

A Work Project presented as part of the requirements for the Award of a Masters Degree in  
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## 1. Overview

Indie Campers is a touristic services startup project, aimed to replicate in Portugal an international successful concept of Campervans rental, for the youth travel market. This opportunity is a conjugation of three relevant factors: the lack of specific and segmented alternatives for itinerant tourism in Portugal, the unexplored potential of the Youth and Backpacker tourist market and new relevant world trends and innovations in tourism, such as low-cost campervan rentals.

First I will study the tourism in Portugal, understanding its strategic relevance and contribution for the national economy, including some relevant definitions, profiles, quantitative and descriptive data. Then, the main trends and market opportunities regarding this specific topic will be discussed, highlighting relevant benchmark trends, potential target market, competitors' analysis and, lastly, a legislation and seasonality overview.

Further on, I will present what the company intends to offer, describing the services and all the products it incorporates. To support the potential of this opportunity, I developed an international survey with 476 respondents. The results of this research will be discriminated all along the document, however with special incidence in this stage. After that, with the business model, I will elucidate how I intend to position Indie Campers, and describe the critical factors of the business.

To conclude, financial estimations based on the average return for this sector, will be conducted in order to determine the occupancy rate needed to reach the breakeven point. Since the author of this document intends to make the project real, a brief implementation plan and funding strategy will also be included.

## 2. Tourism Environmental Context

According to the World Tourism Organization (UNWTO)<sup>1</sup>, on 13th December 2012, one billion tourists, for that same year, arrived on their destination somewhere around the globe. Worldwide tourism keeps growing<sup>2</sup>, and its relevance for countries like Portugal, is clearly expressed in its positive impact on economy. The CEO and president of World Travel & Tourism Council (WTTC) confirmed this statement: “Few countries have a greater dependence on Travel & Tourism than Portugal. During 2012, our industry will sustain directly and indirectly almost 18% of all jobs and contribute 15% of Portugal's GDP”<sup>3</sup>. Its high touristic services competitiveness<sup>4</sup> represents 43% of total exportations of services in Portugal and its resources had been recently awarded with 6 Oscars of Tourism<sup>5</sup>, including for “The best beach destination in Europe”. In 2012, Lisbon was considered the “best value for the money” destination according to the Trip Advisor's<sup>6</sup> ranking for the same year.

Because of tourism relevance, the Portuguese government<sup>7</sup> elected it a strategic priority and elaborated a national strategic tourism plan (PENT)<sup>8</sup>. The main purpose of the document is to encourage the development of innovative products through four differentiate factors: “Weather and Light”; “Heritage, Culture and Tradition”, “Hospitality” and “Concentrated Diversity”.

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<sup>1</sup> One Billion Tourists: One billion Opportunities, UNWTO, 6th November 2012

<sup>2</sup> The number of tourists in the world was 533 million in 1995 and is expected to reach 1,6 billion in 2020. Source: UNWTO Tourism Highlights 2010, UNWTO, 2011

<sup>3</sup> Open letter on travel and tourism, David Scowsill, 6<sup>th</sup> December 2012

<sup>4</sup> Portugal is placed 18<sup>o</sup> regarding its competitiveness in the tourism sector. Source: The Travel & Tourism Competitiveness Report 2011, World Economic Forum, 2011

<sup>5</sup> World Travels awards, 6th October 2012

<sup>6</sup> It is considered by tourists to be the biggest and the most influent touristic website, entirely based on the tourist's opinion.

<sup>7</sup> Resolução do Conselho de Ministros n.º 97/2003, 1st August 2003

<sup>8</sup> Plano Estratégico Nacional do Turismo, Ministerio de Economia e da Inovação de Portugal, 2007

## 2.1 Market, Definitions and Profile Analysis

In 2011 Portugal received<sup>9</sup> around 14 Million tourists, out of which 7.432 million international, representing a total of 66% of the total touristic accommodation used in the country, distributed essentially in Lisbon (29%), Algarve (21%) and Porto (19%). There were four, the main international emission markets: UK, Spain, France and Germany. The majority arrived by plane in Lisbon, Porto and Faro, where are situated the three international airports with more traffic<sup>10</sup>.

Temporary accommodation services are legally described as touristic ventures<sup>11</sup>. Regarding Itinerant tourism<sup>12</sup> rental practices, only “Caravanning and Camping Parks” are considered ventures and the activity itself is regulated by Rent a Car Legislation<sup>13</sup>. According to a specialist<sup>14</sup>, this itinerant tourism activity encompasses three types of touristic products<sup>15</sup>: “Cultural and Landscape Touring” (niche market); “Sun and Sea” (Mass market) and “Nature” (Mass and Niche market).

According to PENT the profile of the tourist in Portugal is changing: The demand for diversified experiences is growing (new products and new travel motivations); the number of organized trips is decreasing and the “Do it yourself” is increasing. The same document refers that because of the disintermediation between supply and demand there are some relevant modifications in the business model, with an increasing relevance of the Internet as a substitute of travel agencies.

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<sup>9</sup> Turismo de Portugal, Os resultados do turismo 2011, 2012

<sup>10</sup> Relatório anual de estatísticas de tráfego, ANA, 2011

<sup>11</sup> Decreto-Lei n.º 275/93, 5th August 1993

<sup>12</sup> It is a kind of tourism based on the use of a vehicle with capacity to travel and sleep. It allows tourism decentralization and enables its users to visit and discover places, where sometimes there are no traditional hospitality services available.

<sup>13</sup> Decreto-Lei n.º 181/2012, 6th August 2012

<sup>14</sup> Professora Maria João Gomes, Turismo de Portugal

<sup>15</sup> PENT predicts 10 different types of touristic products

### 3. Macro e Micro trends

#### 3.1 Macro trends

International tourism demand is expected to continue growing<sup>16</sup> during the following years. Its expansion and diversification will reinforce old and stimulate emerging destinations, rising this way new costumers' profile and trends. Tourism experts indicate the following main trends:

- Rise of the internet (represent more than half of the bookings<sup>17</sup>);
- The power of the review and Social media<sup>18</sup>;
- Asia's rising middle class relevance in travel industry<sup>19</sup>;
- Increasing of the second home tourism and the market for medical tourism<sup>20</sup>;
- Tourism services opportunities for Youth and Student Travel market<sup>21</sup>;
- Low cost services reinforcement such as Airline companies and Hostels.

Regarding the low cost services, Portugal has verified a significant growth and consolidation of this trend. In 2004, this category of airlines represented<sup>22</sup> 10% of the total market, but in 2011 its relevance worth around one third of all demand. The airports of Porto and Faro, the second and third with more affluence, offered mainly low cost flights. According to Hostelworld ranking, the most relevant online hostel booking website, Portugal had in December, 5 hostels in the world Top 6. Lisbon is even considered the city in the world with the best Hostels. The average number of beds occupied growth in 2011, 18% in Lisbon and 30% in Porto.

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<sup>16</sup>The number of international tourist arrivals worldwide is expected to increase by 3.3% a year on average from 2010 to 2030. Source: tourism highlight 2012, UNWTO, 2012

<sup>17</sup>ITB World Travel Trends Report 2011/2012, IPK International, 2011

<sup>18</sup>World Travel Market Global Trends Report 2011, Euro Monitor International, 2011

<sup>19</sup>ITB World Travel Trends Report 2011/2012, IPK International, 2011

<sup>20</sup>Tourism trends for Europe, European travel commission, September 2006

<sup>21</sup>Youth Travel Matters, UNWTO by WYSET, 2<sup>nd</sup> June 2008

<sup>22</sup>Relatório anual de estatísticas de tráfego, ANA, 2011

### 3.2 Youth and Student Travel Market

The traditional youth market age, which used to be 18-24, has now changed to 16-30<sup>23</sup>, increasing the relevance of this market “as more young people have begun to travel more frequently and over greater distances.”<sup>24</sup> Between the year of 2000 and 2010 the number of world international arrivals of this specific segment rose from 136 million to 187 million, representing 20% of all the world tourism market and total receipts of US\$165 billion. These tourists are pioneers and trendsetters and they stay in average four times longer than another tourist. These trips usually have specific purposes, which led to the developing of new concepts and niche markets such as “specialized youth accommodation, work experience, volunteer, travel, ‘au pairing’, language learning and educational travel.”<sup>25</sup> Youth tourists do not see themselves as a tourist<sup>26</sup> and significant part of them travel to locations outside major gateways<sup>27</sup>. Normally they stay in hostels<sup>28</sup>. Price is the most important purchase decision factor<sup>29</sup> and the Internet and social media are the main channels used for bookings and advisory.

### 3.3 Micro Trend: Campervans

A campervan can be defined as a van, station wagon or even a car transformed into a basic travel home in a way to provide transportation, cooking equipment and sleeping accommodation<sup>30</sup>. The concept got famous in 1950 with the introduction of the VW Transporter. Since then, different versions were used for itinerant tourism

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<sup>23</sup>Industry Review no.1: Youth and student travel market, WYSE Travel Confederation 2011, 2012

<sup>24</sup>Youth Travel Matters, UNWTO by WYSET, 2nd June 2008

<sup>25</sup>Youth Travel Matters, UNWTO by WYSET, 2nd June 2008

<sup>26</sup>Young people like to develop their own identity and travel style – only 23% view themselves as tourists. Source: WYSET

<sup>27</sup>Over 46% of Youth and Student Travel segment travelled to locations outside major gateway cities in 2007. Source: WYSET

<sup>28</sup>Hostels continue to be the most important youth accommodation product, hosting over 60% of Travellers in 2007 compared with just over 50% in 2002. Source: WYSET

<sup>29</sup>Price is still the most important factor in making purchase decisions – cited by 94% of young people in 2007. Source: WYSET

<sup>30</sup> There is a difference between campervan and motorhome. Motorhome is basically a purpose-made cabin on the back of a much larger chassis frame.



proposes. Campervans low cost rentals got famous in UK, USA, New Zealand and Australia, where specialized firms operate with considerable fleets of at least a thousand vehicles. Based on my experience in the tourism sector<sup>31</sup>, I can say there is an increasing demand by the segment “Youth and Student travel” tourism for this service in Portugal. According to one of the main players in Iberia, this campervan rental market “is starting growing now and in some season’s periods it is already facing a global demand four times bigger than the offer available”<sup>32</sup>. Also, analyzing relevant trends and innovations, “All in one Camping Vans”<sup>33</sup> were considered one of the main references of the year 2012, in a trend reference website, with a classification of 8.4 out of 10 (17.845 votes).

## **4. The Market Analysis**

### **4.1 Market Needs**

The previous analysis leads to the conclusion that presently the main business opportunities in Portugal lie essentially in the tourism sector, which still has a very high potential to be explored. Recent modifications of tourists’ profiles and new relevant trends show new products for niches and market segments. The product trend, Low cost Campervan rentals, seems to be a relevant solution for the segment youth and student travel. In some countries, these rentals are already an established and successful solution for this target. Thus this project is aligned with strategic priorities for touristic products in Portugal and based on my experience I can say there is a demand for it. Besides, being a low cost and flexible product, campervans allow tourists to reach locations outside major gateways and at the same time lies in the sphere of the hostels, popular

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<sup>31</sup>It is the result of one year experience as a Front Office Manager in a Hostel.

<sup>32</sup> Mr. Bill, CEO of Surf-Cars

<sup>33</sup> Trend hunter website, <http://www.trendhunter.com/trends/comfortable-doubleback>

products for the target in reference. In order to better understand the opportunities and potential of this project, an international benchmark will be conducted; market competitors and prices will be analyzed, as well as rent a car and automobile legislation.

#### 4.2 Campervan International Benchmark

Since they represent some of the best practices in this field, the campervan tourism market of United Kingdom and New Zealand are described,

In 2008, UK, which is the country that contributes the most for the number of tourists in Portugal, according to a study<sup>34</sup>, had in its own borders 17% of the tourism accommodation based on camping and caravanning trips. Taking in consideration only the class touring Caravan<sup>35</sup>, there were in 2009 about 19.14 million nights, which represents an increase of 16 % comparing with the previous year. This trend is a result of an increasing demand for budget accommodation, credit constrains and marketing strategy conducted by the industry. The profile includes 27% of users under 34 years old, the majority for the social classes AB and C1 and the Seaside is consider the main reason for a trip. The same document highlights music festivals, freedom, flexibility and green incentive as the main motivations for this type of tourism.

New Zealand is a small country that annually receives 2.5 million<sup>36</sup> of international tourists. Its natural constitution and difficulties to reach some touristic attractions, led to the development of the itinerant tourism in this country. Taking in consideration only Campervans and Motorhomes for rent, in 2011, the country had 11,539 registered vehicles, which represent an increase of 5% comparing to the previous year. This represents a potential of more than 4 million nights per year.

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<sup>34</sup> Camping and Caravanning: Why So Popular and is it Sustainable?, Siân Ellis, Jan 2010

<sup>35</sup>It includes motorhome and campervans

<sup>36</sup> Tourism Satellite Account:2011, New Zealand government, 2012

### 4.3 Itinerant Market in Portugal

There are not reliable studies regarding the real dimension of itinerant tourism in Portugal, only information about Algarve is available. According to regional entities<sup>37</sup>, in 2008 there were a total of 1.200.000 nights spent in Algarve, which include 8.5 % of all touristic accommodation in the region and represents more than the total nights spent in the same year in all types of tourism accommodation in Alentejo. The law obliges campervans' users to stay in Camping or Caravanning Parks, but only around 11% of them actually use it, which means that market size should not be only based on parks' occupancy rates. According to the same study, 88.3% of them are foreigners. The average occupancy per vehicle is 2.11 persons, with an average stay of 42 days for foreigners and 10.7 for residents. Within the foreigners segment, the most relevant nationalities are UK (20.3%), Germany (18.9%), France (14.7%), Holland (11.1%) and Spain (9.3%). With this data can be proved that the potential customers are foreigners. The main activities related with this type of tourism are walking, bicycle trips, surf and windsurf. It is crucial to refer that only 2.6% of all tourists are less than 30 years old, and the majority owns the vehicle.

According to the survey<sup>38</sup> conducted, the opinion of young tourists about campervans allows me to figure out some facts. First of all, the majority of the respondents (82%) have never travelled in a campervan. The main reasons for that phenomenon among the foreign tourists are "I never thought about it before" (30%), "I want to do it before but I never had the opportunity" (26%) and "I want to do it before but it was very expensive or I thought it was very expensive" (14%). The results of the Portuguese respondents are slightly different. The main reasons for them are the lack of

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<sup>37</sup> Caracterização do auto-caravanismo na região do Algarve e proposta para definição de uma estratégia de acolhimento, Comissão de Coordenação e Desenvolvimento Regional do Algarve, June 2008

<sup>38</sup> The survey is in Appendix and will be presented further in this document.

opportunity to do it (43%). It is important to highlight the fact that 17% of the foreign respondents have already travelled in a campervan, against the 8 % of Portuguese. These results allow me to conclude that there is a huge lack of communication and/or lack of offer of this product at national and international levels.

#### 4.4 Competitors and Prices

The Portuguese Market offers mainly Motorhomes. These vehicles, that are originally built and designed for touristic proposes, are mainly offered by international companies. They practice rental prices between 100 and 200 euros per day, excluding insurance costs, contradictory values for a low cost positioning. Nevertheless, the amount of vehicles available doesn't represent a significant fleet. Regarding Campervans, in Portugal there are two companies that offer legally and trough Internet, rentals services. First, West Coast Campers, located in Lisbon, has 12 Renault Traffics from 2011, transformed into a campervan and according with the Renaults requirements. This product is designed for a young international target. It was founded in 2011 and its occupancy rate<sup>39</sup> has been around 85% during the high season and 30% during the low season, charging prices between 115 and 65 per day respectively. The second competitor is Siesta Campers, located in Algarve, which offers 10 old but renovated VW Transporter for prices<sup>40</sup> between 400 and 750 per week. Taking into consideration occupancy rates and according to Mr. Joaquim Almeida<sup>41</sup>, the average occupancy rate of a vehicle in a rent a car company in Portugal is around 70%. Regarding Spanish market, since the year of 2010, Wicked Campers is offering their services there. It is one of the main relevant world players of campervan rentals and the one that can be considered the main potential competitor and/or benchmark example. In

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<sup>39</sup> Interview to Imagens de marca, <http://www.youtube.com/watch?v=9IHuYXBgtYs>, 16th May 2012

<sup>40</sup> West Coast Campers Website, <http://www.westcoastcampers.com.pt>, 22<sup>nd</sup> December 2012

<sup>41</sup> Secretary general of Associação dos Industriais de Aluguer de automoveis sem condutor

the Spanish market, they start providing their services through Barcelona and since 2012 they are already in Malaga. With a price between 35 and 70 euros without insurance, they operate cars registered in UK and position its brand in the radical youth target. Their vehicles are mainly Toyota station wagons with a basic adaptation. There are other touristic products that may be seen as substitutes and/or partners. Hostels, like it was explained before, have a relevant demand among this target. A bed in a six beds mixed dorm may cost<sup>42</sup> between 12 and 27 euros depending on location and season. Camping Parks, and considering a group of four people staying in a tent, charge<sup>43</sup> on average 5 - 7 euros per person per day. A stay with a campervan may cost 6 euros a day per vehicle<sup>44</sup>. Other substitutes are low-cost car rentals and public transportation. The first option costs<sup>45</sup> between 20 and 50 euros a day. The second one will be further analyzed. However, both, car and public transportation always imply additional costs with accommodation.

#### 4.5 Automobile and Rent a car legislation

In Portugal, any type of car rental without driver included is considered to be a “Rent a car” service<sup>46</sup>. Depending on the transformation process and on its initial characteristics, the product Campervan falls into three types of vehicles: light passenger, Camper and Automotive goods. Anyway, the conditions for rental services activities are the same for all the categories. According to Instituto da Mobilidade e dos Transportes Terrestres (IMTT), the law<sup>47</sup> over the last years requires an initial financial capacity of

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<sup>42</sup> Prices based on Booking.com and my experience.

<sup>43</sup> Prices based on Orbitur and my experience.

<sup>44</sup> Caracterização do auto-caravanismo na região do Algarve e proposta para definição de uma estratégia de acolhimento, Comissão de Coordenação e Desenvolvimento Regional do Algarve, June 2008

<sup>45</sup> Prices based on Europcar and Hertz.

<sup>46</sup> CAE n.º 77110 Aluguer de veículos automóveis ligeiros. Source: Classificação Portuguesa das Actividades Económicas Rev.3, Instituto Nacional de Estatística, 2007

<sup>47</sup> Decreto-Lei n.º 354/86, 23rd October, changed by Decreto-Lei n.º 373/90, 27nd November, by Decreto-Lei n.º 44/92, 31st March, by Decreto-Lei n.º 77/2009, 1st April and Decreto-Lei n.º 15/88, 16 January, changed by Decreto-Lei n.º 306/94, 19th December and by Decreto-Lei n.º 203/99, 9<sup>th</sup> June

50.000 Euros, a minimum fleet of 25 vehicles and a limit age of 5 years period rental of the vehicle since its first registration, with the possibility to extend it for more three years. Transposing a European directive<sup>48</sup>, in February of 2013 and consequence of a new decree<sup>49</sup>, new conditions will apply for the sector with the goal of decreasing the bureaucracy, create faster procedures and an easier access to the activity in order to promote the entrepreneurship. The main changes are the possibility to start the activity with prior notice and with a minimum number of 7 vehicles. There is no need of initial financial capacity and there is the possibility to have the main establishment out of Portugal. In the case of vehicles with registration<sup>50</sup> in other countries of European community, its admission is possible in national territory during the contract rental period, but only if the tenant is a person not established or not a resident in national territory. In the end of the rental, there is a legal deadline of 5 days to return it to its country. For the transformations of the vehicles, there are two options. First, transform the vehicle into a Camper, based on the previous brand projects and with entities certified for the effect. This alteration implies a deep and irreversible change in the characteristics of the vehicle. The second option is the introduction of equipment in the vehicle. Because any of the original characteristics is changed there is no need for any alteration. The major advantages of this option are the cost and the permanence of the original features of the vehicle. Lastly, it is important to highlight some accounting and fiscal implications for enterprises in the Portuguese legislation. For any commercial vehicle acquired, the VAT can be deducted, and on its first 4 years of life, 25% of its value can be depreciated, losing all its book value in the end of the fourth year.

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<sup>48</sup> Directive n.º 2006/123/CE, European Parliament, 12th December, 2006

<sup>49</sup> Decreto-Lei n.º 181/2012, 6th August

<sup>50</sup> Artigo nº37 Lei n.º 22-A/2007

#### 4.6 Market Research

The survey's<sup>51</sup> main purpose is to understand and verify the profile and the motivations of the target market Segment “Youth and student Travel” and test the acceptance level of the product “Campervan” among the target customers. The document stated in the appendix was distributed through the Internet with maximum accuracy and detail. From a total number of 680 surveys received, 476 were completed which represents a significant Half of the respondents are Portuguese (49%) people and the other half (51%) are foreigners. The foreigners were divided into three separate groups: “have already been in Portugal” (28%), “have never been in Portugal” (17%) and “currently studying/ residing in Portugal” (5%). The study covered more than 40 nationalities with special incidence in countries that represent the majority of tourists flow in Portugal. The respondents' ages can be divided in two groups: 18-23 (52%) and 24-28 (39%), with a monthly income inferior to 1000, they are mainly students (58%) and have at least a bachelor's degree (86%). The products that motivate to travel them the most (“Sun and Sea” and “Touring”) match the strategic priorities for the tourism in Portugal and at the same time is where our product will be positioned. To be more coherent the analysis only include the respondents that had answer that “will probably” or “definitely come” to Portugal in the next three years. Out of this sample, in a second stage will be included only who said that will adhere to our product. The data result from this survey will be presented along the rest of the report.

The profile indicated for “Young and Student Travel” target match my respondents' habits, once the majority flew or intends to travel to Portugal with Low cost airlines, stay in budget accommodation with predominance of Hostels and friend's houses or apartments. They travel with friends (79%) and as a couple (47%). The most

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<sup>51</sup> The Survey is available on the Appendix I

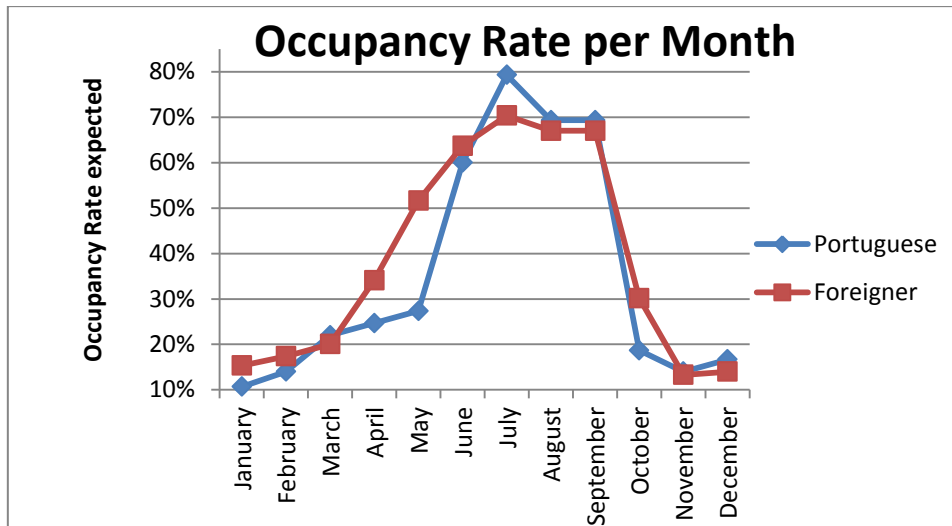
widely destination is Lisbon (82%) and its airport the most referred (81%). The North, Algarve and Center of the country have been pointed out by 58%, 42% and 39% respectively, regarding their visiting intentions. Portuguese tourists on the other hand have preferences for Alentejo (67%) and Algarve (61%) as main touristic destinations.

The most relevant transportation mean used by foreigners to move around Portugal are buses, trains and cars. Portuguese people mainly move by car. According to the evaluation of our public transportation, Portuguese have more negative image of the public service than foreigners and both consider the service worst for distances superior to 50 km, when compared with minor routes. It could be concluded that there are more mobility barriers for long distances trips than for short ones. What foreigners are more dissatisfied are the number of “alternatives” and the “proximity”, while Portuguese complain about the “price” and the number of “alternatives”.

#### 4.7 Seasonality

In any touristic activity, seasonality is one of the most relevant factors concerning business sustainability. Investment returns, fixed costs and operation periods are very affected by the occupancy rate in high and low seasons. The question presented on the survey: “During the next three years, regarding your free time, in which months will you consider to do it?” gives an idea of how the demand is distributed along the year. The graph shows 2 relevant facts. First, there is seasonality with a large turnout for the period June-September. Second, the foreigner tourists’ demand is less seasonal than Portuguese. The months of April, May and October registered very interesting values for medium and low season. The attraction of foreign customers in these periods will be crucial to decrease the seasonality in order to dilute the investment costs.





#### 4.8 Target Market

As it was mentioned before, there is an opportunity in the segment target “Youth and Student travel”. After the survey and the analysis presented, I will divide it into 4 subgroups, keeping the attributes described before. The first and most relevant segment is Young foreigners University students, classes A/B/C1. They travel with friends and/or with a partner, in a possession of a driver lesson, with a considerable and/or flexible period available for holidays. This tourist is less seasonal than Portuguese and come from countries with high average income and with broad presence in Portugal tourism such as UK, Germany, France and Holland. These tourists have obvious motivations such as “Travel around the country” (89%), “visit beaches” (78%), “visit cities” (63%) or “go to the nature” (56%). The second group has the same characteristics, but differentiates from the previous because they have a specific purpose for traveling. According to the survey, there are some specific niche opportunities such as “attending music festivals” (42%) and “surf practice” (26%). Exclusive products will be created for these more segmented groups starting precisely from these two. To illustrate the potential of the surf segment, Luís Matoso, administrator of Turismo de Portugal confirmed the relevance of the surf segment: “surf season between October and

March, once there are a potential of one million tourist surfers in Europe”, adding that “taking into consideration the potential, the investment done is ridiculous”.<sup>52</sup> The third and four groups include the same of the first two, but will be constituted by International students that study or studied in Portugal, and by Portuguese youth.

## **5. Product and Service Offering**

The startup Indie Campers will present in the market a service of campervan rentals. The service will be offered mainly through an Internet portal and a physical office where the customers will be received. Their vehicle features and the services included aim to offer, to a specific target market, a budget solution for travelling in Portugal. Despite the fact the company is registered as a rent a car, it will sell unique experiences for touristic and learning purposes.

### **5.1 Campervan: Model and Transformation**

The vehicles offered are ordinary Volkswagen (VW) Transporter vans that will be transformed into campervans. It will be a VW because of three main reasons:

- Those vans are connected to a campervan imaginary of the 60’s;
- According to experts, VW are among the options, the most reliable vehicles;
- The vans have proper dimensions features for this specific purpose.

Two variations of Transporter will be available. The first one is a Transporter commercial van, with short wheelbase and medium roof, with 3 seats on the front and 3 sleeping places. The other one will be a Kombi model, light passenger with long Wheelbase and high roof, with 5 seats (2 on front and 3 on the back) and 5 sleeping places (3 down and two on the roof). The engine will be TDI 2.0 with a diesel

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<sup>52</sup> News from Diario económico, 19th December 2012

consumption of 6.0l/100km and both types of vans have air conditioning. In a first stage both vehicles will be available in the same proportion, because according to the survey it is known that 45% of the foreigners market, including couples, need a vehicle for two or three people. A Spanish player<sup>53</sup> said: “The majority of costumers end up travelling 3 and sometimes 4 people in the same vehicle”.

The transformation will be done without changing the original characteristics of the van. With this the costs and designing limitations will be avoided. Moreover, I will also have the possibility to resell the vehicle with its initial characteristics and keep the transformation equipment.

The following equipment will be included in both models:

- Kitchen structure on the back of the vehicle, including cooker, cooking equipment, sink, water, plates and cutlery;
- Extra battery, electric jacket, Synthetic floor, curtains, lightning system, coating and lifting of the vehicle;
- Reversible table and wood structure with a “horseshoe” shape which allows to seat and storage the luggage;
- Reversible triple bed, sheets and blankets;

The second model will also have a second bed on the roof and seatbelts on the back. The exterior of the campervan will be filled with vinyl paper illustrations alluding to Portugal and to certain themes that are in some way connected to our target market (e.g. Surfboards).

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<sup>53</sup> Mr. Bill, CEO of Surf-Cars

## 5.2 Services and Extras

There are certain factors that are crucial for costumers' purchasing decision besides the quality of the vehicle. Therefore it is necessary to design an integrated offer of free services and other chargeable extra products. Regarding the services, the main concerns<sup>54</sup> are related to places to sleep, security, limitations, road assistance, bathroom, trip advisory, exterior camping material, shower and medical assistance. So, some additional services will be integrated to the main offer:

- 24 hours of road assistance;
- Unlimited number of Kilometers;
- Free third party insurance and no restrictions under 18 years old clients
- Camping equipment (exterior table and five chairs; tent);
- Road map with free places to sleep,
- Camping and caravanning locations as well as main interesting spots;
- Free trip advisory and planning;
- Portable shower, first aid kit, fire extinguisher and free airport pick up.

According to the survey results, there was a wide acceptance of the extras presented. In a Rating between one and four, portable fridge for 20 euros a week (3.2) barbecue for 10 euros a week, internet wireless for 20 euros a week and portable bathroom for 10 euros a week (all of them with 2.8) were the most voted. It is important to highlight that a niche product like surf equipment for 15 euros a day had an interesting acceptance level among the foreigners with more than one third saying that exist some or a big chance of renting it. The potential of extras can be an important source of revenue and at the same time would contribute to provide a better service.

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<sup>54</sup> The description is according to my experience, the survey and interview with one of the market players.

At this point, and after I presented the product to a selected target market, that is planning to visit Portugal in the next 3 years, and without taking the price into consideration, the product acceptance was clearly positive - 84%. Moreover, the deviation between foreigners (82%) and Portuguese (86%) is very small, with results showing that even national tourists are receptive to a type of tourism that does not take part of Portuguese holiday's culture. Regarding the negative answers, the reason was mainly because they don't like this kind of tourism.

## **6. Business Model**

The startup Indie Campers will position itself as a low-cost services rental in Portugal. In order to be successful it will need to charge low prices, have an intensive use of the campervans and a relevant fleet scale.

### **6.1 Vans Purchase**

The majority of the investment effort comes from the purchase of the vans. In an initial stage considering financial limitations, the company will acquire vans with more than 4 and less than 5 years old. The reasons are the limitations to operate with vehicles with less than 5 years (having then the possibility to extend it for more 2 years) and the possibility to buy for an affordable price second-hand van at the end of their amortization period. The company will have the possibility to use them for a period of 2.5 years, which means 3 high season periods and the chance to resell them afterwards. According to some market researches and contacts to specialize stands, the vehicles may cost between 5000 and 8000 euros including VAT. In 3 years the market value will always be more than half of what was paid before, in average 60 % of its initial cost.

## 6.2 Insurance

All vehicles will be fully internationally insured, against all possible risks and without any restrictions for costumers under 24 years old with less than three years of driver license. The cost, according to two insurance companies, is between 400 and 600 euros per year per vehicle. It is expected to receive several costumers with age under 24 with less than 3 years of driving license, which may imply an extra charge of three euros a day, chargeable by the insurance company. Insurance against third party will be offered, requiring a 750 euros deposit frozen on the credit card. According to the survey results, this policy is rejected by 40% of the respondents, which means alternatives should be available. This option would be to charge 10 or 20 euros per day, not refundable, with third party insurance and all risks insurance respectively.

## 6.3 Infra structures and distribution

The project will include a virtual (web site), and two physical structures: a warehouse and a shop. The web site will be a way to communicate with potential customers and the main sales channel. An e-commerce platform will be developed, so that bookings and budgets can be instantly done online. According to the survey, 79% of the respondents accepted to pay 25% of the global amount, in the moment of reservation, having always the option to cancel it, receiving the money back, if done it until 72 hours prior to the rental. The Warehouse will be the place where the vans will be kept and where the maintenance of the vehicle will be done. The costumers will be received on the store and it will function also as a sales channel. These two places, if possible, will be adjacent to each other. According to foreigners' respondents, and concerning depot points, for 38% of them is not a problem to leave the campervan in the same place they picked it from, 22% don't know, 20% would drop it in other city, even if for that they need to pay 100 euros and 20% of them will like to drop it in other city,

but wouldn't be paid for that. For the majority of the Portuguese interviewed that wouldn't be a problem (64%) or don't know (18%).

Perfect geographical coverage would be 3 points close to the three main airports: Lisbon, Porto and Faro. Once that it is not possible in a first stage, it will be placed in Lisbon because is strategically situated between the three points and the airport reference for the respondents. A pick and depot point, when necessary, will also be available in Porto, exists human resources available and capacity to keep the campervans for free. It's expected in the future to have 3 full time points in Portugal.

#### 6.4 Revenue Model

Dynamic pricing<sup>55</sup> strategies will be used so that the company can adapt to the activity seasonality and specific curve demands, i.e. it will be charged higher prices when in a certain period (e.g. summer) a strong demand is registered and simultaneously exist supply constraints. The opposite is also valid, i.e. offer lower prices in low seasons. Bookings in advance, for long periods, or in bigger quantities will always be separately analyzed in order to provide better rental conditions. The sources of revenue will be mainly the rental price, the extras and the insurance. According to my survey, the price suggested by foreigners was in average 67.7 euros and 65.5 euros by Portuguese. From the respondents that were interested in the concept, it was proposed rental price between 23 and 46 euros a day. 93% of the foreigners and 91% of the Portuguese accept these prices. From the respondents who did not approve it, only 25% of foreigners wouldn't do it because of the price, against 57% of the Portuguese. Regarding the extension period, one week was the most suggested period with 48% of intentions, followed by two weeks (32%).

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<sup>55</sup> Dynamic pricing, also known as time-based pricing or third-degree price discrimination, occurs when customers are divided into two or more groups with separate demand curves, and different prices are charged to each group. Source: eHow.com

Adjusting to seasonality, prices suggested and the market, the prices will be the same for both models and separated in 3 levels:

- *High season*: 75 euros in the months of June, July, August and September;
- *Medium season*, 46 euros in the months of April, May and October;
- *Low season*, 23 euros in the other months.

The occupancy rates expected<sup>56</sup> for each 4 Weekly contracts will include two in high season, one in medium season and one in low season. Regarding the extras I expect, and taking in consideration only respondents that have said I will definitely rent it, average weekly revenue of 35 euros for all the contracts realized. The income expected with the insurance was predicted based on the expected costs with it, which implies an average zero contribution for the profits.

## 6.5 Partnership and Team

The startup Indie Campers is a project to be coordinated by two young entrepreneurs including the author as CEO, with a management master education, work experience in the budget tourism and long experience in the Camper sector. The second member will be the CFO, master in accountability, holder and co-founder of other startups, and previous experience as a consultant. CEO's responsibilities will be mainly implementing and develop the business activity, manage and coordinate all the activity. The CFO will be responsible for funding, international relations and accountability. With the developing of the project, new human resources will be recruited for the depot/pick points. The staff should have capacities in the management and/or hospitality.

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<sup>56</sup> Conclusion based on the information of seasonality, on the survey and on the occupancy rate of the main competitors.



Several partnerships are being designed. Actually we consider it a strategic axe of our strategy, having already three in the agenda. The first, with “Surf-Cars”, will allow us to cooperate with a Spanish player already well-established in the market. The agreement has four main goals: share Know-how, exchange of contacts, brand representation and increase the number of depot points. The second one will be with a second hand vans specialist retailer with the major goal of obtain better prices and better acquisition conditions. The third is an agreement with a local workshop, until the company has conditions to do it for itself on its own installations.

## **6.6 Market Communication**

Communication represents one of the crucial points of the project. We should be capable to communicate the existence of the service, once according to the survey, the majority of the respondents haven't use similar services yet because they never thought about it before, they don't know that exist or because they never have the opportunity. In an initial stage the communication will be done through a website that is intuitive interactive and provides the essential product information in an appealing format, and also through social networks and personal contacts. A critical success factor in this area is the startup exposition in web sites like “Trip Advisor” or guiding books like “Lonely Planet”. These are the principal references and are based on the opinion expressed here that costumers take their decisions. In a second step, specific agreements will be done with hostels, agencies and other touristic institutions that share our target, as well with Universities representatives. In a last stage, niche communication strategies will be develop, namely to “surf” and “festival” customers. These partnerships and agreements will also allow to differentiate the product since Indie Campers is not offering a vehicle, is providing a complete experience.

## 6.7 Suppliers

The main investment costs will be the vans acquisition. Portuguese law obliges any rent a car player to have at least 7 vehicles, which will be the number of our initial fleet. In a first stage, two VW transporters, one of each model, will be acquire to develop the prototype. If succeed, we will buy the other 5 afterwards. According to the explained market prices I assumed a cost of 6500 euros per vehicle. The transformation costs, with elements already mentioned will represent 2500 euros per vehicle. The web site will be provided by a friend web-designer for a symbolic cost of 500 euros. Regarding infrastructures, and based on a real-estate agent information, the cost will be around 750 euros a month. It is considered by default that the insurance will represent a annual cost of 600 euros and the average expenditures per camper with maintenance will be 200 euros a years.

## 7. Financial Estimations

For the financial estimations is considered a correlation between the occupancy rates for each season period and an average price of 54.75 plus 5 euros (rental equipment) a day. The estimations are based on only one investment moment that represents 63000 euros. The annual operational costs during the three first years are 19600 euros. In the end of the three years 60% of the initial investment (37800 euros) will be recovered by selling the vans. The internal return required (IRR) for a project with this risk is between 7.5% and 17.5%<sup>57</sup>. For this purpose, it will be considered the value 12.5%. To reach the breakeven point in the end of the third year, the average occupancy rate in the three year period should be 23% where 51% in the high season, 32% in the medium season and 10% in low season.

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<sup>57</sup> Values for the tourism sector suggested by Mr. Gonalo Almeida, Executive Director of Hotéis Vila Galé

## 8. Implementation and Funding Strategy

In order to plan the investment and due to a big uncertainty of how the business will develop, for this period of three years is predicted the acquisition of only the first 7 vans. This does not exclude, and according to the acceptance of the market, the acquisition of more vehicles. The initial investment will be provided by small private investors. The amount necessary for the prototype was already collected. The startup will be created on the beginning of the 2013 and until the end of February the prototype of the first van should be ready, as well as the web site platform. Besides this and according to Mr. António Aroso<sup>58</sup> there are three possible governmental incentives: “Empreendedorismo qualificado” that uses funds from the QREN to finance innovative projects; “Portugal Ventures” that is a governmental Venture Capitalist that wants to invest on tourist projects with value; and “Impulso jovem” which is a program with several measures to support and incentive the young entrepreneurship. An exit strategy is not predicted, but in a hypothetical situation, one of the big players in the market (e.g. Wicked) would be the most obvious buyer

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<sup>58</sup> Consultant at ANJE

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### Interviews:

- Mr. António Aroso, consultant at Associação Nacional de Jovens Empresários.
- Mr. Joaquim Robalo de Almeida, former Secretary-general of Associação dos Industriais de Aluguer de Automoveis sem Condutor (ARAC)
- Mr. Bill, CEO of Surf-Cars.



# Appendix



**INDIE**  
• **CAMPERS** •

## Appendix I: Survey Results

**Question 1:** How much time in total, do you spend traveling every year? (Travel means stay temporarily and at least one night in one or more places, more than 150 km away from your home.)

1 week or less	43	9%
1 week < 2 weeks	113	24%
2 weeks < 4 weeks	172	37%
1 month < 2 months	105	22%
more than 2 months	37	8%
Total	476	100%

**Question 2:** What kind of tourism are you looking for? (Choose your 3 favorite types.)

Sun and sea	341	73%
Touring (e.g. traveling around a country, inter-rail)	271	58%
City breaks (include party)	249	53%
Nature Tourism (e.g. protected areas, mountains)	167	36%
Cultural and historical (e.g. museums, exhibitions, visit monuments)	249	53%
Water Sports (e.g. Surf)	56	12%
Resorts	40	9%
Gastronomy and wine	67	14%
Total	476	

**Question 3:** When you are on holiday, how much money do you spend on average per person per week in Euros? (Don't consider airplane costs)

100 or less	61	13%
100 < 200	164	34%
200 < 400	163	34%
400 < 600	55	12%
600 < 800	22	5%
800 or more	11	2%
Total	476	100%

**Question 4:** Have you ever visited Portugal? (Visit means stay at least one night and/or spending more than half a day going around)

Yes	135	28%
No	82	17%
I'm Portuguese	235	49%
I am foreigner but I live in Portugal	24	5%
Total	476	100%

Only Foreigners that already had been in Portugal answered the next questions.

**Question 5:** Are you planning to visit Portugal again, during the next 3 years?

Definitely will not	0	0%
Probably will not	7	5%
Don't know	17	13%
Probably will	54	40%
Definitely will	57	42%
Total	135	100%

Only considered answers with “probably will” and “Definitely will”.

**Question 6:** Which part(s) of Portugal did you visit? (More than one possible answers)

North (Porto)	80	59%
Center (around Peniche/Coimbra/Fátima)	60	44%
Lisbon	125	93%
Alentejo (Costa Vicentina)	28	21%
Algarve (Faro, Albufeira, Lagos)	65	48%
Islands (Azores and Madeira)	14	10%
Other/ I don't remember	7	5%
Total	135	



**Question 7:** How did you travel to Portugal? (More than one possible answers)

Low cost airline	73	54%
Traditional airline	53	39%
Car	36	27%
Bus/Train	27	20%
Other	0	0%
Total	135	

Include only answers from the respondents who traveled by plane.

**Question 8:** Which city did you fly to? (More than one possible answers)

Lisbon	89	83%
Porto	25	23%
Faro	11	10%
Other	4	4%
Total	107	

**Question 9:** Which kind of accommodation did you use for the majority of your stay in Portugal?

Hotel 4 or 5 stars	6	4%
Hostel	55	41%
Hotel 3 or less stars/residential	19	14%
Friends/Family house	35	26%
Camping	7	5%
Other	13	10%
Total	135	100%

**Question 10:** What kind of transportation did you use for traveling long distances (more than 50 km) inside Portugal? (More than one possible answers)

Own car/rental car	64	47%
Van/caravan/campervan	4	3%
Airplane	7	5%
Bus/train	84	62%
Other	5	4%
I didn't move	10	7%
Total	135	

**Question 11:** How would you characterize the public/private transport services existence, to move within Portugal?

a) Distances Inferior to 50 km

	Very Bad	Bad	Average	Good	Very Good	Mean
Availability/frequency	0	9	36	78	12	3,69
Visible / access to information	2	15	46	62	10	3,46
Good value for money	0	11	39	71	14	3,65
Fast	1	16	51	58	9	3,425
Number of alternatives	2	20	67	42	4	3,19
Proximity	1	12	50	66	6	3,475
Price	1	12	41	70	11	3,575

b) Distances superior to 50 km

	Very Bad	Bad	Average	Good	Very Good	Mean
Availability/frequency	2	5	57	63	8	3,52
Visible / access to information	3	13	55	59	5	3,37
Good value for money	0	7	59	58	11	3,54
Fast	1	16	60	50	8	3,36
Number of alternatives	1	24	69	38	3	3,13
Proximity	0	16	67	49	3	3,285
Price	1	9	66	47	12	3,445

**Question 12:** Who did you travel with to Portugal? (More than one possible answers)

Alone	41	30%
Friends	95	70%
Family	45	33%
Girlfriend/boyfriend	26	19%
Husband/wife	2	1%
Other	2	1%
Total	135	

Only Foreigners that haven't been in Portugal answered the next questions.

**Question 13:** Are you interested in visiting Portugal, during the next 3 years?

Definitely will not	1	1%
Probably will not	6	7%
Don't know	13	16%
Probably will	41	50%
Definitely will	21	26%
Total	82	100%

Only considered answers with “probably will” and “Definitely will”

**Question 14:** Where would you like to go? (More than one possible answers)

North (Porto)	32	51%
Center (Peniche/Coimbra/Fátima)	15	24%
Lisbon	47	75%
Alentejo (Costa Vicentina)	9	14%
Algarve (Faro, Albufeira, Lagos)	14	22%
Islands (Madeira and Azores)	28	44%
Other / I don't know	23	37%
Total	63	

**Question 15:** How would you travel to Portugal?

Low cost airline	49	78%
Traditional airline	6	10%
Car	2	3%
Bus/Train	4	6%
Other/ I don't know	2	3%
Total	63	100%

**Question 16:** Which City would you fly to? (More than one possible answers)

Porto	24	38%
Lisbon	50	79%
Faro	4	6%
Other / I don't know	16	25%
Total	63	

**Question 17:** Who would you travel with in Portugal? (More than one possible answers)

Alone	10	16%
Friends	52	84%
Family	10	16%
Girlfriend/boyfriend	30	48%
Husband/Wife	3	5%
Other	1	2%
Total	63	

**Question 18:** What kind of accommodation would you use for the majority of your stay in Portugal?

Hotel 4 or 5 stars	2	3%
Hostel	25	38%
Hotel 3 or less stars/residential	24	37%
Friends/Family house	9	14%
Camping	3	5%
Other	2	3%
Total	65	100%

**Question 19:** What kind of transportation would you use to travel within Portugal?  
(More than one possible answers)

Own car	8	13%
Caravan/Van/ campervan	6	10%
Airplane	5	8%
Bus/train	50	79%
Other	8	13%
I don't want to move	2	3%
Total	63	

Only Portuguese (1) and Foreigners Living in Portugal (2) answered the next questions.

**Question 20:** Are you planning to travel around Portugal during the next 3 years?

(1)

Definitely will not	5	2%
Probably will not	8	3%
Don't know	33	14%
Probably will	72	31%
Definitely will	117	50%
Total	235	100%

(2)

Definitely will not	0	0%
Probably will not	2	8%
Don't know	1	4%
Probably will	6	25%
Definitely will	15	63%
Total	24	100%

Only considered answers with “probably will” and “Definitely will”

**Question 21:** Which are your favorite destinations and/or places you are planning to visit in Portugal over the next 3 years? (More than one possible answers)

(1)

North (Porto)	105	54%
Center (Peniche/Coimbra/Fátima)	47	24%
Lisbon	67	34%
Alentejo (Costa Vicentina)	130	67%
Algarve (Faro, Lagos, Albufeira)	119	61%
Islands (Madeira and Azores)	96	49%
Other	8	4%
Total	195	

(2)

North (Porto)	16	76%
Center (Peniche/Coimbra/Fátima)	11	52%
Lisbon	9	43%
Alentejo (Costa Vicentina)	11	52%
Algarve (Faro, Lagos, Albufeira)	13	62%
Islands (Madeira and Azores)	13	62%
Other	0	0%
Total	21	

**Question 22:** How do you travel when you go on holiday outside your country of residence? (Please choose the one you use the most)

(1)

Low cost airline	138	71%
Traditional airline	25	13%
Car	22	11%
Bus/ train	8	4%
other	2	1%
Total	195	100%

(2)

Low cost airline	14	67%
Traditional airline	3	14%
Car	2	10%
Bus/ train	1	5%
other	1	5%
Total	21	100%

**Question 23:** What kind of accommodation do you use, for the majority of your stay, when you travel within Portugal?

(1)

Hotel 4 or 5 stars	7	17	24	12%
Hostel	8	32	40	20%
Hotel 3 or less stars/residential	9	21	30	15%
Friends/Family house	40	42	82	42%
Camping	2	12	14	7%
Other	1	5	6	3%
Total	67	129	196	

(2)

Hotel 4 or 5 stars	0	0%
Hostel	10	48%
Hotel 3 or less stars/residential	4	19%
Friends/Family house	5	24%
Camping	0	0%
Other	2	10%
Total	21	100%

**Question 24:** What kind of transportation would you use or you pretend to use to travel around Portugal? (More than one possible answers)

(1)

Own car/ rent a car	167	86%
Van/Caravan/campervan	36	18%
Bus/ Train	95	49%
airplane	8	4%
other	2	1%
I don't travel around Portugal	2	1%
Total	195	

(2)

Own car/ rent a car	15	71%
Van/Caravan/campervan	1	5%
Bus/ Train	13	62%
airplane	2	10%
other	0	0%
I don't travel around Portugal	0	0%
Total	21	

**Question 25:** How would you characterize the public/private transport services existence, to move within Portugal?

a) Distances Inferior to 50 km

(1)

	Very Bad	Bad	Average	Good	Very Good	Mean
Availability/frequency	0	21	59	98	16	3,56
Visible / access to information	2	23	64	87	18	3,49
Good value for money	5	46	76	57	10	3,11
Fast	2	38	83	62	9	3,19
Number of alternatives	8	52	64	59	11	3,07
Proximity	0	20	73	89	12	3,48
Price	13	55	73	47	6	2,88



(2)

	Very Bad	Bad	Average	Good	Very Good	Mean
Availability/frequency	1	2	3	13	2	3,6
Visible / access to information	1	5	4	10	0	3,14
Good value for money	0	4	6	11	0	3,31
Fast	0	6	8	6	0	2,97
Number of alternatives	1	2	11	5	1	3,16
Proximity	0	1	11	8	1	3,41
Price	0	4	8	8	1	3,25

b) Distances superior to 50 km

(1)

	Very Bad	Bad	Average	Good	Very Good	Mean
Availability/frequency	1	23	69	89	12	3,45
Visible / access to information	3	21	62	86	22	3,53
Good value for money	2	33	74	73	12	3,31
Fast	5	36	65	81	7	3,25
Number of alternatives	9	49	71	53	12	3,05
Proximity	2	30	90	64	8	3,24
Price	14	49	75	47	9	2,94

(2)

	Very Bad	Bad	Average	Good	Very Good	Mean
Availability/frequency	2	3	8	7	1	3,06
Visible / access to information	2	4	8	6	0	2,89
Good value for money	1	6	7	7	0	2,95
Fast	1	4	9	6	1	3,08
Number of alternatives	2	4	10	5	0	2,86
Proximity	2	2	11	6	0	3
Price	1	7	8	5	0	2,79

**Question 26:** Who would you travel with inside Portugal during the next 3 years?  
(More than one possible answers)

(1)

Alone	37	19%
Friends	179	92%
Family	99	51%
Girlfriend/boyfriend	130	67%
Husband/Wife	4	2%
Other	3	2%
Total	194	

(2)

Alone	4	19%
Friends	20	95%
Family	7	33%
Girlfriend/boyfriend	9	43%
Husband/Wife	0	0%
Other	0	0%
Total	21	

Now, I consider again all the respondents that answered “probably will” and “Definitely will” regarding their intentions to have holidays in Portugal during the next three years.

**Question 27:** Would you, without taking into consideration the price, rent a campervan in Portugal, similar to the one in the picture, knowing that you have:

Picture 1:



- Capacity to travel and sleep comfortably up to 5 people (3 down and two on the rooftop);
- Kitchen with all the equipment you need to cook and have a meal (e.g. cooking burner, pans, cutlery and plates);
- 24h Roadside assistance;
- Unlimited kilometers inside Portugal and Spain;
- Small consumptions, easy to drive, reliable and safe car;
- Interior back part with a table and 5 places to seat;
- Plenty storage space;
- Manual Guides, orientation and discounts for the trip;
- Extra tent, exterior table and 4 chairs;
- Water container and Ice box;
- Pick you up in any Portuguese airport;
- No restrictions for under 24;
- Extras available (e.g. Surf material)

	Portuguese	Foreigner
yes	85%	82%
no	15%	18%
Absolut	194	194

Only to the respondents that answered “No” to the question number 27.

**Question 28:** Why wouldn't you rent it? (More than one possible answers)

	Portuguese	Foreigner
Don't like this type of tourism	33%	65%
Don't have the basic quality conditions to do it	7%	15%
Will not want to do it in Portugal	17%	6%
I will do it, but I will never rent it	23%	12%
No, but some years ago I would have done	10%	6%
I will do it but in a better vehicle	17%	6%
Other	10%	18%
Total	30	34

Only to the respondents that answered “Yes” to question number 27.

**Questions 29:** How much are you willing to pay in average per day in Euros, including the insurance? (Price per campervan, not per person)

	Portuguese	Foreigner
Value	65,5	67,7
Total	164	160

**Question 30:** Regarding your experience and opinion about campervans, which sentence fits best?

	Portuguese	Foreigner
I have already traveled in a campervan	8%	17%
I never heard about a campervan before	9%	9%
I never thought about it before	20%	30%
I wanted to do it before but I never had the opportunity	43%	26%
I want to do it before but it was very expensive or I thought it was very expensive	18%	14%
Campervans tourism is designed for specific type of people that is not me.	1%	3%
Other	1%	1%
Total	164	160

**Question 31:** Imagine you have the possibility to rent a campervan like the one described before. Would you, in the next 3 years, pay between 23 and 46 euros a day, depending on the extension period and season, to rent one in Portugal? (Price per campervan, not per person)

	Portuguese	Foreigner
I wouldn't	9%	7%
I would	91%	93%
Total	164	160

Only to the respondents that answered “No” to the question number 31.

**Question 32:** Why wouldn't you rent it?

	Portuguese	Foreigner
Price is to high	57%	25%
Don't have availability	36%	50%
Not in Portugal	14%	0%
Other	21%	33%
Total	14	12

Only to the respondents that answered “Yes” to the question number 31.

**Question 33:** During the next three years, regarding your free time, in which months will you consider to do it? (More than one possible answers)

	Portuguese	Foreigner
All	7%	9%
January	1%	5%
February	4%	7%
March	12%	10%
April	15%	24%
May	17%	42%
June	50%	54%
July	69%	60%
August	59%	57%
September	59%	57%
October	9%	20%
November	4%	3%
December	7%	4%
Total	150	148

**Question 34:** How many days would you approximately use it?

	Portuguese	Foreigner
2/3 days	4%	2%
4/5 days	12%	10%
one week	47%	50%
two weeks	31%	32%
one month	6%	5%
two months	0%	1%
more than two months	0%	0%
Total	150	148

**Question 35:** With how many people would you probably travel in the same campervan?

	Portuguese	Foreigner
alone	0%	0%
me plus one	16%	19%
me plus two	14%	26%
me plus three	34%	36%
me plus four or more	36%	19%
Total	150	148

**Question 36:** For which purpose would you use it? (More than one possible answers)

	Portuguese	Foreigner
Travel around the country	76%	89%
Visit beaches	70%	78%
Visit cities	50%	63%
Go to the nature/mountains	45%	56%
Travel around Peninsula Iberia	50%	30%
Attending Music Festivals	34%	42%
Surf practice	13%	26%
Other	1%	3%
Total	150	148

**Question 37:** At the end of the rental, would you like to return the campervan in the same city you picked it from?

	Portuguese	Foreigner
Yes, it is not a problem	64%	38%
No, I would like to drop the car in other destination, paying 100 euros	7%	21%
No, I would like to have the possibility to leave it in Spain	0%	0%
No, but I would never pay for that	11%	20%
I don't know	18%	22%
Total	150	148

**Question 38:** Would a caution fee, approximately 750 Euros, like one when renting a car, be a problem for you? (We keep your credit card information and it would only be used if any damages occur)

	Portuguese	Foreigner
Definitely would not	13%	10%
Probably would not	22%	37%
Don't know	22%	15%
Probably would	32%	31%
Definitely would	11%	7%
Total	150	148

**Question 39:** When renting through Internet, would you pay 25% reservation fee, knowing that you can cancel the reservation and receive the money back, if you do so until 72 hours prior to rental?

	Portuguese	Foreigner
Yes	85%	73%
No	15%	27%
Total	150	148

**Question 40:** Observe the extras available

**1. Portable fridge (20 euros per week)**



**2. Portable bathroom (10 euros fixed)**



**3. Internet wireless: (20 euros per week)**





**4. GPS (20 euros fixed)**



**5. Surf board and wet suit (15 euros a day)**



**6. TV with movies (usb input) (30 euros per week)**



**7. Barbecue: (10 euros fixed)**



What is the chance that you will rent one of these extras? (0-4)

	Portuguese	Foreigner
1. Portable fridge 20 euros per week	3,3	3,1
2. Portable bathroom 10 euros fixed	2,9	2,7
3. Internet wireless: 20 euros per week	2,8	2,8
4. GPS: 20 euros fixed	2,1	2,5
5. Surf board and wet suit: 15 euros a day	1,8	2,1
6. TV with movies (usb input): 30 euros per week	1,7	1,6
7. Barbecue: 10 euros fixed	2,8	2,8
	150	148

Demographic Data of all the respondents.

**Question 41:** Country of Origin

- Portugal: 49%
- Germany: 10%
- UK: 9%
- France: 7%
- Spain: 5%
- Italy: 4%
- Holland: 4%
- Poland: 3%
- Other: 9%

**Question 42:** Gender

male	210	44%
female	266	56%
Total	476	100%

**Question 43: Age**

< 18	9	2%
18 - 23	247	52%
24 - 28	185	39%
29 - 35	22	5%
36 - 50	8	2%
> 50	5	1%
Total	476	100%

**Question 44: What is your average income per month in Euros?**

1000 or less	379	80%
between 1000 and 2000	81	17%
more than 2000	16	3%
Total	476	100%

**Question 45: Occupation**

Student	276	58%
Worker	125	26%
Unemployed	41	9%
Self employed	18	4%
Retired	1	0%
Other	15	3%
Total	476	100%

**Question 46: What is your educational Level?**

High School or less	65	14%
bachelor	179	38%
Pos graduation/Master	227	48%
Phd	5	1%
Total	476	100%

**Question 47:** Do you have a driver license or would you travel with someone who has one?

yes	449	95%
No	26	5%
Total	476	100%

**Question 48:** For how long do you or the driver have the driver license?

Less than one year	29	6%
One	36	8%
Two	55	12%
Three	60	13%
Four or more	295	62%
Total	476	100%