="list-style-type: none"> - Partnerships with local food and beverage suppliers to offer an authentic Mallorcan culinary experience. - Agreements with local companies that offer nature-related and leisure activities. 	Key Activities <ul style="list-style-type: none"> - Production of typical Mallorcan products on the farm. - Organization of exclusive activities for guests. - Management of reservations and high-quality customer service. 	Value Proposition <p>Exclusive luxury agrotourism with the opportunity to taste typical Mallorcan products, especially Mallorcan liqueur herbs, produced on the agrotourism farm.</p> <p>High-end infrastructure including a hotel, farm, pool, and spa.</p>	Customer Relationship <ul style="list-style-type: none"> - Personalized attention for couples and high status guests. - Exclusive experiences and personalized activities. 	Customer Segments <ul style="list-style-type: none"> - Couples and high-status individuals seeking a luxury agrotourism experience in Mallorca.
	Key Resources <ul style="list-style-type: none"> - Land for the hotel and farm. - Qualified personnel for activities, accommodation services, and gastronomy. - High-quality infrastructure, including a pool, spa, and restaurant. 		Channels <ul style="list-style-type: none"> - Online booking platforms such as Booking and other agencies. - Website with advertising campaigns, social media, and advertisements. 	
Cost structure <ul style="list-style-type: none"> - Personnel costs, including salaries and training. - Infrastructure and farm maintenance costs. - Marketing and promotion costs. 			Revenues Streams <ul style="list-style-type: none"> - Hospitality services - Exclusivity of typical Mallorcan products, especially "home-made " Mallorcan liqueur herbs. - Unique experiences and exclusive activities for guests. 	

Source: own elaboration

Customer Segments

Perfect experience for couples with double income with no kids or parents who want to leave their children at home, and high-status individuals who are seeking to escape from routine and immerse themselves in an exclusive and peaceful environment. From ages to 25 years and on.

Value Proposition

A luxury agrotourism in Ariany, Mallorca, that offers exclusive experience for the customers to immerse themselves in the authenticity of Mallorca rural life while enjoying luxurious accommodation and high-end services. Accompanied by the local gastronomy and cuisine, the customer will taste the typical Mallorcan products, and Mallorcan herbs liqueur, cultivated and produced on the farm, for a unique culinary experience.

Finally, with wellness and relaxation, the guests will experience tranquility with the pool and spa services, for true moments of relaxation and renewal.

Channels

Three main channels are utilized to reach clients. Firstly, online booking platforms like Booking and other travel agencies facilitate reservations seamlessly. Secondly, the agrotourism website acts as an information hub, detailing infrastructure, services, and activities for informed decisions. Lastly, social media platforms feature engaging content, fostering interest and interaction with potential visitors.

Customer relationships

Offering personalized attention and exceptional services to the guests, focusing on covering their necessities and promoting tailor-made experiences during their stay.

Revenue streams

Revenue sources encompass various streams, primarily, income derives from accommodation rates charged for the luxurious rooms. Further revenue is generated from on-site farm activities, including tastings of liqueur herbs, wine, and olive oil, alongside the sale of Mallorcan products in the agrotourism store. Additionally, wellness activities and the gourmet dining experience contribute to earnings. Strategic partnerships enable supplementary activities such as horseback riding, hiking, biking, and excursions to neighboring towns, further enhancing revenue streams.

Key resources

The first key resource is the land and farm, the space of the hotel and the production of typical products of Mallorca. Secondly, the qualified staff, dedicated and special staff for the realization of all kinds of activities, accommodation services and gastronomy. Finally, the high quality infrastructure, luxury hotel, well maintained farm, pool and spa offer an exceptional experience.

Key activities

Apart from accommodation other activities will be offered, such as production and sale of typical products, the cultivation and production of Mallorcan liqueur herbs, and the sale of other gourmet products in the store. Additionally, activities with strategic partnerships such as horseback riding, hiking, biking, and visits to nearby towns. Finally, the maintenance and management of the facilities, including the hotel, the farm, the pool and the spa.

Key partnerships

Two types of major strategic partnerships, firstly, partnerships with local food and beverage suppliers to offer an authentic Mallorcan culinary experience in the breakfast and to sell their products in the store. Secondly, agreements with local companies that offer nature-related and leisure activities mentioned above.

Cost structure

This will be the primary cost that the agrotourism will have personnel costs, including salaries and training; infrastructure and farm maintenance costs and marketing and promotion costs.

7.1.3 SWOT analysis

Figure 2. SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> I. Privileged location II. Exclusive and personalized offer III. Well maintained infrastructure IV. Ownership the land 	<ul style="list-style-type: none"> I. Quantitative initial investment II. Dependence on seasonality III. Intense competition IV. Crisis management and unforeseen events
Opportunities	Threats
<ul style="list-style-type: none"> I. Steady market growth II. Increasing demand III. Favorable trends 	<ul style="list-style-type: none"> I. Competition II. Unforeseen events III. Tourism regulation in the Balearic Islands IV. Tourism dependency of the region

Source: Own elaboration

7.1.3.1 Strengths

I. Privileged location

An agrotourism in Mallorca means being situated in a prime location with stunning natural landscapes, vibrant culture, and abundant outdoor activities. Mallorca's popularity as a tourist destination ensures a steady stream of visitors, while its excellent accessibility makes it convenient for travelers from all over the world.

II. Exclusive and personalized offer

Every service and activity has been designed to fulfill the customer needs, ensuring the ultimate personalized experience. Being the core of the business the focus on the customer journey and its overall experience, for this reason the it will be offer the elaboration of typical Mallorcan liqueur or enjoy an aromatic garden.

III. Well maintained infrastructure

All infrastructure will have been under renovation, giving the opportunity to have the latest materials in construction, in furniture and amenities, combining with the latest technology to provide the best experience possible. The facilities

will ensure excellence by having state-of-the-art furnishings and cutting-edge technology, modern and intuitive designs, and user-friendly amenities. The infrastructure will have followed the latest regulations to be as sustainable as possible. Every aspect of the facilities, from energy efficiency to waste management, has been carefully considered to minimize environmental impact while maintaining the highest standards of luxury and comfort.

IV. Ownership of the land

The ownership of the land consists of an advantage based on the significant saving cost associated with eliminating land acquisition expenses from the project budget. Additionally, it provides greater flexibility and autonomy in the development process, enabling full control over design, construction timelines, and overall project vision. Furthermore, it allows for the unrestricted selection of agrarian activities to be conducted on the property.

7.1.3.2 Weaknesses

I. Quantitative initial investment

The implementation of all the necessary requirements for agrotourism to initiate operation is capital intensive. Beyond meeting initial operational needs, additional funding is indispensable for improving existing facilities, expanding infrastructure, and introducing novel experiences and services to enhance guest satisfaction and competitiveness in the market.

II. Dependence on seasonality

Relying heavily on seasonality poses a significant weakness for the agrotourism establishment, as it necessitates closure for approximately two and a half months. This prolonged shutdown period can have adverse effects on revenue generation and operational sustainability. During these months of closure, the business misses out on potential income and opportunities to serve guests, resulting in financial strain and reduced cash flow. Moreover, the seasonal nature of the business makes it challenging to maintain consistent employment for staff, leading to disruptions in employment stability and potential loss of skilled workers.

III. Intense competition

Intense competition in the surrounding area poses a significant challenge for the new agrotourism. With numerous established competitors, it becomes difficult to carve out a distinct identity and attract guests. Established businesses with strong reputations may overshadow the newcomer, leading to pricing pressures and reduced profit margins. Overcoming this challenge requires innovative marketing approaches and a commitment to delivering exceptional experiences to stand out in a crowded market.

IV. Crisis management and unforeseen events

The weakness lies in the lack of experience in effectively managing crises and unforeseen events that could disrupt business operations. Inexperienced handling of situations like natural disasters or health crises can lead to significant challenges in maintaining business continuity and mitigating potential damages. Without a robust crisis management plan in place, the agrotourism may struggle to respond promptly and effectively to unexpected events, resulting in prolonged disruptions and reputational damage. Therefore, investing in comprehensive crisis management strategies and preparedness training becomes essential to navigate unforeseen challenges and safeguard the business's resilience.

7.1.3.3 Opportunities

I. Steady market growth

Agrotourism stands to benefit from steady market growth fueled by increasing consumer interest in sustainable and experiential travel. As travelers seek authentic experiences and a deeper connection with nature, agrotourism offers a unique proposition by providing immersive experiences on rural estates and farms. With growing awareness of environmental conservation and a desire to support local communities, agrotourism can position itself as a sustainable and socially responsible travel option. By tapping into this trend and offering activities such as farm tours, agricultural workshops, and farm-to-table dining experiences, agrotourism businesses can attract a steady influx of environmentally-conscious travelers seeking meaningful and enriching experiences.

II. Increasing demand

The now thriving economy of the Balearic Islands, particularly in sectors like hospitality and leisure, presents a golden opportunity for agrotourism businesses. With tourism on the rise and rural tourism experiencing record-breaking seasons, there's a growing demand for authentic countryside experiences. Agrotourism establishments can tap into this trend by offering unique experiences that highlight the region's natural beauty and cultural heritage, capitalizing on the island's dynamic growth and attracting visitors seeking memorable getaways.

III. Favorable trends

As shown in point 6.1.3, climate change is reshaping travel preferences, with a growing demand for luxury experiences and a preference for cooler destinations. Agrotourism can capitalize on this by offering upscale accommodations and immersive nature experiences. Group travel trends also present an opportunity for agrotourism, catering to families and couples seeking shared experiences. By adjusting booking lead times and focusing on longer, meaningful trips, agrotourism can align with evolving preferences and

promote sustainability. Additionally, leveraging digital platforms can enhance outreach and booking convenience for guests.

7.1.3.4 Threats

I. Competition

The competitive landscape in the agrotourism sector is fierce, with numerous establishments vying for the attention of tourists. Competitors may offer similar services and experiences, making it challenging to differentiate and capture market share. Additionally, new entrants or established competitors expanding their offerings could intensify competition further, potentially eroding profit margins and market position.

II. Unforeseen events

The tourism industry is susceptible to a wide range of unforeseen events, including natural disasters, global health crises, political instability, economic downturns, and terrorism. These events can disrupt travel patterns, reduce consumer confidence, and impact visitor arrivals, leading to revenue loss and operational challenges. Without robust contingency plans and risk mitigation strategies in place, the business may struggle to adapt and recover from such events effectively.

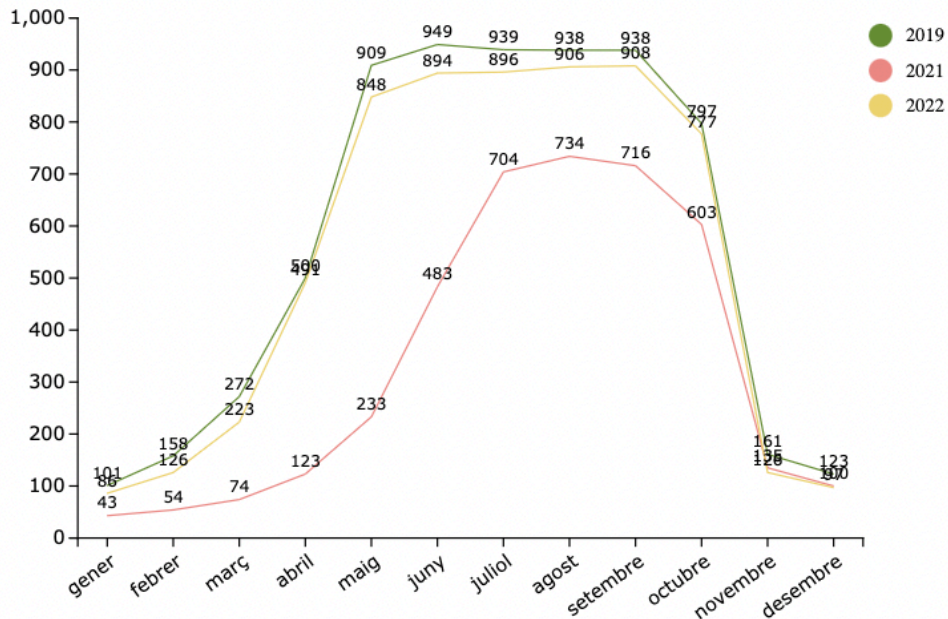
III. Tourism regulation in the Balearic Islands

The regulatory environment governing tourism in the Balearic Islands can pose significant challenges and uncertainties for agrotourism businesses. Changes in regulations related to land use, environmental conservation, zoning restrictions, taxation, licensing, and operating permits could impact the feasibility and profitability of the venture. Compliance with evolving regulatory requirements may require substantial investments in time, resources, and legal counsel, adding complexity and cost to the business operations.

IV. Dependence on seasonality

The Balearic Island is the autonomous community of Spain that are most dependent on seasonality. It is the community with the most concentrated arrivals during July, August and September, which are considered the high season; these three months multiply by nine those from November to March, considered the low season. It is worth noting that in these three months, 48,73% of tourists arrived in the year 2022 (Fueris, 2023). In the next graph is shown the estimated establishment open during a year, using data from the years 2019, 2021 and 2022. It illustrates a sharp curve indicating that the majority of establishments start opening from March and tend to close around October/November.

Figure 3. Estimated establishments open during the period.



Source: MSTO (Mallorca Sustainable Tourism Observatory)

7.2 Analysis on the competitors

In the first part of the competitors analysis, it will be analyzing some of the closer competitors of the agrotourism.

Ca'n Beneit:

Strengths:

Ca'n Beneit specializes in wellness experiences and nature connection, offering activities such as yoga sessions and spa treatments. Its diverse range of rooms, from doubles to panoramic suites, caters to various guest preferences and needs. Situated in Binibona, a tranquil rural setting, the retreat promotes relaxation and rejuvenation. Importantly, it remains operational throughout the low season, ensuring consistent availability for guests.

Weaknesses:

However, the lack of information on pricing and availability of reviews may create uncertainty among potential customers. Additionally, intense competition in the wellness and agrotourism sector in Mallorca necessitates clear differentiation to stand out in the market.

Son Grua:

Strengths:

Son Grua boasts a variety of luxury rooms with outdoor terraces, offering privacy and comfort to guests. Its focus on comfort and tranquility in a rural setting appeals to clients seeking an escape from urban life. Strategically located in Pollença, a picturesque and popular tourist area, it attracts visitors seeking an authentic Mallorcan experience.

Weaknesses:

Nevertheless, the absence of available customer reviews can make it challenging for potential guests to make informed decisions. Relatively high prices compared to competitors may limit appeal to certain market segments.

Can Auli Luxury Retreat:

Strengths:

Can Auli Luxury Retreat provides a lavish experience with elegant and modern rooms, appealing to clients seeking exclusive amenities and high-quality service. Its strategic location in Pollença facilitates access to local attractions and outdoor activities. Competitive pricing compared to other luxury competitors increases its appeal to a broad customer base.

Weaknesses:

However, the lack of detailed information about services and additional activities may hinder the decision-making process of potential customers. To address this, enhancing online visibility and social media promotion are necessary to increase brand awareness and attract more patrons.

Cases de Son Barbassa:

Strengths:

Cases de Son Barbassa offers guests an authentic experience with in-house production of olive oil and other products. Their half-board option featuring Mediterranean cuisine made from fresh, local ingredients underscores their commitment to regional gastronomy. Located in Capdepera, renowned for its natural beauty and rich history, it attracts tourists interested in culture and gastronomy.

Weaknesses:

However, limitations in room availability and services due to the establishment's capacity may affect demand during peak seasons. Additionally, limited online presence and social media engagement hinder visibility and reach.

Son Gener:

Strengths:

Son Gener provides guests with a comprehensive vacation experience, offering a wide variety of outdoor activities and a luxury spa for relaxation. Situated in Son Servera, a quiet and picturesque area, it appeals to customers seeking authenticity away from mass tourism.

Weaknesses:

Despite its offerings, high prices compared to competitors may limit appeal to certain market segments. Enhancing online visibility and social media promotion are necessary to increase occupancy year-round.

7.3 Analysis on the target and segment

For luxury agrotourism in Mallorca, the target customer profile is defined as:

I. Luxury travelers seeking exclusivity:

These customers are luxury enthusiasts looking for unique and exclusive experiences during their travels. They have high purchasing power and are willing to pay for premium services and high-quality amenities. They value privacy, tranquility, and personalized attention during their stay.

II. Couples on romantic getaways:

This segment of customers seeks to escape from daily routine and enjoy moments of intimacy and romance with their partners. They prefer quiet and romantic environments, such as those offered by luxury agrotourism, to celebrate special occasions or simply to disconnect together.

III. Nature and wellness enthusiasts:

These customers are interested in connecting with nature and seeking experiences that promote physical and mental well-being. They enjoy outdoor activities such as hiking, yoga, cycling, and spa treatments, and look for destinations that provide opportunities to relax and rejuvenate in a natural setting.

IV. Cultural and gastronomic tourists:

This group of customers is interested in exploring the local culture, gastronomy, and history of the region they visit. They value authentic experiences and seek accommodations that offer access to regional cuisine, winery visits, cultural activities, and guided tours.

V. Demanding customers in services and amenities:

These customers have high expectations regarding the quality of services and amenities offered by the accommodation. They seek accommodations that

provide a wide range of premium services, such as spa facilities, gourmet cuisine, recreational activities, and personalized attention from hotel staff.

VI. Travelers who value location and surroundings:

This segment of customers pays attention to the location of the accommodation and seeks natural and picturesque environments for their stay. They value proximity to local attractions, beaches, natural parks, and other tourist points of interest, as well as ease of access to outdoor and cultural activities.

Luxury agrotourism in Mallorca seeks to meet the needs and expectations of this target customer profile by offering a unique and memorable experience that combines luxury, nature, wellness, and culture. This profile will serve as a guide for the marketing strategy and service offerings of the establishment.

8. Operation plan Services

The following section will detail the diverse array of activities planned for the agrotourism experience, ranging from interactive farm tours to hands-on agricultural workshops. Additionally, it will highlight opportunities for visitors to engage in seasonal farming activities and immersive experiences, fostering a deeper connection with rural life and sustainable agricultural practices.

8.1 Location and description of the property

Located in Ariany, the property boasts a sprawling land area of 78,133 square meters, predominantly utilized for agricultural purposes. Dating back to 1569, the property has a rich history rooted in cereal cultivation and sheep farming. Its architectural significance lies in a collection of houses, complemented by a functioning mill that has stood the test of time. Remarkably, the mill continues to operate, harnessing the force exerted by animals to grind cereals, serving as a testament to the property's enduring legacy and historical relevance.

The property will feature four main buildings, each serving a distinct purpose. The largest building will house the reception area, a spacious hallway, the restaurant, and eight guest rooms between the two floors that the house contains. The second build, far left, will contain two additional rooms. The former pigsties will be transformed into the two most luxurious rooms on the property, offering more space than the rest of the rooms, expansive terraces, and superior views. The final building, the far right, will be dedicated to the swimming pool and spa center, providing guests with a place to relax and unwind.

Figure 4. View of the property



Source: Google maps

The farm will primarily feature irrigated tree plantations, including apricot, olive, and almond trees, among others. Guests will have the opportunity to participate in one of the agrotourism activities by picking fruits from these trees. Additionally, the farm's fresh fruits and vegetables will be used in the preparation of the breakfasts and dinners served at the agrotourism, ensuring a farm-to-table dining experience.

8.2 Rooms

Based on Law 8/2012, of July 19, on Tourism in the Balearic Islands, for agrotourism and shelter activities regulated in this Decree, the number of accommodation places intended for the public shall be a maximum of 24. Being the reason why it will have twelve rooms.

This section will describe the twelve rooms that the agrotourism will have - 2 imperial suites, 2 double suites with terrace, 4 suites with terrace, 4 suites with balcony.

Double Standard (Rooms 1-4)

High Season: €550 / Low Season: €350

Comfortable and functional rooms for an affordable stay. Simple, modern decor with basic amenities: minibar, safe, air conditioning, and heating. Ideal for couples or solo travelers exploring Mallorca. Includes access to cultural activities and local wine tastings.

Double Standard with Terrace (Rooms 5-8)

High Season: €750 / Low Season: €450

Spacious suites with a private terrace. Elegant and contemporary decor, with amenities like minibar, safe, air conditioning, and heating. Guests receive a welcome gift of local products and free access to cultural activities and wine tastings.

Double Suite with Terrace (Rooms 9-10)

High Season: €1,050 / Low Season: €750

Combines comfort and elegance with a private terrace. Equipped with minibar, safe, air conditioning, and heating. Contemporary decor with high-quality furniture. Guests enjoy a gourmet breakfast with local products and free access to cultural activities and wine tastings.

Imperial Suite (Rooms 11-12)

High Season: €1,350 / Low Season: €950

Located in a separate area for privacy and exclusivity, each suite features a spacious terrace. Luxuriously decorated and the largest rooms in the agrotourism. Includes minibar, safe, air conditioning, and heating. Guests receive a special welcome with a tasting of Mallorcan liqueurs and free access to cultural activities and wine tastings.

8.3 Services offer

At Son Guineu Luxury Agrotourisme, we are committed to offering our guests a unique and authentic experience that highlights the cultural and gastronomic richness of Mallorca. Our variety of services is designed to meet the needs and preferences of each customer, providing personalized and quality attention during their stay.

Mallorcan liqueur herbs:

This unique activity will be the highlight of the agrotourism experience, setting it apart from others. The farm will produce a traditional Mallorcan herbal liqueur, and for several months each year, visitors will have the chance to make their own. During a two-hour class, guests can gather the necessary herbs from the farm's botanical garden and create the liqueur to take home. The class will include a detailed explanation of the liqueur's history and its cultural significance, including the celebrations where it is traditionally enjoyed.

For a better understanding of this activity, here are the characteristics of "Herbes de Mallorca", an aniseed-flavored spirit drink with an alcohol content ranging between 20% and 50% by volume. This transparent beverage is flavored with various plants and optionally sweetened with sucrose. Its color ranges from amber to green, and it boasts an intense and complex aroma with a clear perception of anise, complemented by fresh, sweet, fruity (orange and lemon), and floral notes. The flavor varies from clearly sweet to moderately sweet or unsweetened, depending on the type (sweet, mixed, or dry), with a strong aftertaste of aromatic plants.

The traditional nature of this spirit dates back to monastic practices, where monks produced a variety of spirits and liqueurs using plants and fruits. Additionally, farmers

on large rural estates in Mallorca, known as “possessions”, historically crafted an anise-flavored spirit drink with local aromatic plants.

Figure 5. Representation of the elaboration of the herbal liqueur



Source: Own elaboration

Botanic garden:

While the opportunity to craft the herbal liqueur may not be available year-round, guests can still immerse themselves in the enchanting botanical garden, a permanent fixture on the property. Comprising the essential 21 herbs used in the liqueur's creation, the garden offers a sensory journey for visitors. Among its aromatic treasures are chamomile, lemon balm, rosemary, peppermint, mint, mary llusia, hollyhock, and fennel, to name a few.

Open throughout the year, the botanical garden invites guests to indulge in a truly unique experience. Whether strolling through its fragrant pathways, learning about the diverse herbs, or simply basking in the tranquility of nature, visitors are sure to find solace and inspiration in this verdant oasis.

Wine and herbs liquor taste:

Another delightful activity offered by the agrotourism is a tasting experience featuring herb liqueurs and Mallorca wines. Guests will have the opportunity to sample a variety of herbal liqueurs crafted right on the property, including three distinct varieties: sweet, mixed, and dry. Each sip offers a glimpse into the rich flavors and traditions of the regions.

In addition to the herbal liqueurs, guests can indulge in a selection of Mallorcan wines curated from the finest winemakers on the island. This tasting showcases the diversity and quality of Mallorca's winemaking heritage, providing a memorable sensory journey for wine enthusiasts and novices alike.

Breakfast with local products:

The agrotourism offers a gourmet breakfast made with a careful selection of fresh and high-quality local products. Our breakfast includes traditional Mallorcan bread and pastries, such as ensaïmada, as well as sobrasada and a variety of artisanal cured meats. Additionally, we provide fresh seasonal vegetables, such as tomatoes from local farms. This unique gastronomic experience reflects the authenticity and flavor of Mallorcan cuisine.

A traditional Mallorcan breakfast offers both savory and sweet delights. The savory section features the iconic "pa amb oli", Mallorcan bread drizzled with olive oil, sprinkled with salt, and rubbed with tomato. This versatile base pairs perfectly with a variety of cured meats like serrano ham, york ham, "botifarró", and cheeses like Mahón cheese. Additionally, guests can indulge in bread topped with "sobrassada", a cured sausage, or enjoy it with typical Mallorcan crackers such as "Quelitas" or "Gori de Muro".

In the sweet section, guests can savor the beloved Mallorcan "ensaïmada", a spiral-shaped pastry dusted with powdered sugar, or the delightful "coca de patata", a sweet potato cake.

To complete the breakfast experience, guests can enjoy a selection of seasonal fruits sourced locally, adding a fresh and vibrant touch to the meal.

Restaurant:

The restaurant will exclusively cater dinners upon request from the guests of the agrotourism, in accordance with legal regulations permitting meals solely for agrotourism guests. These dinners will feature a fusion of Mediterranean flavors incorporating locally sourced ingredients from the agrotourism's own garden, emphasizing seasonal freshness and regional authenticity.

Small shop with local products:

To complement the range of activities offered at the agrotourism, a small shop will be available. Here, guests can purchase all the products they have enjoyed throughout their stay, along with an assortment of additional local treasures.

The small shop within the agrotourism offers guests the opportunity to take home a part of the Mallorcan experience. Here, they can purchase a variety of local products, such as wines from Miquel Gelabert, sobrasada and other cured meats, extra virgin olive oil grown and produced on the island of Mallorca, artisanal cheeses, savory biscuits typical of Forn d'Art or Gori de Muro, and traditional liqueurs. This shop is a space dedicated to promoting local products and supporting producers in the area.

Spa services:

To complete their luxury experience, guests can unwind in the luxurious spa facilities, indulging in total relaxation. The spa services offer guests a sanctuary of relaxation and rejuvenation amidst our tranquil surroundings. With therapeutic massages, invigorating facials, and amenities like saunas and jacuzzis, guests can unwind and escape the stresses of daily life, ensuring a blissful experience for all who visit.

8.4 Activities offer

Water Activities:

Experience the thrill of underwater exploration with snorkeling and diving excursions led by certified instructors. Alternatively, enjoy the adrenaline rush of speeding across the waves with our exhilarating banana boat rides.

Boat Tours:

Embark on a scenic voyage along the stunning coastline of Mallorca, discovering hidden coves, crystal-clear waters, and secluded beaches accessible only by boat. Our experienced captains will guide you to the most picturesque spots, ensuring an unforgettable journey.

Horseback Riding:

Immerse yourself in the natural beauty of Mallorca with leisurely horseback rides through idyllic countryside trails. Traverse lush landscapes, meandering paths, and scenic vistas while experiencing the tranquility and serenity of horseback riding.

9. Marketing and sales strategy

9.1 Marketing strategy

9.1.1 Objectives

The general objective for the agrotourism is to position it as one of the leading luxury agrotourism destinations in Mallorca within the first three years of operation, offering an exceptional and authentic experience for travelers seeking an exclusive escape in a rural setting. Below will be describe the SMART goals to achieve the bigger objective:

Achieve an occupation rate of 60% during the first year of operation.

Specific: Achieve 60% occupation of the rooms during the first year of operation.

Measurable: Monthly monitoring of occupancy rate and comparison with the projections.

Achievable: Implement effective marketing strategies and promotions to attract guests during the first year.

Relevant: Increasing initial occupancy is crucial to establish the reputation for success of agrotourism.

Time-Bound: Achieve the objective in the first year of operation.

Increase 10% the online booking through the website of the agrotourism in the first six months of operation:

Specific: Improve the proportion of website visitors who make a booking by increasing 10% the online booking, whether it's their first time booking the agrotourism or they booked through another website like Booking the last time, within the first six months.

Measurable: Monthly monitoring of the booking rate and comparison with the projections.

Achievable: Optimize the website and digital marketing strategies to enhance persuasion and easy booking.

Relevant: Incrementing the proportion of booking from the website will maximize the revenues and will lay a solid foundation for future growth.

Time-Bound: Achieve the objective in the first six months of operation.

Obtain an average customer satisfaction rating of 4.5/5 on online review platforms in the first year:

Specific: Obtain an average customer satisfaction rating of at least 4.5 out of 5 on platforms such as TripAdvisor and Google Reviews during the first year.

Measurable: Continuous monitoring of online customer reviews and ratings.

Achievable: Set high service standards and establish feedback channels to constantly improve the customer experience.

Relevant: Maintaining high customer satisfaction ratings is crucial to the reputation and long-term success of agrotourism. Also is one of the pillars of the position of agrotourism.

Time-Bound: Achieve the objective in the first year of operation.

Increase brand awareness and agrotourism recognition by 50% in the local and international market in the first six months.

Specific: Increase recognition of the Son Guineu Luxury Agrotourisme brand by 50% in the local and international market.

Measurable: Using metrics such as brand reach on social media, website traffic and brand awareness surveys to assess the 50% increase.

Achievable: Implement digital marketing strategies, public relations, and local collaborations to increase visibility and brand recognition.

Relevant: Improving brand recognition is essential to attract more customers and increase the potential customer base.

Time-Bound: Achieve the objective in the first six months.

Establish strategic partnerships with at least three local companies to offer exclusive experience packages.

Specific: Establish collaboration agreements with at least three local companies to develop exclusive experience packages for guests.

Measurable: Sign formal agreements with three local companies and launch at least three exclusive experience packages in collaboration.

Achievable: Identify complementary local companies and establish solid relationships that benefit both parties.

Relevant: Offering exclusive experience packages can differentiate Son Guineu Luxury Agrotourisme and increase its attractiveness to customers.

Time-Bound: Achieve the objective during the first twelve months of the year.

Obtain a 90% satisfaction index focusing on increasing customer loyalty or higher in the first twelve months of operation.

Specific: Obtain at least a 90% satisfaction index on the survey that will be conducted on the clients staying in the agrotourism focusing on increasing customer loyalty.

Measurable: Conduct periodic satisfaction surveys and calculate the average of the client's satisfaction.

Achievable: Providing exceptional service, collecting customer feedback, and making continuous improvements based on the feedback received.

Relevant: Customer satisfaction is fundamental for the reputation and success of agrotourism. It also has the final goal of customer loyalty.

Time-Bound: Achieve the objective during the first twelve months of the year.

Generate a positive return on investment (ROI) on the marketing strategies implemented in the first year.

Specific: Obtain a positive ROI on marketing investments during the first year of operation.

Measurable: Calculate the ROI for each marketing strategy implemented and ensure that the result is positive.

Achievable: Carefully track the performance of marketing strategies and adjust as necessary to ensure a positive ROI.

Relevant: It is essential that marketing investments generate a positive return to ensure the financial viability of agrotourism.

Time-Bound: Achieve the objective within the first twelve months of operation.

9.1.2 Brand position

Son Guineu Luxury Agroturisme will position itself as an exclusive and tranquil retreat in the heart of Mallorca, offering a perfect balance between luxury, authenticity, and comfort. Our focus on attention to detail, personalized hospitality, and unique experiences will set the agrotourism apart from other agrotourism destinations in the region.

9.1.3 Marketing mix

In this part of the marketing strategy it is intended for a better internal analysis of the marketing strategy developed.

Promotional Strategy

For the promotion and communication strategies, firstly for the public relations, the focus lies on fostering and maintaining connections with both local and international media outlets, fostering positive press coverage to enhance the visibility of our brand.

The digital advertising efforts involve the execution of targeted online campaigns through channels such as Google Ads, social media platforms, and relevant tourism websites, all geared towards reaching our desired audience effectively.

Furthermore, exclusive events are organized and local activities are sponsored to enhance brand recognition and position Son Guineu Luxury Agroturisme as a premier luxury destination.

Distribution

In distribution, a multichannel approach will be implemented, leveraging platforms like the agrotourism website, OTAs (Online Travel Agencies), and local travel agencies. This ensures broad exposure and access to diverse audiences.

Additionally, a direct sales strategy is employed to promote bookings through the official website. By providing exclusive perks such as special discounts and additional packages, the booking experience for guests is enhanced.

9.2 Action Plan

In optimizing channels, the focus is on ensuring appropriate representation across key distribution platforms, including the official website, OTAs (Online Travel Agencies), and local travel agencies, to ensure comprehensive coverage and customer accessibility.

Contract negotiation involves forging strategic partnerships with distribution collaborators to secure favorable terms and conditions, thereby enhancing room visibility and availability.

Efficient reservation tracking is essential for managing room booking effectively, mitigating the risk of overbooking or under booking, and maximizing occupancy levels consistently.

In optimizing the website, the focus remains on continuously improving the agrotourism's website to ensure seamless user experience, easy navigation, and enhanced search engine visibility.

Content publication entails maintaining an active presence on social media platforms by regularly sharing relevant and captivating content that showcases the distinctive experience and special offering of the agrotourism.

The agrotourism aims to establish a presence on social media platforms, in addition to having a website. It plans to create accounts on the following platforms: Instagram and Tik Tok. This initiative aims to connect with guests and effectively showcase the amazing facilities and landscapes. Engaging with followers involves timely responses to comments and messages on social media, nurturing interaction, and fostering robust relationships with both potential and existing customers.

In planning advertising campaigns, the focus is on designing and executing both online and offline initiatives, utilizing various mediums to enhance brand awareness and promote special offers and events.

Performance monitoring involves tracking the effectiveness of these campaigns and making necessary adjustments to optimize spending and maximize return on investment.

The focus here is on establishing robust relationships with both local and international media outlets. The goal is to generate positive coverage and enhance the visibility of the agrotourism.

Additionally, strategic communication efforts involve the development and distribution of press releases and informative materials. These aim to highlight achievements, events, and other relevant news pertaining to agrotourism.

9.3 KPIs

In this section, the principal KPIs will be described to monitor that all the actions described above achieve their goals.

To track the contract negotiation and efficient reservation, the KPIs use will be occupancy rate, that will consist in monthly monitoring of room occupancy to improve the performance and demand of the agrotourism.

To ensure the effectiveness of all marketing actions, the reservation conversion rate will be employed. This involves assessing the percentage of website visitors who make reservations to evaluate the effectiveness of marketing and sales strategies.

It will be creating a customer satisfaction index by consistently gathering guest feedback and reviews to evaluate overall satisfaction and pinpoint areas for enhancement. To complement that another KPI will be to review and comment evaluation, analyzing reviews and comments on travel platforms and social media to identify perceived strengths and weaknesses as perceived by customers.

To continue to have a clear knowledge on offer, monitoring the prices and offers of direct competitors to adjust the pricing and promotion strategies as needed.

And overall to ensure that each marketing strategy works, the return on investment (ROI) for marketing will be used, by periodically analyzing the return on investment in marketing activities, advertising, and promotions to ensure resource allocation efficiency.

9.4 Contingency plan

When any of the SMART goals isn't achieved or is performing poorly on the KPIs, some actions will be taken. Regular review of performance indicators to assess progress towards established goals and make adjustments to strategies as necessary.

Obtaining feedback from the marketing and sales team, as well as other relevant departments, to identify areas for improvement and optimization opportunities,

Being flexible to adapt the marketing plan to market changes, new trends, and unexpected events that may affect demand and competition.

Finally, a compilation of periodic reports summarizing the results obtained, lessons learned, and recommendations for improving future performance. Also, drawing key conclusions from performance analysis and developing specific actions to optimize the effectiveness of the marketing plan and achieve long-term business objectives.

10. Financial Plan

10.1 Revenues

10.1.1 Accommodation revenues

The main source of income for the agrotourism is the rooms, the accommodation. To calculate accommodation income, room occupancy has been calculated based on the randomizing the number of days each room will be occupied per month.

Additionally, for the calculation of room revenue, prices for both low and high seasons have been considered. As the difference in seasons cannot be ignored and the agrotourism aims to remain competitive with its counterparts, distinct prices have been set. During the low season, the double standard room will be priced at 350€, the double standard room with terrace at 450€, the double suite with terrace at 750€, and the imperial suite at 950€. In contrast, during the high season, the double standard room will be priced at 450€, the double standard room with terrace at 600€, the double suite with terrace at 950€, and the imperial suite at 1150€.

Moreover, to complete the calculation, it is necessary to take into account that the agrotourism will be closed from the second week of November to the third week of January of the following year. It will be closed for a total of two months and two weeks. The reason being is that the demand is not sufficient to remain open.

During the first year of operation, the following monthly occupancy levels and revenues for the 12 rooms are projected:

Figure 6. Revenue Projection for the Accommodation

Revenues			Year 1											
Accommodation			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
High season	Low season													
550,00 €	350,00 €	Room 1 Double Standard Guests 1	700,00 € 2	1.750,00 € 5	3.150,00 € 9	4.550,00 € 13	8.250,00 € 15	8.800,00 € 16	9.350,00 € 17	11.550,00 € 21	11.000,00 € 20	4.550,00 € 13	2.100,00 € 6	- €
550,00 €	350,00 €	Room 2 Double Standard Guests 2	- € 0	1.400,00 € 4	3.150,00 € 9	4.200,00 € 12	8.800,00 € 16	7.150,00 € 13	8.250,00 € 15	11.000,00 € 20	9.900,00 € 18	5.600,00 € 16	2.100,00 € 6	- €
550,00 €	350,00 €	Room 2 Double Standard Guests 3	1.050,00 € 3	3.500,00 € 10	3.850,00 € 11	3.850,00 € 11	6.050,00 € 11	9.350,00 € 17	7.700,00 € 14	9.350,00 € 17	9.900,00 € 18	5.950,00 € 17	- €	- €
550,00 €	350,00 €	Room 4 Double Standard Guests 4	1.750,00 € 5	1.400,00 € 4	3.150,00 € 9	4.200,00 € 12	6.050,00 € 11	6.600,00 € 12	10.450,00 € 19	8.800,00 € 16	11.000,00 € 20	5.600,00 € 16	2.450,00 € 7	- €
750,00 €	450,00 €	Room 5 Double Standard with Terrace Guests 5	450,00 € 1	4.500,00 € 10	3.150,00 € 7	4.950,00 € 11	10.500,00 € 14	10.500,00 € 14	12.750,00 € 17	15.750,00 € 21	14.250,00 € 19	6.300,00 € 14	450,00 € 1	- €
750,00 €	450,00 €	Room 6 Double Standard with Terrace Guests 6	900,00 € 2	2.700,00 € 6	2.700,00 € 6	4.950,00 € 11	12.000,00 € 16	9.750,00 € 13	11.250,00 € 15	15.000,00 € 20	11.250,00 € 15	5.400,00 € 12	900,00 € 2	- €
750,00 €	450,00 €	Room 7 Double Standard with Terrace Guests 7	2.250,00 € 5	3.150,00 € 7	5.400,00 € 12	4.950,00 € 11	9.000,00 € 12	13.500,00 € 18	11.250,00 € 15	12.750,00 € 17	11.250,00 € 15	6.300,00 € 14	1.350,00 € 3	- €
750,00 €	450,00 €	Room 8 Double Standard with Terrace Guests 8	900,00 € 2	3.150,00 € 7	4.050,00 € 9	6.300,00 € 14	9.750,00 € 13	13.500,00 € 18	15.000,00 € 20	15.000,00 € 20	14.250,00 € 19	7.650,00 € 17	900,00 € 2	- €
1.050,00 €	750,00 €	Room 9 Double Suite with Terrace Guests 9	1.500,00 € 2	6.750,00 € 9	6.000,00 € 8	9.000,00 € 12	14.700,00 € 14	16.800,00 € 16	15.750,00 € 15	18.900,00 € 18	17.850,00 € 17	13.500,00 € 18	3.000,00 € 4	- €
1.050,00 €	750,00 €	Room 10 Double Suite with Terrace Guests 10	3.000,00 € 4	5.250,00 € 7	8.250,00 € 11	10.500,00 € 14	11.550,00 € 11	14.700,00 € 14	21.000,00 € 20	21.000,00 € 20	15.750,00 € 15	9.750,00 € 13	3.750,00 € 5	- €
1.350,00 €	950,00 €	Room 11 Imperial Suite Guests 11	1.900,00 € 2	1.900,00 € 2	2.850,00 € 3	6.650,00 € 7	12.150,00 € 9	9.450,00 € 7	14.850,00 € 11	10.800,00 € 8	10.800,00 € 8	3.800,00 € 4	2.850,00 € 3	- €
1.350,00 €	950,00 €	Room 12 Imperial Suite Guests 12	1.900,00 € 2	950,00 € 1	4.750,00 € 5	7.600,00 € 8	13.500,00 € 10	13.500,00 € 10	13.500,00 € 10	10.800,00 € 8	8.100,00 € 6	3.800,00 € 4	- €	- €
		Total Guests	30	72	99	136	152	168	188	206	190	158	39	-
		Total Revenues	16.300,00 €	36.400,00 €	50.450,00 €	71.700,00 €	122.300,00 €	133.600,00 €	151.100,00 €	160.700,00 €	145.300,00 €	78.200,00 €	19.850,00 €	- €

Source: Own elaboration

10.1.2 Extra services revenues

Son Guineu luxury agrotourism will have other forms of revenue called extra services. In the paragraphs below, those services will be described.

The restaurant will cater to guests for dinner, offering a culinary experience crafted from high-quality ingredients. With an anticipated ticket price of 80€ per person reflecting on the premium offerings, it's estimated that half of the guests will opt for these dinners. Making a projection revenue for five years below on the table:

Figure 7. Revenue Projection for the Restaurant

Revenue Projection for the Restaurant	
First year	115.040,00€
Second year	141.280,00€
Third year	150.720,00€
Fourth year	167.120,00€
Fifth year	183.680,00€

Source: Own elaboration

Additionally will have product selling coming from the shop, the minibars in the rooms and the room services. It is estimated that in the first month of opening, with an occupancy of 29 nights, equivalent to 58 guests (two persons per room), approximately 50% of the guests will make purchases in the shop, minibar or room services. Increase by that it is projected that 18 external individuals, either through the agrotourism website or visiting the facilities, will also make a purchase. Considering an average spending of 50€ per person, sales revenue from product sales is expected to total $(29+18) \times 50€ = 2350€$. The shop will offer a carefully curated selection of local products, from wines and olive oils to crafts and unique souvenirs, without forgetting the star product produced in agrotourism, the mallorcan herbs liqueur. The sale of products not only provides convenience to the guests but also generates additional income for the business, showing a revenue projection of product sales:

Figure 8. Revenue Projection of the product sales

Revenue Projection of the product sales	
First year	82.700,00€
Second year	99.100,00€
Third year	105.000,00€
Fourth year	115.250,00€
Fifth year	125.600,00€

Source: Own elaboration

As part of the extra services offering, it will organize wine and herb tasting for those who wish to explore the distinctive flavors of the region. Guide by expert winemakers and herbalists, participants will have the opportunity to taste a variety of local wines and herbal liqueurs while learning about their history and production.

For wine tasting, participation of 10 external individuals per month is projected, along with a 35% of the guests staying at the agrotourism (approximately 20 guests in the first month). With a cost per person of 39.90€ for the tasting, revenue for the first month is expected to be generated totaling $(10+20) \times 39.90 = 1197\text{€}$.

In the case of herb tasting, participation of 8 external individuals per month is estimated, along with 17% of guests at the agrotourism. With a cost of 59€ per person, revenue for the first month is expected $(8+10) \times 59 = 1062\text{€}$. Revenues for the tasting are estimated:

Figure 9. Revenue Projection for tasting.

Revenue Projection for tasting	Wine tasting	Herb tasting
First year	47.820,15€	11.926,07€
Second year	57.635,55€	14.210,59€
Third year	61.166,70€	15.032,46€
Fourth year	67.301,33€	16.460,29€
Fifth year	73.495,80€	17.902,04€

Source: Own elaboration

10.1.3 Activities revenues

To enhance guests' experience, strategic partnerships have been established with local businesses offering a variety of activities in the area. These partnerships allow a wide range of options for guests to fully enjoy their stay at the agrotourism. Additionally, a commission is received for every guest referred to these businesses.

Exciting water activities such as snorkeling, diving, or banana boat rides are offered for guests. These activities have a cost for guests, typically around 50€ per person, with a commission of 7.5% for every referred guest.

Guests wishing to explore the beautiful coasts of the island can enjoy boat tours to picturesque locations and remote beaches. The cost of these activities for guests is approximately 100€ per person, with a commission of 15% for every referred guest.

To enjoy the nature and scenery of Mallorca, horseback riding tours are offered through scenic and picturesque trails. This activity has a cost for guests of around 30€ per person, with a commission of 10% for every referred guest.

Figure 10. Revenue Projection for activities.

Revenue Projection for Activities	Water activities	Boat tours	Horseback riding
First year	2.673,75€	6.471,00€	3.550,00€
Second year	3.311,25€	7.947,00€	4.415,00€
Third year	3.532,50€	8.478,00€	4.710,00€
Fourth year	3.916,88€	9.400,50€	5.222,50€
Fifth year	4.305,00€	10.332,00€	5.740,00€

Source: Own elaboration

10.2 Cost

10.2.1 Initial investment

The initial investment is divided into four main categories, along with an additional category for other expenses related to the initial investment.

The first category involves facilities improvements, as the house will require renovation not only to attract guests but also to comply with agrotourism regulation. Structural alterations are imperative due to the current inadequacy of the property for hotel operations. The construction of twelve rooms that meet regulatory standards, such as ensuring each room includes a private bathroom. Renovation of communal spaces will be needed such as the creation of a welcoming lobby, provision of spa and gym facilities, and establishment of a refined dining area and lounge. Development of the restaurant zone, complete with a fully equipped kitchen is required. Exterior enhancements, including upgrades to farm facilities and amenities such as parking and electric vehicle charging stations, are crucial. Landscaping and terrace conditioning are also integral components of the renovation plan. Additionally, the agrotourism will integrate a solar energy system comprising 300 solar panels, along with cutting-edge equipment for energy conversion and storage, ensuring sustainable and eco-friendly operations. The expenses can be seen in the following table:

Figure 11. Initial investment: Facility improvements

Facility Improvements	Expenses
Structural alterations (repair, renovation, extensions, etc.)	- 400.000,00 €
Renovation of rooms (12 rooms)	- 300.000,00 €
Renovation of common areas (hall, spa, gym, dining room, lounge)	- 750.000,00 €
Restaurant Renovation	- 350.000,00 €
Farm conditioning (planting, irrigation, fencing, road, ...)	- 250.000,00 €
Exterior conditioning (swimming pool, terraces, garden, parking)	- 450.000,00 €
Solar energy system (300 solar panels with equipment and energy conversion and storage system)	- 120.000,00 €
TOTAL	-€ 2.620.000,00

Source: Own elaboration

The second category will include equipping the rooms to meet the standards necessitates and attention to detail of a luxury agrotourism. This includes furnishing each room with high quality furniture such as beds, bedside tables, and closets, ensuring comfort and functionality for guests. Additionally the installation of appliances like televisions, minibars, and coffee makers contributes to the luxurious guest experience. Providing premium bed linen, including sheets, pillowcases, and comforters. Ample provision of toiletries, including towels, rugs, and personal hygiene products, offering convenience and comfort during the stay. Thoughtful decoration and accessories, such as pictures, lamp, and mirrors, are meticulously chosen to create an inviting ambiance and elevate the overall aesthetic appeal of the rooms. The expenses can be seen in the following table:

Figure 12. Initial investment: Room equipment

Room Equipment	Expenses
Furniture (beds, bedside tables, closets, etc.)	- 120.000,00 €
Appliances (televisions, minibar, coffee maker, etc.)	- 18.000,00 €
Bed linen (sheets, pillowcases, comforters, etc.)	- 12.000,00 €
Toiletries (towels, rugs, personal hygiene products, etc.)	- 60.000,00 €
Decoration and accessories (pictures, lamps, mirrors, etc.)	- 30.000,00 €
TOTAL	-€ 240.000,00

Source: Own elaboration

The third category will include equipment for the rest of the agrotourism, to ensure the seamless operation of agrotourism facilities involves meticulous attention to various equipment and amenities. The necessity to provision the outdoor furniture, including tables, chairs, and umbrellas, to create inviting spaces for guests to relax and have a landscaping surrounding. Equipping the kitchen with essential appliances such as stoves, pots and pans, cooking utensils, crockery and cutlery, facilitates the preparation of meals using locally sourced ingredients. Additionally, outfitting the dining room with tasteful decoration, chairs, and tables enhances the dining experience, making a welcoming atmosphere for guests to savor the culinary delights. Facilities for outdoor activities, such as swimming pool, barbecue area, and playground, are thoughtfully integrated to offer guests recreational opportunities and create memorable experiences during their stay. The expenses can be seen in the following table:

Figure 13. Initial investment: Equipment for agrotourism

Equipment for Agrotourism	Expenses
Outdoor furniture (tables, chairs, umbrellas, etc.)	- 30.000,00 €
Kitchen equipment (stoves, pots and pans, cooking utensils, crockery, cutlery, etc.)	- 50.000,00 €
Dining room equipment (Decoration, chairs, tables, etc.)	- 20.000,00 €
Facilities for outdoor activities (swimming pool, barbecue area, playgrounds, etc.)	- 50.000,00 €
TOTAL	- 150.000,00 €

Source: Own elaboration

The fourth category is to incorporate advanced technology and efficient management systems. Implementing a robust hotel management system, with advanced reservation software, guest management tools, and billing systems, streamlines administrative tasks and enhances guest experience. Equipping the essential IT equipment, including computers, printers, and scanners, facilitates efficient communication and administrative processes. Ensuring the safety and security of guests and property is achieved through the installation of a comprehensive security system, comprising surveillance cameras, alarm systems, and electronic locks, to monitor and safeguard the premises effectively. Additionally, deploying communication equipment such as telephones and intercom systems enables seamless interaction between staff members and facilitates effective communication with guests, ensuring their needs are promptly addressed. The expenses can be seen in the following table:

Figure 14. Initial investment: Technology

Technology	Expenses
Hotel management system (reservation software, guest management, billing, etc.)	- 2.000,00 €
IT equipment (computers, printers, scanners, etc.)	- 6.000,00 €
Security system (surveillance cameras, alarm systems, electronic locks, etc.)	- 7.500,00 €
Communication equipment (telephones, intercom systems, etc.)	- 500,00 €
TOTAL	- 16.000,00 €

Source: Own elaboration

Additionally, the initial investment includes various other expenses crucial for the establishment and operation of the agrotourism. These encompass acquiring necessary licenses and permits, such as opening licenses, municipal permits, and sanitary authorizations, ensuring compliance with legal requirements from the outset. Initial advertising and marketing expenses, including logo design, promotional materials, and the development of an initial website, are essential to establish brand identity and attract potential guests. Professional fees, covering legal advice, design consultancy, and architectural services, are imperative for navigating regulatory frameworks and ensuring optimal facility design. Moreover, initial insurance costs, encompassing liability insurance, property insurance, and workers' compensation insurance, provide essential financial protection and risk mitigation measures. The expenses can be seen in the following table:

Figure 15. Initial investment: Other investment expenses

Other investment expenses	Expenses
Licenses and permits (opening licenses, municipal permits, sanitary authorizations, etc.)	- 12.000,00 €
Initial advertising and marketing (logo design, promotional materials, initial website, etc.)	- 5.000,00 €
Professional fees (legal advice, design consultancy, architecture, etc.)	- 5.000,00 €
Initial insurance (liability insurance, property insurance, workers' compensation insurance, etc.)	- 6.000,00 €
TOTAL	- 28.000,00 €

Source: Own elaboration

The total initial investment amounts to approximately 3 million euros, as seen below:

Figure 16. Initial investment: Total investment

TOTAL INITIAL INVESTMENT	-€ 3.054.000,00
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Source: Own elaboration

10.2.2 Operational expenses

The COSG (Cost of Goods Sold) encompasses various essential items necessary for the smooth operation and guest satisfaction at Son Guineu. This includes a wide range of food and beverages for breakfast, such as pastries, milk, tea, coffee, fruits, and cold cuts, estimating the expenses to 1,000€ per month. Additionally, it covers cleaning and personal care products for the rooms, maintaining impeccable cleanliness and hygiene standards, estimating that thus products will cost 150.00€ per month. Supplies for additional activities and services including the SPA, swimming pool, and sauna being around 200.00€ per month. Moverover, provisions for wine and herbs liqueur tastings, it is estimated that each group of 3 adults participating in the wine tasting will consume a bottle of 750ml of wine, approximately the cost of 15.50€ cost per bottle. And for the herb liquor tasting, each group of 5 adults participating in this activity will consume a bottle of 750ml, being the cost of the bottle 12.50€. Depending on how many guests participate in these activities, the cost will change. Finally, consumable products for the store, minibar, and room service are factored into the COSG, and it is estimated that expense will be 40% of sales of the products sold and the same percentage for products for the restaurant.

Figure 17. COSG expenses

COSG	€ / month
Food and beverages for breakfast (pastries, milk, tea, coffee, fruit, cold cuts, etc.)	- 1.000,00 €*
Cleaning and personal care products for the rooms	- 150,00 €*
Supplies for additional activities and services (SPA, Swimming pool, Sauna...)	- 200,00 €*
Wine tasting (1 750ml bottle of wine for every 3 adults + snacks)	- 15,00 €
Herbal tasting (1 750ml bottle of herbs for every 5 adults + snack)	- 12,50 €
Consumable products for store, minibar and room service	40% of sales of products sold
Products for restaurant	40% of sales of products sold

Source: Own elaboration

*These numbers can vary a lot depending on the occupancy of the agrotourism.

The wages have been considered based on the tables of the “Convenio Colectivo del Sector de Hostelería de las Illes Balears”, taking into account the category A classification for the agrotourism itself, according to its characteristics. Each employee has been appropriately categorized among the six levels provided by the agreement. The total amount paid for a month with an occupancy rate of around 90% and all employees hired, being 14 of them, is 21,091.84€. For full disclosure see table below.

Figure 18. Salaries for one month.

Salaries for one month	Wages
General manager	- 2.495,36€
Receptionist (40h)	- 1.942,73€
Receptionist (40h)	- 1.942,73€
Receptionist (30h)	- 1.457,05€
Night concierge (receptionist) (40h)	- 1.942,73€
Night concierge (receptionist) (20h)	-€ 971,37€
Chambermaid (40h)	- 1.680,49€
Chambermaid (40h)	- 1.680,49€
Maintenance manager (40h)	- 1.808,96€
Gardener (40h)	- 1.680,49€
Cook (20h)	- 904,48€
Cook (20h)	- 904,48€
Waiter (20h)	- 840,25€
Waiter (20h)	- 840,25€
TOTAL	-21.091,84€

Source: Own elaboration

For rental projections, it is assumed that a contract will be signed with the family who owns the property. This contract will specify that the company can conduct its business activities for a duration of 30 years, at a monthly rate of 15,000€.

Figure 19. Rent expenses

Rent	Monthly expenses
Agroturism	-15.000€ / mes
TOTAL	15.000€ / month

Source: Own elaboration

Utilities expenses cover essential services like electricity, water and gas. Estimated to range between 1.500€ - 3000€ per month, these costs vary depending on the season, as

heating or air conditioning usage fluctuates. Additionally, the cost of office supplies and products used for the maintenance of the garden and common areas has been considered.

Figure 20. Utilities expenses

Utilities	Monthly expenses
Office supply	50€ / month
Utilities (water, electricity and gas)	1.500€ - 3.000€ /month
Garden and common areas maintenance	100€ / month
TOTAL	1.650€ - 3.150€ / month

Source: Own elaboration

Monthly technology expenses total 474€, encompassing various essential services vital for smooth operations. These include costs associated with hotel management software, domain, email, and web hosting, web maintenance, internet access, and safety and security measures.

Figure 21. Expenses on technology

Technology	Monthly expenses
Hotel management software	-109 € / month
Domain, email and web hosting	-30 € / month
Web maintenance	- 120 € / month
Internet	-65 € / month
Safety and security	-150 € / month
TOTAL	-474 € / month

Source: Own elaboration

Monthly marketing expenses amount to €1,500, covering various crucial elements aimed at promoting our agrotourism in Mallorca. This includes expenditures for social media management, online advertisements, brochure printing, and specific advertising materials tailored to highlight the unique offerings of our establishment. These investments are essential for increasing brand visibility, attracting potential guests, and driving bookings, ultimately contributing to the growth and success of the business.

Figure 22. Expenses on marketing.

Marketing	Monthly expenses
Social media management	-600 € / month
Online advertisements	-600 € / month
Brochure printing	-150 € / month
Specific advertising material for agrotourism in Mallorca	-150 € / month
TOTAL	-1.500 € / month

Source: Own elaboration

Monthly expenses for consulting and administrative services total €300. By investing in professional consulting and administrative support, we aim to optimize our business processes, enhance organizational effectiveness, and achieve long-term sustainability and success.

Figure 23. Expenses on consulting and administrative services

Consulting and administrative services	Monthly expenses
Consulting and administrative services	300 € / month
TOTAL	300 € / month

Source: Own elaboration

Annual expenses for insurance and other essential protections total €2,000. These cover various aspects crucial for safeguarding the business, including data protection, occupational risk prevention, civil liability, property, and occupational accident insurance. Prioritizing these measures ensures comprehensive coverage against potential risks and liabilities, promoting the long-term security and resilience of operations.

Figure 24. Expenses on insurance and other

Insurance and other	Annually expenses
Data protection	-1.000 € / year
Occupational Risk Prevention	-200 € / year
Civil liability insurance	-300 € / year
Property insurance	-200 € / year
Occupational accident insurance	-300 € / year
TOTAL	- 2.000 € / year

Source: Own elaboration

Fees encompass essential services such as garbage disposal and water usage. The annual expense for these services amounts to €100 per year, totaling €100 annually.

Figure 25. Expenses on fees

Fees	Annually expenses
Garbage and water	-100 € / year
TOTAL	-100 € / year

Source: Own elaboration

Annual maintenance expenses cover various upkeep costs necessary for maintaining the property's functionality and appearance. The annual expense for these maintenance tasks amounts to €10,000 per year, totaling €10,000 annually.

Figure 26. Expenses on annual maintenance

Annual maintenance expenses	Annually expenses
Annual maintenance expenses	10.000 € /year
TOTAL	10.000 € /year

Source: Own elaboration

Commissions are fees incurred based on various transactions and services. The breakdown of commission rates is as follows: 4.00% for payments made via PayPal for reservations, 1.5% for reservations and services paid through TPV (Point of Sale Terminal), 5% for web booking promotions, and 15% for commissions related to Booking and other services.

Figure 27. Expenses on Commissions

Commissions	Commission %
Payment of reservations with PayPal	4 %
Payment of reservations and services with TPV	1,5 %
Web booking promotion	5 %
Commission Booking and others	15 %

Source: Own elaboration

10.4 Debt

To finance part of the initial investment, an ICO loan will be sought. Developing the business required considering numerous factors to ensure it operates as expected. The ICO loan lines are designed to help finance new investments and support continuous growth.

ICO loans offer significant advantages. They are available to freelancers and companies of any size, helping to finance investments and liquidity needs. These loans come in two financing options: loan or leasing, applicable to both equipment and real estate. The financing terms are highly flexible and feature favorable conditions tailored to each investment project. It can request up to 12.5 million euros, covering up 100% of the investment project. The current maximum APR for a seven-year term is 7.5%.

Figure 28. Annual interest

Annual interest	7.5%	32.143 €
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Source: Own elaboration

10.5 Balance sheet

After considering all initial investments, the balance sheet has been successfully compiled. All assets mentioned in the balance sheet have been previously described in the initial investment plan. As mentioned earlier, part of the company's financing will come from an ICO loan of 3 million euros, with the remaining 1 million euros being equity. This brings the total investment to 4 million euros.

Figure 29. Balance sheet

Balance sheet			
Assets		Equity & Liabilities	
Non-current assets	2.931.000,00 €	Equity	1.000.000,00 €
Facility improvements	2.550.000,00 €	Common stock	1.000.000,00 €
Room equipment	200.000,00 €		
Equipment for Agrotourism	165.000,00 €	Liabilities	3.000.000,00 €
Technology	16.000,00 €	Non-current liabilities	3.000.000,00 €
		Long-term debt	3.000.000,00 €
Current assets	1.069.000,00 €		
Cash	1.069.000,00 €	Current liabilities	
		-	-
Total assets	4.000.000,00 €	Total Equity & Liabilities	4.000.000,00€

Source: Own elaboration

10.6 Depreciation

Depreciation has been considered for all assets. For facility improvements, an annual depreciation rate of 3.34% has been set, ensuring that these improvements are fully depreciated over the 30-year contract period. Room equipment has varying depreciation rates: furniture will depreciate at 10% annually, while other equipment will depreciate at 20% annually. Equipment specific to the agrotourism will also depreciate at 10% annually, and technology will depreciate at 20% annually. For full disclosure see table below.

Figure 30. Depreciation

Depreciation	Annually depreciation	Year 1
Facility improvements	3,34%	85.170,00 €
Room equipment		
Furniture	10,00%	10.000,00 €
Appliances	20,00%	20.000,00 €
Equipment for Agrotourism	10,00%	16.500,00 €
Technology	20,00%	3.200,00 €
TOTAL		134.870,00 €

Source: Own elaboration

10.7 Income statement

Finally, the income statement is presented, forecasting for four years. This comprehensive statement incorporates all the information detailed above, providing a thorough overview of the financial projections for the coming years.

Figure 31. P&L

P&L	Year 1	Year 2	Year 3	Year 4
Revenues				
Rooms revenues	985.900,00 €	1.187.600,00 €	1.288.100,00 €	1.424.350,00 €
Restaurant	115.040,00 €	141.280,00 €	150.720,00 €	167.120,00 €
Small shop	82.700,00 €	99.100,00 €	105.000,00 €	115.250,00 €
Tastings	59.746,22 €	71.846,14 €	76.199,16 €	83.761,61 €
Activities	12.694,75 €	15.673,25 €	16.720,50 €	18.539,88 €
COGS				
Food and beverages for breakfast	- 6.000,00 €	- 7.500,00 €	- 8.000,00 €	- 8.000,00 €
Cleaning and personal care products for the rooms	- 1.800,00 €	- 1.800,00 €	- 1.800,00 €	- 1.800,00 €
Supplies for additional activities and services	- 2.400,00 €	- 2.400,00 €	- 2.400,00 €	- 2.400,00 €
Wine tasting	- 4.195,00 €	- 5.015,00 €	- 5.310,00 €	- 5.822,50 €
Herbal liquor tasting	- 2.037,50 €	- 2.447,50 €	- 2.595,00 €	- 2.851,25 €
Consumable products for store, minibar and room service	- 33.080,00 €	- 39.640,00 €	- 42.000,00 €	- 46.100,00 €
Products for restaurant	- 46.016,00 €	- 56.512,00 €	- 60.288,00 €	- 66.848,00 €
Gross profit	1.160.552,47 €	1.400.184,89 €	1.514.346,66 €	1.675.199,74 €
Salaries	- 226.733,34 €	- 245.884,88 €	- 260.300,17 €	- 265.999,63 €
Rent	- 180.000,00 €	- 180.000,00 €	- 180.000,00 €	- 180.000,00 €
Technology	- 5.688,00 €	- 5.688,00 €	- 5.688,00 €	- 5.688,00 €
Marketing	- 18.000,00 €	- 18.000,00 €	- 18.000,00 €	- 18.000,00 €
Utilities	- 35.200,00 €	- 35.200,00 €	- 35.200,00 €	- 35.200,00 €
Consulting and administrative services	- 3.600,00 €	- 3.600,00 €	- 3.600,00 €	- 3.600,00 €
Insurance and other	- 2.000,00 €	- 2.000,00 €	- 2.000,00 €	- 2.000,00 €
Fees	- 100,00 €	- 100,00 €	- 100,00 €	- 100,00 €
Annual maintenance expenses	- 10.000,00 €	- 10.000,00 €	- 10.000,00 €	- 10.000,00 €
Commissions	- 102.066,33 €	- 126.776,30 €	- 137.504,68 €	- 152.049,36 €
Other investment expenses (only first year)	- 28.000,00 €	-	-	-
EBITDA	549.164,81 €	772.935,71 €	861.953,81 €	1.002.562,74 €
Depreciation	- 134.870,00 €	- 134.870,00 €	- 134.870,00 €	- 134.870,00 €
EBIT	414.294,81 €	638.065,71 €	727.083,81 €	867.692,74 €
Interest	32.142,86 €	32.142,86 €	32.142,86 €	32.142,86 €
EBT	446.437,66 €	670.208,57 €	759.226,67 €	899.835,60 €
Taxes (impuesto de sociedad) 25%	- 111.609,42 €	- 167.552,14 €	- 189.806,67 €	- 224.958,90 €
Net income	334.828,25 €	502.656,43 €	569.420,00 €	674.876,70 €

Source: Own elaboration

11. Implementation timeline

11.1 Months 1-3: Initial Planning and Preparations

During the first three months, the focus will be on initial planning and preparations for the construction and adaptation of the agrotourism facilities. This includes conducting feasibility studies, finalizing architectural designs, obtaining necessary permits, and sourcing suppliers for construction materials and furnishings. Additionally, initial groundwork will begin, such as clearing the site and preparing for construction activities.

11.2 Months 4-6: Construction Commencement and Foundation

From months four to six, construction activities will commence, with a particular emphasis on laying the foundation and structural elements of the agrotourism facilities. This includes excavation, foundation pouring, and erecting the framework for buildings. Simultaneously, landscaping work will begin, including planting trees and preparing outdoor areas for future use.

11.3 Months 7-9: Structural Development and Interior Work

During months seven to nine, the focus will be on advancing the structural development of the facilities and commencing interior work. This includes completing the framework for buildings, installing roofing, and constructing interior walls. Interior work will begin, such as electrical and plumbing installations, as well as preparing for the installation of fixtures and fittings.

11.4 Months 10-12: Finalizing Construction and Site

Adaptation

In the final three months of the first year, efforts will intensify to finalize construction and adapt the site for agrotourism activities. This includes completing interior finishes, such as flooring, painting, and installing fixtures. Exterior work will focus on landscaping, installing irrigation systems, and enhancing access roads. Additionally, furnishings and decorations will be installed to create a welcoming environment for guests.

11.5 Months 13-15: Recruitment and Staff Training

During months 13 to 15, recruitment efforts will be in full swing to hire the necessary staff for agrotourism operations. Positions such as receptionists, housekeeping staff, chefs, and maintenance workers will be filled. Once hired, staff will undergo comprehensive training to ensure they are well-prepared to deliver high-quality service to guests. Training sessions will cover topics such as customer service, safety procedures, and operational protocols.

11.6 Months 16-18: Equipment Procurement and Installation

From months 16 to 18, the focus will shift to procuring and installing the necessary equipment for the agrotourism facilities. This includes purchasing furniture, appliances, and technological systems for hotel management and security. Equipment will be carefully selected to meet the needs of guests and enhance their overall experience. Installation will be carried out efficiently to ensure seamless operations upon opening.

11.7 Months 19-21: Marketing Strategy Development and Implementation

During months 19 to 21, attention will turn towards developing and implementing a comprehensive marketing strategy to promote the agrotourism venture. This includes creating branding materials, designing marketing collateral, and establishing online and offline marketing channels. Targeted campaigns will be launched to attract guests, with a focus on highlighting unique features, amenities, and experiences offered by the agrotourism.

11.8 Months 22-24: Pre-Opening Tests, Drills, and Final Preparations

In the final months leading up to the opening, rigorous tests and drills will be conducted to ensure the effectiveness of operational processes and staff readiness. This includes conducting mock check-in/check-out procedures, restaurant service simulations, and emergency response drills. Feedback from tests will be used to make final adjustments and preparations before welcoming the first guests. Additionally, final touches will be made to ensure the property is pristine and ready to provide an exceptional experience.

12. ESGs

12.1 Environmental

The commitment to environmental sustainability is a fundamental part of the business vision in luxury agrotourism in Mallorca. Recognizing the importance of protecting and preserving the natural environment in which operations occur, as well as mitigating any negative impact activities may have on the environment, the following initiatives and practices in this area are detailed.

Renewable energy

The main initiative to reduce carbon footprint and promote sustainability is the installation of solar panels in all facilities. These panels will allow for the generation of a significant portion of electricity from renewable sources, reducing dependence on fossil fuels and decreasing greenhouse gas emissions.

After evaluation of a select number of suppliers, UEP Solar has been selected. Their experience, reputation, and commitment to quality provide the necessary confidence for a successful and efficient installation.

Using the advanced photovoltaic solar installation calculator that the supplier provides the analysis of solar generation capacity has revealed that the roof has the capacity to accommodate 300 solar panels. These panels are designed to generate approximately 238,151 kWh of electricity per year, resulting in significant annual savings of 27,458€ in electricity costs. These numbers can be seen in the figure X below.

Figure 32. Solar panels



Source: UEP Solar

The installation of solar panels will not only reduce carbon footprint and promote environmental sustainability but will also provide significant long-term economic benefits. In addition to the annual saving in electricity costs mentioned above, this investment in renewable energy is expected to position them as leaders in the sector and contribute to corporate responsibility goals.

Waste Management

A waste management program will be established at the facilities, including a waste separation system for paper, plastic, glass, and organic waste. Staff will receive training for proper disposal, and composting will convert organic waste into natural fertilizer. This initiative aims to reduce landfill waste, promote sustainable agricultural practices, and minimize the carbon footprint on Mallorca's natural environment. Continuous monitoring and collaboration with suppliers and stakeholders will ensure the program's long-term effectiveness and encourage sustainable waste management practices across the community.

Water conservation

Water scarcity is a pressing issue in Mallorca, exacerbated by the doubling of water consumption with each tourist arrival. Residents typically use between 100 and 200 liters per day, while tourists consume twice as much. This imbalance is starkly evident in the capital, where water usage increases by a million liters in August compared to February. To address this challenge, three desalination plants have been proposed to ensure an adequate water supply for tourists. In response, the agrotourism will implement several measures to mitigate this issue. This includes expanding rainwater collection systems on the property and utilizing the collected water for garden irrigation and other green areas. Additionally, technologies and agricultural practices that minimize water consumption, such as drip irrigation systems, will be adopted to optimize water usage and reduce reliance on potable water sources, thus promoting sustainable water management practices.

Sustainable Transportation

Incentive programs will be established to encourage employees to utilize sustainable modes of transportation, such as bicycles or electric vehicles.

Facilities and services will be provided to encourage bicycle use among employees and guests. This will include the construction of secure bicycle parking facilities and the promotion of safe cycling routes around the agrotourism site.

The agrotourism will also include parking and recharging facilities for electric cars, supporting sustainable transportation options for guests and encouraging them to rent electric cars and further reducing the carbon footprint of the property and the surrounding.

Integration of Local Products “Productos Km 0”

The incorporation of local products allows for a significant reduction in the carbon footprint associated with food transportation by prioritizing those produced locally in Mallorca. By decreasing greenhouse gas emissions from freight transport, a direct contribution is made to climate change mitigation and the maintenance of air quality. By supporting local producers, sustainable and environmentally friendly agricultural practices are promoted. Farmers in Mallorca often use traditional and biodiversity-friendly cultivation methods, contributing to the conservation of natural resources and the preservation of local ecosystems. As one of the chosen suppliers for agrotourism, they stated, “We have a very strong commitment to respecting our land, our heart, that’s why we use the integrated production system, which allows us to maintain a production dedicated to commerce, but without losing sight of respect for the

environment. This production technique is halfway between ecological and traditional, and only allows crops to be treated with substances that do not harm the soil (Terracor, 2021).”

The integration of local products also allows for the valuing and preservation of the biological diversity of Mallorca. By promoting the cultivation and consumption of local varieties of fruits, vegetables, and other agricultural products, a contribution is made to the conservation of the island’s agricultural biodiversity and the maintenance of its natural richness.

12.2 Social

At the core of the project lies a commitment to the well-being of communities, employees, and future customers. Recognizing that the success of the agrotourism will not only be measured by financial aspects but also by the positive impact generated in society.

Value diversity as a fundamental asset and commit to creating an inclusive work environment where individual differences are respected. Implement hiring policies that promote diversity and equal opportunities, ensuring that all individuals are treated fairly and equitably.

Acknowledge that employees will be the most valuable asset and strive to create a work environment that promotes their health, safety, and well-being from day one. Offer comprehensive health programs, including access to medical services and disease prevention programs.

Community engagement will be a pillar for the agrotourism, as one of its distinguishing characteristics is to offer local products. To achieve this, engagement with local producers and small businesses is essential. Also, commit to being an active and responsible member of local communities from the outset, contributing to sustainable development and the well-being of those around. Establish collaborations with non-profit organizations and other key institutions to address the most urgent needs of communities, offering financial support, resources, and volunteering from the outset of operations.

12.3 Governance

Good governance will be fundamental to the long-term success and sustainability of the agrotourism. Committing to operate transparently, ethically, and responsibly in all activities, ensuring the protection of the interests of all stakeholders from the outset.

From the outset, committing to maintaining the highest ethical standards in all operations and business relationships. Acting with integrity, honesty, and transparency at all times, complying with all applicable laws and regulations from the first day of operations.

Establishing a solid and transparent governance structure from the outset, ensuring adequate oversight and management of operations. Having a management team committed to informed decision-making and accountability to future shareholders and stakeholders.

To manage risk, it will be proactively identifying and evaluating potential risks from the outset, developing action plans to mitigate and manage these risks effectively. Fostering a risk management culture from day one, where all employees understand their role in identifying and managing risks in their respective areas.

13. Conclusions

After meticulously analyzing various data points and factors pertinent to the business plan for an agrotourism venture in Mallorca, it is evident that the proposed venture is indeed viable. Through comprehensive market research, financial analysis, and strategic planning, it has been established that there exists a favorable landscape for the implementation of the business plan.

The demand for agrotourism in Mallorca is steadily increasing, driven by a growing interest in sustainable and authentic travel experiences. This trend aligns perfectly with the concept of our venture, positioning us well to capitalize on this burgeoning market.

Moreover, the financial projections and feasibility studies conducted indicate favorable prospects for the venture. The forecasts for earnings before interest and taxes (EBIT) are promising, reflecting the strong revenue potential and sound financial management envisaged in the business plan.

Furthermore, the strategic initiatives outlined, including targeted marketing campaigns, partnership development with local producers, and experiential offerings, are well-aligned with the identified opportunities and challenges in the agrotourism sector in Mallorca.

In conclusion, based on the comprehensive analysis conducted, I affirm that the business plan for the agrotourism venture in Mallorca is indeed viable. The increasing demand for agrotourism experiences coupled with favorable EBIT forecasts underscore the potential for success. I am fully committed to executing the plan effectively and am excited about the prospect of contributing to the vibrant agrotourism landscape in Mallorca.

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