

**A CHANCE FOR
PLACES THAT DON'T MATTER.**

PLACE-BASED SUSTAINABLE TOURISM PROJECT

FOR DEPOPULATED RURAL REGIONS:

THE CASE OF PORTUGAL

MASTER IN INTERNATIONAL BUSINESS

Antonio Agostinho Oliveira dos Santos

No. 2182013

Leiria, March 2021

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Project Report under the supervision of
Professor Doutor Jaime Manuel Afonso Ramos Guerra (ESTG) and
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Leiria, March 2021

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In memory of my grandparents,
Antonio, Maria da Trindade,
Augusto e Maria da Conceição and
to my parents, Cidalina and Armenio,
who worked hard to give us education,
and to conquer every inch of land,
and every roof,
to proudly leave us in inheritance.

To my daughter Carolina and my son Gonçalo, and
to my wife Gloria.

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I am equally grateful to my wife, for her unconditional support, patience and understanding throughout these Master's years, and for the fundamental insights and advices throughout this work. Thank you, Gloria. With you, life is easier.

Since I cannot find an acceptable translation, I leave to you all, a big:

‘Bem-hajam!’

We have received the dawn and the
bluish green from the woods.
We have received the intact silence
of the spaces. We have received the music
of the wind. But we also received
the painful march of history.

José Tolentino Mendonça , in book “Rezar de olhos abertos”, 2020

ABSTRACT

Human desertification of rural areas is a growing evidence, in a never-ending cycle of decline, with lack of services and businesses, fewer jobs and population ageing. Consequently, land and built heritage is abandoned and degradation take root. To this social and economical deterioration, adds the environmental impact, resulting in the lack of forest management, accumulation of flammable biomass, and as a result, wild fires devastation.

This project argues that there is currently a triple-sided opportunity to invert this trend of decline. Firstly, on the digital transformation of rural areas, which offers connectivity and digitalization, and will power many new opportunities; secondly, on the growing attention from policy makers to the rural society, namely to the socio-economic underdevelopment, ecological degradation and demographic situation; and thirdly, on the availability of unused built heritage, that a new generation of rural built owners received as legacy from their ancestors, and that has become a burden instead of an asset or a benefit.

This project presents a strategy that, by taking advantage of the combination of these three fields of opportunity, creates an innovative business, grounded on the the touristic offer of hotel rooms in recovered rural houses, integrated in a rural resort. In this way, this project will associate all the facilities, services and hotel refinement with the unique experience of being a part of local community and encountering a rural lifestyle. It provides a model easily replicable in several locations, with similar characteristics and needs, all over the world.

With sustainability as a bedrock, this project commits to an effective and positive environmental, social and economic effect in the community, exploring a place-based approach for the community and visitor engagement.

Moreover, this project aspires to make a contribution for youth fixation, by creating more and better jobs and transforming rural communities into modern and vibrant living places, grounded in nature and local uniqueness, turning around the decline and switching the expression from ‘places that don’t matter’ to ‘places that really matter’.

KEY WORDS:

Sustainability, place-based, depopulation, rural region, low demographic density, youth fixation, built heritage, rural tourism.

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LIST OF ACRONYMS

ALR	Arbaro Loyalty Rewards
AN	Author Note
BMC	Business Model Canvas
CHU	Central Hotel Unit
CHU-DIR	Central Hotel Unit - Director
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest Taxes Depreciation and Amortizations
EBT	Earnings Before Taxes
GDP	Gross Domestic Product
GRM	Guests Relations Manager
ICT	Information and Communication Technologies
MFF	Multinational Financial Framework
MGS	Mutual Guarantee Society
MICE	Meetings Incentives Conferences Events
MVI	Maximum Value of Investment
NUTS	Nomenclature of Territorial Units for <i>Statistics</i>
OR	Occupancy Rate
ORP	Owner Reserved Period
PCR	Private Consumption Rate
PRP	Property Restoration Project
RCDC	Regional Coordination and Development Committees
RNP	Room Night Price
ROA	Return on Assets
ROE	Return on Equity
RRC	Rural Resort Cell
RRC-DIR	Rural Resort Cell - Director
RRC-OM	Rural Resort Cell – Operations Manager
RRC-PR	Rural Resort Cell - Potencial Region
RRH	Recovered Rural Houses
RRP	Recovery and Resilience Plan
RWC	Resources Working Capital

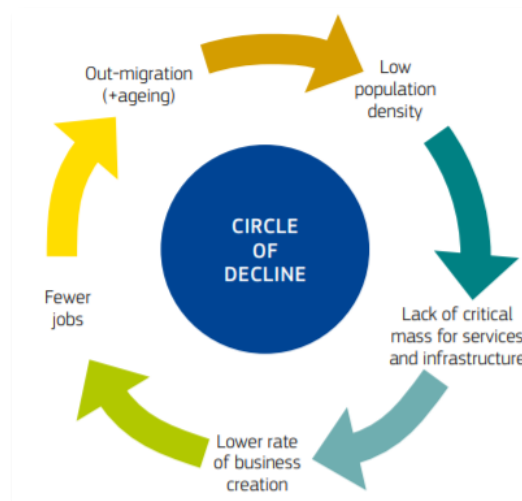
SSI	Social Support Indexer
TLBMC	Triple Layered Business Model Canvas
UNWTO	United Nations World Tourism Organization
VCS	Venture Capital Society
WCN	Working Capital Needs
WCR	Working Capital Requirements
WOM	Word Of Mouth
WPR	Welcome Points Reward

1. - INTRODUCTION

“Places that don’t matter” is a terrible expression used to identify places with ascending poverty, economic decay and lack of opportunities. This is consequence of an increasing belief that those are places that have “no future”, as economic dynamism has been posited to be increasingly dependent on agglomeration economy (RODRIGUES-POSE, 2018)¹. This trend towards decline is more visible in rural areas across Europe since most of them are experiencing depopulation, demographic ageing, high levels of poverty and land abandonment (COUNCIL OF EUROPE, 2017)². In particular, certain rural areas may enter into a 'vicious circle of decline', as more people will need to migrate in search of better job prospects and provision of public/private services. In addition, some of these areas may face issues of inadequate health coverage, as public health provision tends to decline and private health service practitioners find operations in these areas unprofitable, thus moving to other areas (EUROPEAN PARLIAMENT, 2019)³.

These migrations originated the social desertification, through the disappearance of the existing active population, and on a longer term, making more difficult any economic development that requires local labour (MOREIRA & all, 2009)⁴ This generates what could be called “circle of decline” – figure 1 - that starts with the low population density and a lack of critical mass to justify services and infrastructures, resulting in low attractiveness for business creation and consequent lack of jobs which promotes immigration and increases ageing and low density of the population.

Figure 1 – Circle of decline



Source: EUROPEAN NETWORK FOR RURAL DEVELOPMENT (2018)⁵

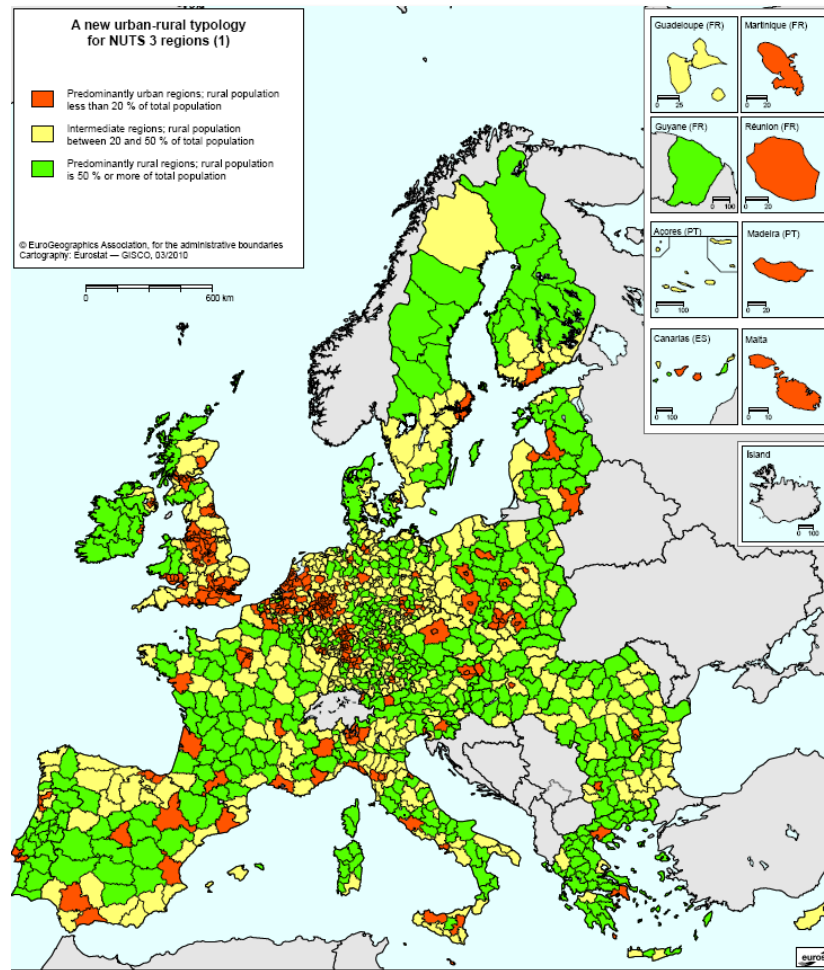
This vicious circle of decline tends to increase rural poverty - rural poverty that should be seen as going beyond the income and at this regard, for capturing its multidimensionality, the concept of social exclusion is more useful (BERTOLINI, 2019)⁶ - that is transmitted by the cumulative negative effects of vicious circle of labour market, demography, education and remoteness.

The labour market circle starts with qualified people being forced to migrate due to the poor labour market opportunities, and thus worsen the quality of the local labour force, which discourages investment and innovation, and consequently deteriorates the economy and the labour market situation. A large share of elderly, and few young people, unbalance the population composition and initiates **the demographic circle** furthering low birth rates, that negatively affect the human and social capital of the area and its economic performance, while forcing a selective migration of young people that further aggravates the demographic situation. **The education circle** starts with the low educational levels, common to most of the rural population. This generates a low human capital and respective low wages that consequently may increase the poverty rate, which in turn negatively affects the chance of receiving quality education due to the low financial resources and therefore decreases the education level. Poor infrastructure and low education generate **the remoteness circle**, which negatively affects the economic performance of the area thus fostering emigration and lowering social capital, with a negative consequence on the demographic situation, representing a further obstacle to the development of infrastructure (EUROPEAN COMMISSION, 2008)⁷.

The interaction of these cumulative vicious circles, reproduces and amplifies the phenomenon of poverty in rural areas, as consequence of population loss, elevating rural low population density and demographic ageing to a central concern.

The backdrop on rural areas reveals that more than half of the EU's land area (51.3 % in 2012), is within regions classified as being predominantly rural; these areas were inhabited by 112.1 million people, more than one fifth (22.3 %) of the EU-27's population; predominantly urban regions made up just one tenth (10.0 %) of the land area but accounted for more than two fifths (42.4 %) of the population (EUROSTAT, 2017)⁸; as per figure 2, presenting the urban-rural typology, we are able to identify for Portugal, an evident prevalence of partially or predominately rural regions over mainly urban ones, and the evidence of the large percentage of predominately rural regions in EU territory, with nearly 2/3 of the total area occupied by forest (39,0%) and agriculture (26,3%), leaving just 1/3 of the land for the urban area.

Figure 2 – NUTS 3^A level urban vs rural typology of the European Union



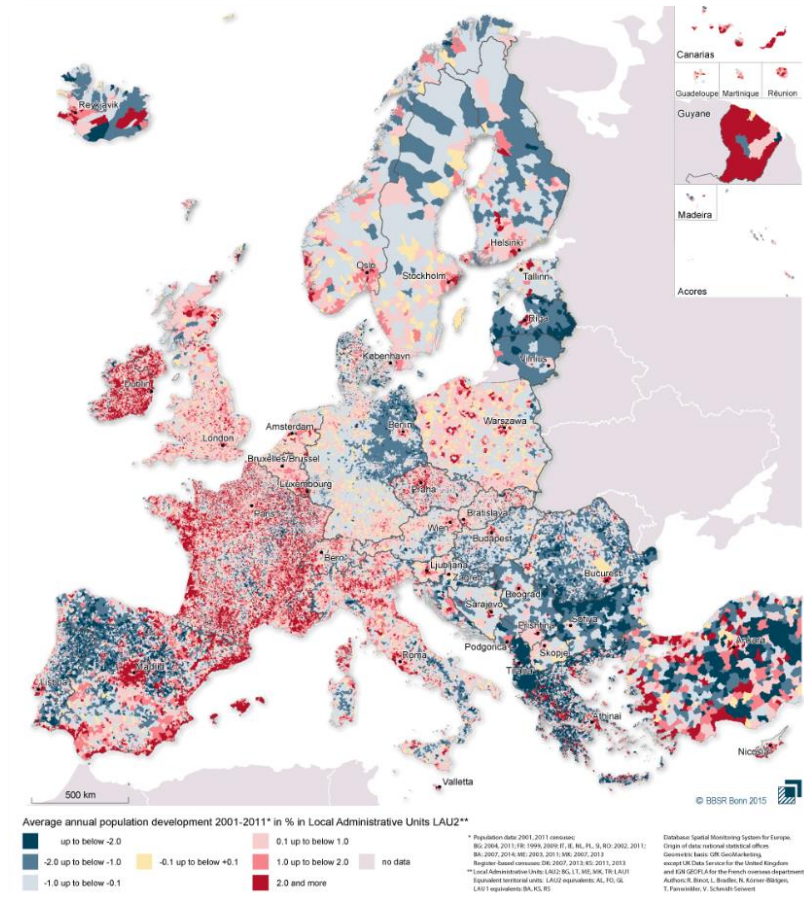
Source: EUROSTAT (2019)⁹

Data collected in 2014, demonstrates that many of the predominantly rural regions, experienced population decline of over 4% in this year, including rural areas of Portugal (EUROSTAT, 2020)¹⁰; in 2016, 41.2% of the population lived in the cities, 30.6% lived in towns and suburbs, and only 28.2% lived in rural areas (EUROSTAT, 2018)¹¹ As per figure 3, in the areas that suffered the most from demographic decline in the years between 2001 and 2011, Portugal's inland

^A **A.N.** The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU and the UK for the purpose of the collection, development and harmonisation of European regional statistics and socio-economic analyses of the regions, are divided in: NUTS 1: major socio-economic regions, NUTS 2: basic regions for the application of regional policies and NUTS 3: small regions for specific diagnoses. Retrieved from <https://ec.europa.eu/eurostat/web/nuts/background>, on September 12, 2020

is included, and despite the lack of information regarding the past decade, we can assume that this trend either remained or aggravated.

Figure 3 – Average annual population development 2001-2011 in %

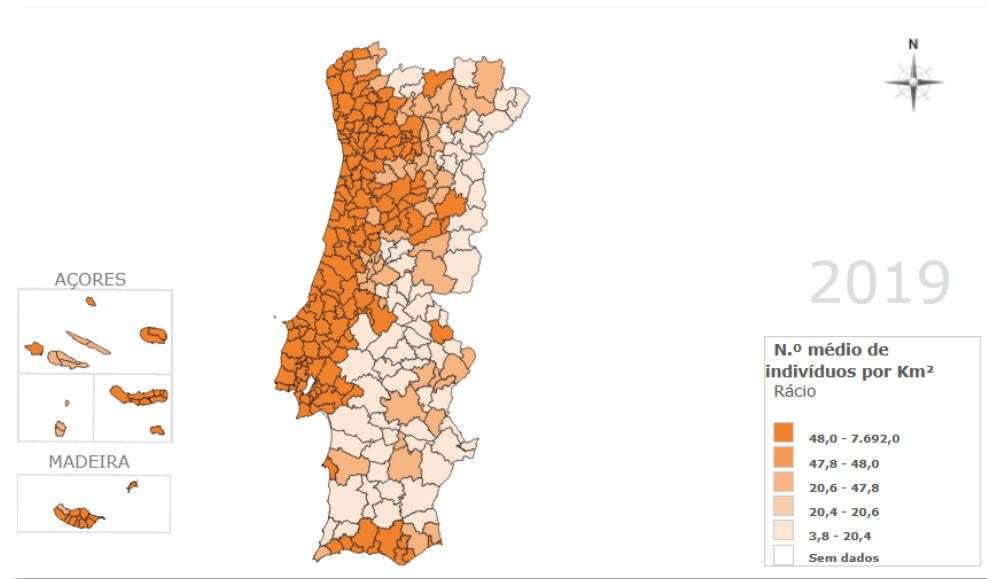


Source: BBSR Federal Institute for Construction Industry (2015)¹²

Data on the proportion of working age population in the total population, shows that many of the areas with the lowest proportions of working age population are predominantly rural, with many areas having less than 57.5% of their population in working age. This data highlights the considerable demographic challenges that are facing many of Europe’s rural areas. These demographic challenges have serious knock-on impacts, for example, in terms of land abandonment, decreased employment, reduced service provision and increased social fragmentation as a result of higher levels of poverty and exclusion (EUROSTAT, 2020)¹³.

The case of PORTUGAL regarding demographic distribution is reflected in figure 4; it shows a strong evidence of the great asymmetries in population distribution with a trend towards concentration on two main urban regions, Lisbon, Porto and along the coast between them. Portugal's average density is 111.6 inhabitants/km² however, in inland regions, the density of some municipalities remains below 5 inhabitant/km². In contrast, the two identified urban regions reach average values above the 1000 inhabitants/km² (INE, 2019)¹⁴, with some municipalities displaying values higher than 2.000 inhabitants/km². To the maximum, one can consider Amadora, a municipality that reaches 7.692 inhabitants/km² due to its area of 27,79km² of land.

Figure 4 – Population density of Portugal 2019 – number of residents by km



Source: PORDATA (2019)¹⁵

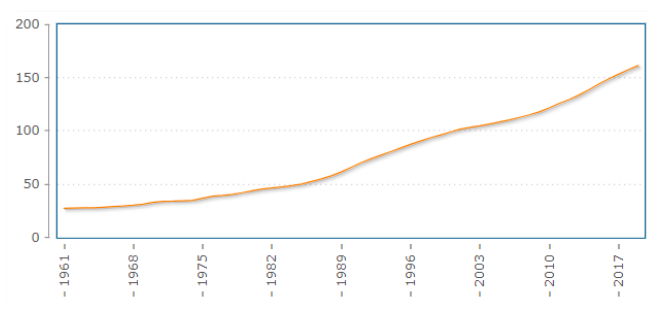
Lisbon's urban region makes up 3,3% of Portugal's territory and comprises around 3 million inhabitants^B. Furthermore, Oporto urban region makes up 2,2% of Portugal's territory, encompassing around 1,7 million inhabitants^C. Therefore, we can say that almost 50% of population in Portugal is agglomerated in these two urban regions, which means, concentrated in 5,5% of the territory.

On the other hand, Portuguese population is getting older – figure 5, and living longer – figure 6; consistent with this data, there are more elderly dependent on people in working age – figure 7

^B AML - Área Metropolitana de Lisboa (2020). Retrieved from <https://www.aml.pt/index.php?> on the 23th October 2020

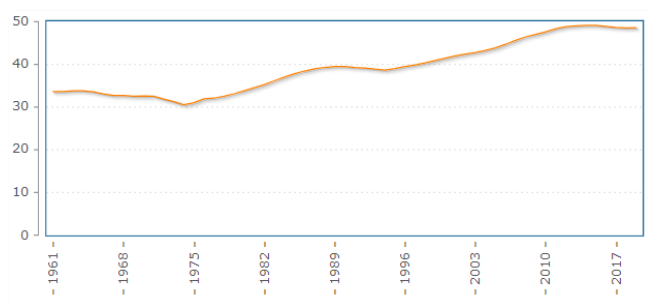
^C AMP – Área Metropolitana do Porto (2020). Retrieved from <http://portal.amp.pt/pt/> on the 23th October 2020

Figure 5 – Aging index (% number of elderly/100 young people)



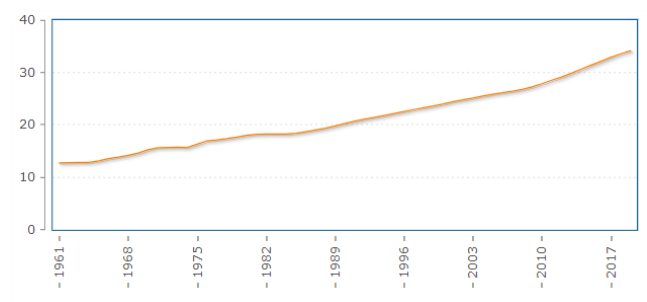
Source: PORDATA (2019)¹⁶

Figure 6 – Longevity index (% of people with more than 75 years old/ 100 elderly people)



Source: PORDATA (2019)¹⁷

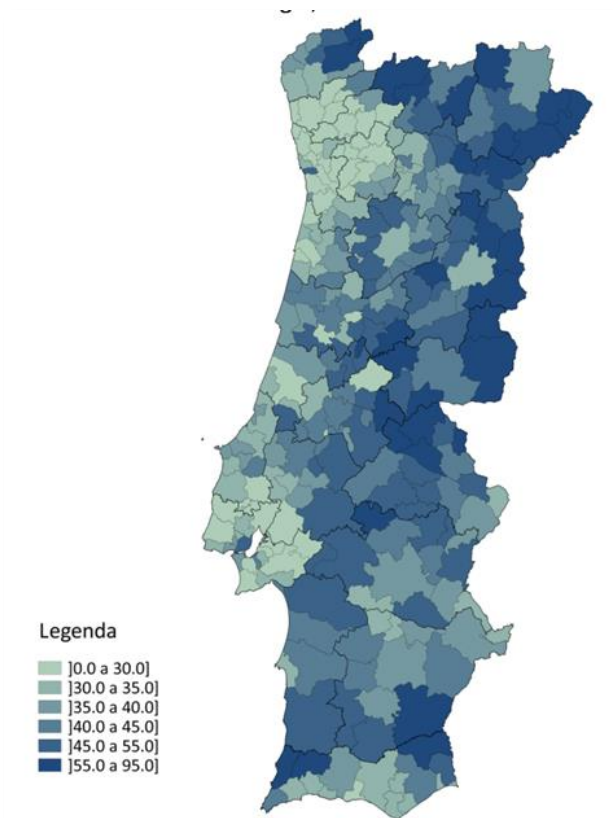
Figure 7 – Elderly dependence index (% of elderly/ 100 people on working age)



Source: PORDATA (2019)¹⁸

Moreover, the index of dependence of the elderly, by municipality – figure 8 - reflects the phenomenon of human desertification in the country. The urban coast has the highest concentration of young people by population of working age, leaving to the inland rural areas the highest rates of dependence on the elderly, reaching rates of 95 elderly people for every 100 people of working age.

Figure 8 - Elderly dependence index, per municipality (Number of people with more than 65 years old/ 100 people on working age 15-64 years old)

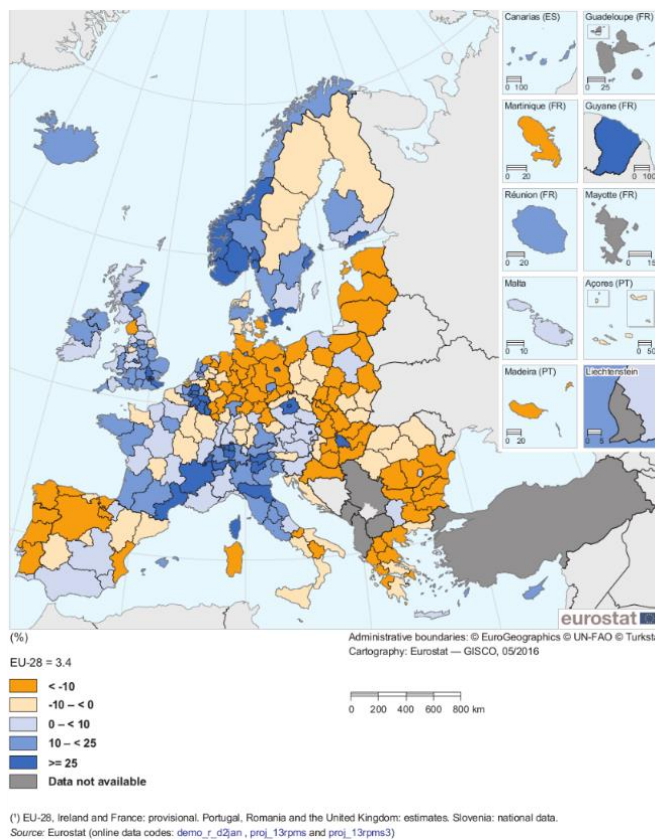


Source: ACM – Observatorio para as Migrações (2020)¹⁹

Data clearly provides evidence on inland human desertification in Europe. In Portugal, a country that follows this trend; it strongly states that the agglomeration economic development model promotes migration. As a consequence, low population density, lack of services and businesses, fewer jobs and population aging can be expected to result in a never-ending circle of decline.

Future projections confirm and give support to this trend. There will be fewer working-age people to support the remainder of the population, and a higher proportion of elderly persons; by 2050, the population of Europe's urban regions is projected to increase by 24.1 million persons and to serve as home to almost half of the EU's population, and by contrast, the population of predominantly rural regions is projected to fall by 7.9 million. Portugal, is projected to have a lower population in 2050, compared to 2015 - figure 9 (EUROPEAN PARLIAMENT, 2019)²⁰.

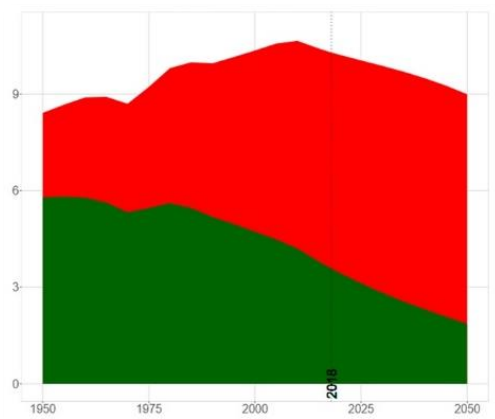
Figure 9 – Projected percentage change of EU population, by NUTS 2 regions, 2015-50



Source: EUROSTAT (2016)²¹

Consistently, rural population in Portugal is projected to continue falling significantly, following the trend already evident now, as clearly shows figure 10.

Figure 10 - Evolution of the urban (red) and rural (green) population in Portugal



Source: JRA Jovens Reporteres para o Ambiente (2020)²²

To change this path definitively, by breaking the vicious cycles that undermine the development, the Europe rural world cannot continue to be seen as a problem. There's a growing attention to the rural society, namely to the socio-economic underdevelopment, ecological degradation and demographic situation. In 1996 Cork Declaration – “A Living Countryside” (EUROPEAN UNION, 1996)²³, as well as in 1998 European Commission, in the report “The Future of Rural Society” (EUROPEAN COMMISSION, 1988)²⁴, those concerns were expressed and recommendations to take steps to promote balanced rural development were addressed. Nonetheless, in 2016, almost three decades later, the Cork 2.0 Declaration “A Better Life in Rural Areas “expresses again the deep concern about rural depopulation and youth out-migration (COUNCIL OF EUROPE, 2017)²⁵, which demonstrates that, no matter the attention brought to the problem, there's insufficient economic development, which despite improving and adapting rural economies, has been unable to reduce population loss (CAMAREIRO, OLIVA, 2019)²⁶.

However, EU policy makers are convinced of the value of rural resources capable of delivering sustainable solutions to current and future societal challenges (COUNCIL OF EUROPE, 2017)²⁷, and the latest reports change significantly the language, from a ‘needs-based’ approach to a language far more focused on innovation and the contribution that rural areas make to the wider economy, society and environment of the EU (COUNCIL OF EUROPE, 2017)²⁸. In the same sense ESPON, advocates for a ‘place-based’ approach, where the starting point for reflections are the needs of the existing economic activities, their development perspectives, and prospects for improving the living environment of their inhabitants (EUROPEAN UNION, 2017)²⁹. Consistently, the Council of Europe, recommends governments to devise new policies to support rural development, focusing on places rather than supporting sectors (COUNCIL OF EUROPE, 2017)³⁰.

The 2009 Barca report already drawn attention to the importance of ‘place-based’ policies, when spatially-blind or place-neutral policies could be undermined by poor institutional environments. The ‘place-based’ argument implies that economic, social, and infrastructural marginalization can only be reduced by trying to make growth and development intervention more “place-aware” by taking into consideration the sheer variety of local factors that may affect the potential returns of intervention. In essence, the place-based approach has two fundamental aspects to it. First, the place-based approach assumes that local context really matters, whereby context here is understood in terms of its social, cultural, and institutional characteristics. Second, the place-based

approach also focuses on the issue of knowledge in policy intervention. Who knows what to do, where and when (BARCA & all, 2012)³¹?

A place-based sustainable development on rural areas, attempts to reconcile different interests - economic, social, cultural and environmental – as well as given the opportunity for citizen participation in the decisions and qualitative improvement of institutional relationships (CARVALHO, 2002)³².

The focus is redirected to the exploitation and valorisation of local assets of rural areas, rather than highlighting their needs and deficiencies, with the starting-point being the key role of rural areas and communities in implementing the United Nations Sustainable Development Goals (SDG) (COUNCIL OF EUROPE, 2017)³³

According to Alison Smale, “SDGs apply to all nations and mean, quite simply, to ensure that no one is left behind. SDGs defines the world we want” (SMALE, 2017)³⁴, thus, are a collection of 17 interlinked goals designed to be a "blueprint to achieve a better and more sustainable future for all"^D. They were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. Rural development policies will make contribution to this achievement namely, regarding goal 11 ‘make cities and human settlements inclusive, safe, resilient and sustainable’ and goal 16 ‘promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels’^E

New rural activities start to arise as consequence of the decline of agricultural and forest activities, and allow rural areas to have the opportunity to no longer be considered as just an alternative location for relaxation or recreational purposes, or as vacation destinations for food or nature tourism, but rather as new places of active life and productivity, where it becomes possible to imagine and design a more inclusive and sustainable future (BATTINO, LAMPREU, 2019)³⁵.

However, youth fixation depends on attractive life conditions, well paid jobs and good infrastructures, all directly related with local economy growth. By recognizing the importance of entrepreneurship to economic regional growth and the importance of the promotion of a new model of entrepreneurship as a concrete skill that can be learned, leads to the empowerment of young people,

^D UNITED NATIONS. “Make the SDG’s a reality”. Department of Economic and Social Affairs Sustainable Development. Retrieved from <https://sdgs.un.org/> on December 29, 2020

^E UNITED NATIONS. “Make the SDG’s a reality”. Department of Economic and Social Affairs Sustainable Development. Retrieved from <https://sdgs.un.org/> on December 29, 2020

allowing them to actively participate in the creation of economic wealth for their region, and complies with the objectives of a greater social cohesion (COUNCIL OF EUROPE, 2006)³⁶. Tourism could be, directly and indirectly, a structural activity by making use of local resources. Keeping in mind that tourism is now becoming an increasingly global, complex and integrated experience, and due to globalization is evolving into an increasingly hybrid and homogeneous activity, where difference, uniqueness and authenticity of rural areas is a resource more and more valued by visitors (SERRA, PIÑERO-NAVAL, 2018)³⁷. Integration with culture and heritage emerged in recent years as an appealing touristic resource setting up important anchors of attraction of tourists, visitants as well as new businesses and new residents. At the same time, they serve as a pretext for the requalification of places and the improvement of the living conditions of the rural populations (CARVALHO, 2010)³⁸.

HERITAGE is today recognized as structural element of memory, image and territorial identity, and one of the essential resources for affirming cultural and environmental values (CARVALHO, 2003)³⁹. Heritage and landscape are part of the affirmation of cultural values in the development process (CARVALHO, 2002)⁴⁰, and the close relations between the population, the territory and the heritage, configure the concept of ‘living-museum’ as a place of memories and construction of identities (CARVALHO, 2001)⁴¹, providing unique and authentic content highly differentiated from place to place.

THE ROLE OF ICT’s (Information and Communication Technologies) is structural to increase the local economy, to support the reorganization of the territory and to advertise new uses of the public and private services (MOREIRA & all, 2009)⁴². Aware of its importance, 2017 Congress of Local and Regional Authorities recommended local authorities to promote greater equity and maximize well-being in rural areas by paying particular attention to overcoming the digital divide and developing the potential offered by the connectivity and digitization of rural areas (COUNCIL OF EUROPE, 2017)⁴³; in the same direction 2018 Bled declaration introduced the ‘Smart Villages Initiative’ aiming to create rural areas where people can and want to live, because innovative, digital solutions make their lives easy and comfortable. Smart villages have the potential to increase economic and social cohesion, and improve the social equality of our societies, especially between rural and urban areas (BOGOVIC, SZANYI, 2018)⁴⁴. Phil Hogan, European Commissioner for Agriculture and Rural Development prefaced the 26th Edition of Rural Review, edited by the European Network for Rural Development (ENRD), saying that “Smart villages are essentially about people – they are about rural communities taking the initiative to find practical solutions to challenges

and make the most of new opportunities. Digital solutions can power many new opportunities, but smart villages begin with local people coming together to develop a strategy around local assets and aspirations” (HOGAN, 2018)⁴⁵. Smart Villages have five main drivers, first, responding to depopulation and demographic change; second, finding local solutions to public funding cuts and the centralisation of public services; third, exploiting linkages with small towns and cities; fourth, maximising the role of rural areas in the transition to a low-carbon, circular economy and fifth, promoting the digital transformation of rural areas (ENRD, 2018)⁴⁶.

ICT’s have the power to change and develop rural economies, however, they are depended on the respective technological infrastructures. In 2018 only 47% of rural households had access to fast broadband, compared with more than 80% of urban households (ENRD, 2018)⁴⁷. Aware of that EU Commissioners expressed their concern and recommended to local authorities “All EU citizens should be able to benefit from high-speed broadband connections. This is not the case today, especially in rural areas, which are less attractive to investors” (EUROPEAN COMMISSION, 2017)⁴⁸, thus it is urgent change this status as rural development is directly dependent on this evolution.

This project aims to make a contribution to reducing depopulation and demographic change, by economic, social and environmental improvement. Along the study, a specific need is identified and framed, and described respectively the mission and vision; the business to settle the need is explained by describing the product, the market analysis, the competition analysis, the marketing strategy, the operation, management and sustainability plan, and finally workplan, milestones and financial projections and then a case study is presented; study ends with some concluding comments and some future project directions. In this project we will explore the case of Portugal, proposing a tailored solution grounded in the European and global concerns, recommendations and policies as well as taking advantage on the incentives dedicated to persuade and taken forward these policies.

2. – NEED STATEMENT

“Whoever is persistent in making investment in rural areas, should be insane”^F, heading one of the most recognized newspapers in Portugal, states in a very realistic way the actual situation of rural economies, in Portugal and Europe. If we assume that actual investment is not only financial,

^F PAULO, Romão (2019). “Quem teima em investir no interior tem de assumir a dose de loucura.” EXPRESSO September 18, 2019

but also deeply involves changes and decisions in personal life, this means that actual rural development model depends only on the craziness of some stubborn people, feed only by emotional reasons rather than sustainable principles and success models. On the assumption that, in rural areas, prosperity does not come to every place at once, and to some places it does not come at all (GILL, 2010)⁴⁹, new approaches to rural policy need to be developed, supporting the exploitation and valorisation of local assets, the local identification of needs and opportunities, and improving the competitiveness of rural areas through identifying new economic functions beyond agricultural production (COUNCIL OF EUROPE, 2017)⁵⁰.

2.1 - THE FRAMEWORK

Uphold the family house in the village, and go there for some vacations is a reality that, although tenuous, still persists in the urban population, namely in Portugal. The reference to the village where the ancestors were born and the connection to the heritage that they built there still remains, but tends to disappear and be completely erased from memory.

The lack of opportunities forced, in the past and nowadays, to out migration of the working population in search of other opportunities, promoting the already described circle of decline, addressing to rural areas the sad scenario of disinterest and the trend of land abandonment, ageing and built heritage decadence.

The relation with the home village has been changing through generations, in the past three generations it got worst and switched dramatically. In this study we consider the first of the three generations, people that out-migrate from villages in the first half of past century. These migrants always considering themselves belonging to a place that was not the one where they live and work; therefore, this stay was temporary, and their ambition was to return to his home village, where normally, the nuclear family stayed; thus, the idea was save money to invest in the village later, returning as soon as possible with improved living conditions and with possessions that would ensure a better life and safe future. With this in mind, financial resources were directed to the purchase of land for agriculture and to build houses with improved comfort and facilities for agricultural activities. The wealth was seen on the ownership of properties and the perception that a rich house equals a house plenty of food, is a result and the way to ensure it was by increasing the land for agriculture and built heritage.

The generation after, that we will name as second generation, still with a strong connection to the home village and is concerned with its role as a care-taker of the inheritance, that was acquired by its ancestors, and committed to take care of it properly, however there are not yet economic reasons for that: they are not dependent on the resources coming from agricultural activities and built patrimony ends up with lack of use and utility. The family house was thus maintained and improved to the acceptable comfort. Keeping his life in the city, with nuclear family living together, it was however usual to come to the village all the holidays, as well as to assure some of the seasonal cultures that did not imply constant care throughout the year. However, the temporality changed, assuming as permanent the residence out of the village and returning just for some periods along the year. Anyhow, the idea to return still remains, and once ending active life in urban areas, the aim was return to the origins, enjoying the retirement and back to some traditional activities, namely related to agriculture, just as free time occupation. This has also allowed some heritage to be kept, namely family houses, as well as small farmland and forest land, nevertheless, agriculture is not yet the source of resources, and most of the land formerly cultivated got useless, and was converted to forest, usually mono-culture, or simply abandoned.

Continuing to advance in generations, on the third generation, the connection to the villages of origin is weakening, although it still exists. This generation followed their parents on the periods spent in the village, but most of the time, no longer by choice, since the strong connections were already to their place of residence. Going to the village already meant giving-up a social and technological reality that was part of their urban daily life. On the other hand, the value of the heritage received as legacy from their ancestors, although still assuming some relevance, is becoming less important, and the village as a reference, is a value that increasingly fades. The economic side no longer exists, not for agriculture neither for forest, leaving only the patrimonial value of houses, which if still maintained, is just for few days of summer holidays in the village to meet other family and old friends; nevertheless, the days of supposedly restful and pleasant holidays, could easily be transformed into an endless maintenance and cleaning activities period, due to damages and degradation that need to be fit. Once the connection to the village is not the same for all family members, it is easy to conclude that there will be no high willingness to return the following year, and the abandon of built heritage is on the way, following the land abandonment.

The changes and different perceptions of the three generations are summarized in the following table 1.

Table 1: Rural vs Urban perception

	RURAL	URBAN
First Generation	<ul style="list-style-type: none"> • Home and family • Land and built investment • Future economic activities • Better life conditions • Social life • Next generation growing place • Ancestors and other relatives 	<ul style="list-style-type: none"> • Job opportunities and better wages • Possibility to save money • Temporary stay • Temporary worst life conditions accepted towards a better future
Second Generation	<ul style="list-style-type: none"> • Land and built heritage • Relatives and old friends • Heritage expenses • Temporary stay • Few agricultural activity • Retirement 	<ul style="list-style-type: none"> • Job opportunities and better wages • Home and family • Better life conditions • Next generation growing place • Real Estate investment • Social life
Third Generation	<ul style="list-style-type: none"> • Land and built heritage • Heritage expenses • Occasional stay or no stay • Few relatives • No worst life conditions accepted 	<ul style="list-style-type: none"> • Job opportunities and better wages • Home and family • Next generation growing place • Better life conditions • Real Estate investment • Social life • Retirement

Source: elaborated by the author

The first generation has already passed away or are elderly and the second generation is getting old, so third generation, is now in charge of the land and built heritage. As said before, this new generation of rural owners, already born and raised in the urban environment don't feel themselves belonging to the village and feel the link increasingly distant. Therefore, the emotional connection to the home village tends to fade and in short term completely disappear, which in addition to the economic uninterest, led us to conclude that actual or future land and built owners in rural areas, have no economic interest in their properties, as well as no emotional connection to the village, therefore the complete abandonment is the most probable following step.

2.2 - THE NEED

As we are, apparently, facing an end of cycle in the relationship with the rural world, through the definitive breaking of the economical and emotional ties, only the thin relation of the intrinsic and distant value on legacy related to properties with no value of use or possible profitability remains.

However, the Government made very clear legislation to make landowners responsible for the cleanliness of the land. These deadlines are to be met and a heavy-hand is promised for all those who do not follow the indications contained in the 2019 state budget. Penalties could reach 120.000eur and Municipal Councils should guarantee the cleanings, and substitute owners in case of non-compliance, carrying out the cleaning mandated by law. In this case, owners are obliged to reimburse the Municipality Council for the costs incurred in the works (GUERREIRO, 2020)⁵¹. This means that, besides the lack of economical and emotional interest, new rural owners suddenly inherit permanent costs related with their heritage that worsen the relation to their rural origins. To this lack of motivation, we must add the fear, frustration and destruction resulting from the scourge of wildfires, with a severe and tragic impact in the past years; a combination of drought periods with the occurrence of scattered thunderstorms, criminal hand, a large accumulation of highly flammable biomass, the lack or inappropriate forest management, steep slopes with difficult road accessibility and the insufficient technical means of the firefighters were the most important causes^G. However, depopulation means land abandonment, thus, without people living there, rural environments become a pasture for large fires (VIEGAS, 2020)⁵², in a tragically growing trend. Consequently, no interest nor motivation may exist to invest in these territories by the land and built owners, and there's no fair value for properties on eventual sale, caused by the lack of commercial interest. On the other hand, abandonment is not an option, because owners currently need to ensure the cleanliness and maintenance or support the respective costs.

We can thus conclude that new rural owners are now facing a never-ending problem in which rural heritage represents a permanent cost without any profit or future value, and they are forced to use the resources generated in their urban life to bear expenses. Whether it is the complete aloofness of the heritage or the burden of related expenses, both situations tend to have no prospect of future viability. This is thus a problem, which tends to worsen, as agglomeration economy favors top-down policies and leads economic agents to influence and exponentially enhance this trend.

It is in this exact problem, in which inheritance of rural properties becomes a drama for older people realizing that they are doomed to represent a cost instead of a profit to their descendants, therefore becoming a poisoned legacy, that present project is grounded. In this way, this project aims

^G SAPO (2020). “Quais são as principais causas dos incêndios florestais em Portugal?” Retrieved from <https://poligrafo.sapo.pt/sociedade/artigos/quais-sao-as-principais-causas-dos-incendios-florestais-em-portugal> on December 27, 2020

to make a contribution for the development of rural territories, by exploring a strategy that adds to the economic value of built heritage, to the social development of the region and to the environment care and protection.

3. – MISSION STATEMENT

This project aims to contribute to the sustainable development of rural areas, by presenting a business model to take advantage of existing built heritage, assuring its maintenance and returning profitability to respective owners.

The project aims to contribute to economic sustainability, presenting an attractive business, both for investors and for owners, through the valorization of local assets. By voiding the expenses and promoting the profitability of properties, the availability of property owners is expected to be easy to get, thus, the resources are ensured. Economic sustainability will be achieved by combining a product of excellence, with effective and comprehensive communication, functioning in an integrated way in various realities at international level, thus creating attractive economic conditions and high potential for gains of scale.

The project aims to contribute to environmental sustainability, through the implementation of the best practices of environmental protection, as well as, using the best concepts of recycling, green energy, circular economy and carbon reduction. The evolution of ICT's will allow the implementation of environmental protection models, their monitoring and dissemination. By assuming the scourge of wildfires as a result of depopulation, this project aims to contribute to the protection of the environment by returning economic activity to the rural areas, creating opportunities for youth and fixing active population. In this area too, digitization will play an important role, through the implementation of active surveillance and monitoring systems, creating security conditions and thereby promoting investments in the forest.

The project aims to contribute to social sustainability through job creation, business opportunities, social inclusion and engagement of local community. It is assumed that the youth fixation in rural areas results from the spillover effect of economic and cultural activity, so this project aims to make a contribution by presenting a specific business model that aims to be part of an integrated and more comprehensive operating model. This project will promote the incorporation of local activity, either human resources or other resources, boosting parallel and complementary businesses, which apply to this project but aspire to seek other markets taking advantage of ICT's.

On the other hand, this project will have an open source of investors so that employees, owners, local population who integrate or have an interest in the project, can participate in the project growth, taking advantages and stimulating their interest and motivation. Lastly, this project intends to, subsequently, act as a reference and enhance its applicability in other similar locations internationally, through the development of a business model that will be scalable internationally.

Finally, the creation of a business model that potentiates and justifies investment in high-speed board band and ICT's on rural locations can be one of the biggest challenges. However, taking advantage of the various EU incentives as well as, through the involvement of local authorities, it will be an attainable objective, either for the added value for the project and for the most diverse added value to the region, thus the project aims to make contribution to make pressure to local authorities and other stakeholders to improve high-speed board band connections and state of the art ICT's.

4. – VISION STATEMENT

Living in the countryside or in the city should be an option available to everyone. Maintaining the legacy of the ancestors and ensuring that the elderly continue to see the heritage they have gained as a benefit to the next generations should be assured. Pride in origins, the preservation of heritage and the promotion of sustainable activities for the territories of the interior should be structural lines of business and personal strategies, competing with urban opportunities in equal terms. Digitization, ICT's, Society 5.0 are vehicles to support rural development, placing remote areas in the center of the world, monitoring and providing investment security, thus enabling long-term projects, promoting their gain of scale and ensuring future success.

This project humbly aims to contribute to this new rural strategy, integrated and digitalized, presenting a business model^H that adds to the solution of a real problem, presenting an attractive and scalable business, hoping to ground the base for other studies and projects that enable the reversing of the current trend.

^H **A.N.** To this project, business model is defined as “the rationale of how na organization creates, delivers and capture value”, according to Osterwalder&Pigneur (2010), in book: “Criar Modelos de Negócio”. Publicações D.Quixote, 7ª Edição, p.14

5. – BUSINESS DESCRIPTION

5.1 - THE OFFER

In a generic way, we offer high quality tourism standards in rural areas, taking advantage of the local heritage, diversity and culture, as well as, promoting the engagement between guest's and the community. The product can be defined as rural accommodation, in traditional houses, with guaranteed high quality of services, comfort and unique local community experience. This product is ensured by the reconditioning of rural houses, providing them with conditions according to modern comfort standards, quality guarantee, and with all hotel services and support assured by a central hotel unit, within the limit of a rural resort cell.

TOURISM IN RURAL AREAS

By definition, it is a touristic activity situated in areas with traditional and significant connection to agriculture or environment and in a landscape of markedly rural character. This project will have in mind that, in all its components, it is mandatory to ensure that the rural scale is maintained from the point of view of the size and architectural characteristics and building materials typical of each region, as well as, linked to the so-called traditional social structures, i.e., those that retain the gregarious characteristics, values, ways of life and thought of rural communities based on family farming models. It should be sustainable, as its development should help maintain the rural characteristics of the region, using local resources and knowledge derived from the knowledge of the population. Lastly, it should be differentiated according to the diversity of the environment, the economy and the uniqueness of popular history, traditions and culture, and above all, it should ensure that visitors receive personalized reception and in accordance with the best welcoming tradition from the community in which it is part.¹

RECOVERED RURAL HOUSES (RRH)

We are talking about houses in a state of abandonment, without use for some time, but in conditions of being recovered and made habitable and whose intervention does not exceed the maximum value of investment (MVI) that will be defined later. These houses, after the reconditioning

¹ DGADR – Direção-Geral de Agricultura e Desenvolvimento Rural. “Características do Turismo em Espaço Rural.” Retrieved from <https://www.dgadr.gov.pt/diversificacao/turismo-rural/caracteristicas-do-turismo-no-espaco-rural#Definicoes> on December 28, 2020

intervention, must have conditions, services and standard comfort suitable for a superior exigent guest use. The touristic classification, implies that RRH will be framed as rural tourism enterprise, and there is no usual hotel stars classification; however, their installation must comply with the rules^J contained in the legal regime of urbanization and construction, as well as the technical building standards applicable to buildings in general, in particular in relation to fire safety, health, hygiene, noise and energy efficiency (DIARIO DA REPUBLICA, No.80, 2017)⁵³.

CENTRAL HOTEL UNIT (CHU)

It is a hotel unit that provides the necessary support to RRH and is in-charge of, following in RRH the same criteria of service, quality and customer care applied in CHU. In addition to the services provided to RRH, CHU offers normal hotel services, with room availability, which can operate in the normal hotel market, as rooms in a rural hotel, as well as, possibly act as a complement merging rooms availability with RRH.

The classification will be as Rural Hotel, because it is situated in rural areas and should, by its architectural design and building materials, respect the dominant characteristics of the region where they are implanted. ^KThis hotel unit will be a unit already existing in the region, to whom will be formalized partnership for this purpose.

The touristic classification, implies that, for purposes of classification as Rural Hotel (?), it should have a minimum tourist rating of 3 stars, and RRH should follow the same standard of procedures. This classification takes into account the quality of the service and facilities, according to the requirements to be defined by law (DIARIO DA REPUBLICA, No.125, 2015)⁵⁴

RURAL RESORT CELL (RRC)

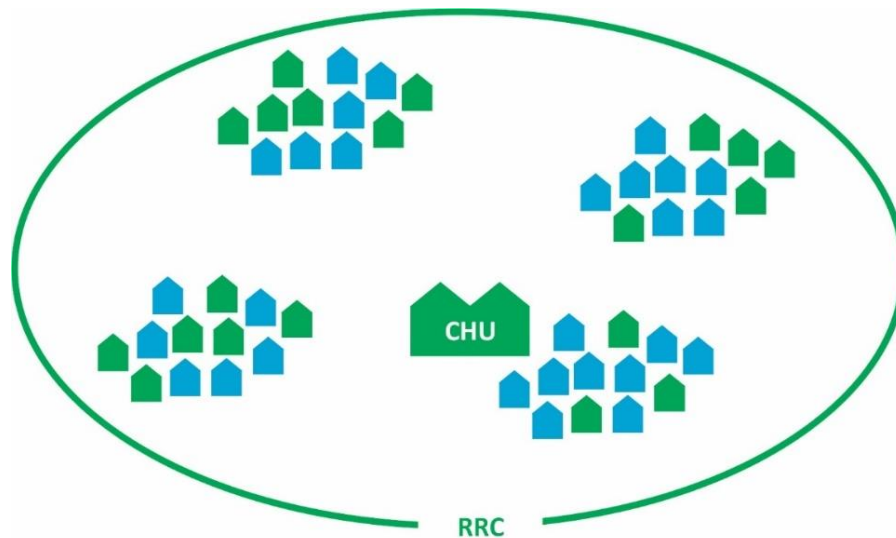
RRC is CHU's area of intervention with regard to RRH to which hotel services are ensured. This Central Unit will be defined taking into account the distance from RRH to CHU and convenience of access. As a mandatory rule, it is established that 'CHU access to HRR, and vice versa, may not be

^J TURISMO DE PORTUGAL . Classificação dos Empreendimentos Turísticos. Retrieved from http://business.turismodeportugal.pt/pt/Planear_Iniciar/Licenciamento_Registo_da_Atividade/Empreendimentos_Turisticos/Paginas/classificacao-et.aspx on December 28, 2020

^K DGADR – Direcção-Geral de Agricultura e Desenvolvimento Rural. “Características do Turismo em Espaço Rural.” Retrieved from <https://www.dgadr.gov.pt/diversificacao/turismo-rural/caracteristicas-do-turismo-no-espaco-rural#Definicoes> on December 28, 2020

more than 15 minutes away, by car, night or day and in any atmospheric condition'. Based on this rule, the villages that may be within the area of intervention of this CHU will be defined, as well as the type and quantity of resources, human and material, will be defined for this purpose.

FIGURE 11: Rural Resort Cell



Source: author's elaboration

THE SERVICE OFFER WITHIN THE RRC

For the CHU and RRH there will be a series of similar and complementary services, in order to ensure that within the RRC the guest enjoys a quality and variety of equipment, services and support always within the same standard. The physical separation of the RRH and CHU will not result in the reduction of the quality of service, nor the need to give up comfort or services, as they will be offered with a higher level of privacy, and a more engaging experience with the local community^L.

The central idea is that RRH have the same services and conditions as CHU, however, either because of its separation, by its typology, or even, by its concept, it is not possible to replicate in the RRH exactly the CHU offer. Furthermore, it is important to maintain the identity of RRH, and this fact can be valued as a differentiating element. Within these services, there are some that require special detail, because they can be unique elements, differentiators and highly valued by guests. On the other hand, material and immaterial heritage, as well as the principles of sustainability are

^L A.N. See **SUPPLEMENTARY NOTE No 1** for facilities and services offer within the RRC

fundamental pillars to which due reference should be given, and properly framed, either in operation or in the services and products offered. Regarding the facilities available only at CHU, guests staying at RRH are offered full access and may enjoy them as any CHU guest.

Hospitality

Hotel hospitality can be explained by five dimensions namely personalization, warm welcoming, special relationship, straight from the heart and comfort (ARIFFIN, MAGHZI, 2012)⁵⁵; first, **personalization**, refers a feeling experienced by guests, namely that they are special and unique to the RRC team, e.g. by knowing their names, their preferences or other personal information. Second, **warm welcoming** is much more than warm greetings and open doors, it is an expression of how the RRC is pleased to welcome these guests, and how is committed to make them feel it. Third, **special relationship** is related to the understanding of special requirements the guests, it is about providing an exceptional treatment and exceeding expectations. Fourth, **straight from the heart**, is the dimension that is most related to the concept of this project; it has to do with genuineness, with identity, with the attitude of all staff in which hospitality is transmitted in a natural way, as being an extension of the character of each employee. This project seeks to value what is genuine and authentic, so the expression 'straight from the heart' should embody the spirit and attitude of all staff members, and be taken into account on the RRC human resources selection. Finally, fifth, **comfort**, has to do with the general comfort of RRH, having in mind firstly the comfort of the rooms, but also the house in general; Special attention to thermal comfort, by studying and implementing the most efficient and sustainable system to ensure it. Fireplaces and other wood burning devices, or derivatives, will be installed and provided with wood, and will serve simultaneously to give thermal comfort, and a cozy atmosphere. Attention will be given to the outdoor spaces that should be gardens, with regular care, and if possible, including equipment such as a swimming pool, a recreational area among others.

GRM - Guest relations managers

They are dedicated to RRH guest's and they are key-persons for the RRC smooth functioning. Their responsibilities include greeting guests as they arrive, coordinating their check-ins to the assigned RRH and informing them about the RRC facilities. They also make sure that all staff offers exceptional customer service and provides memorable hospitality experiences for guests. Moreover, the managers will answer guests' requests and make sure they are satisfied, relaxed and enjoying their stay. GRM is the guests contact person in the RRC during the stay, making the connection between

the needs and requests of visitors and the various departments within the RRC, and in CHU, as well as with local entities and partners.

Restaurant

Gastronomy has been ignored both by the cultural sector and by tourism as being a basic need of cultural tourists, rather than forming one of the major attractions of different destinations. However, in the past decade this picture has changed substantially, and the fact is that gastronomy helps to underline and strengthen local and regional identity (RICHARDS, 2014)⁵⁶. It is therefore of major importance to add local gastronomy heritage to the experiences that RRC offers to guests, consequently, the option of including a restaurant in the facilities of the CHU would be highly valued by guests. It will be an independent unit of CHU, and can therefore receive direct customers, but will benefit from the internal promotion within the RRH guests. As an option, when it is not possible to have a restaurant in CHU, a partnership should be made with a local restaurant in order to implement all the activities and services to be provided, assuring the standard of quality and service practiced in the RRC.

SPA and thermal treatments offer

Having SPA^M facilities and services is highly valued by guests, but with very high associated costs, and consequently, the economic viability is questionable. In any case, the option of having SPA pack of treatments and transport in the RRC would be a preferred element. On the other hand, rural and mountain areas are usually populated with thermal springs, with various medicinal properties, and a huge range of treatments, physiotherapy and wellness activities. It is therefore likely that the short distance of the RRC there is thermal offer, allows a partnership with the region's SPA units. The inclusion of these services fosters long stays, since the treatments are usually at least one week, and supports the combat to seasonal occupation, since the treatments are usually out of the high-seasons.

Private or common transportation services

There is a general understanding that the tourism industry grows more when there are better transportation frameworks (SHAH, 2019)⁵⁷, and in the case of rural areas, the same principle applies, plus the fact that access to these rural areas may not be well served by all means of transport. The RRC must therefore provide transport services to guests, which answers to their needs throughout the

^M **A.N.** The word SPA derives from the Latin expression "sanus per aqua" which translates to the letter means 'health by water' and is normally associated with wellness treatments

stay. This should include shuttle service to and from the nearest airport, transportation services for activities in the region, and guided tour services.

Breakfast and drinks

Daily life at RRH should be as pleasant and relaxed as possible; the main goal for the whole team is to assure it. Therefore, attention to detail is fundamental, and exceeding the expectations of guests is the challenge at all times. With regard to breakfast, given the distance to CHU, although possible and optional, it will not be practicable travel to enjoy the meal, thus it will be more comfortable and pleasant to relish breakfast in the comfort of the own RRH, but not giving up the freshness, variety and quality of the products; thus, a basket with breakfast will be delivered to RRH daily. Following Fernando Pessoa "good is life, but better is wine"^N so the attention given to it is not at all exaggerated, as they represent an important part of the comfort and well-being that is intended to be provided to guests. In this sense, as regards to drinks, in addition to free water, tea and coffee, a range of regional liquors and drinks will be selected, from local producers, which will be available in the bar of the common areas of RRH.

Fridge provision and shopping lists

It makes part of the warm welcoming to have the RRH provided with a basic set for first needs. Along the stay, a daily shopping list could be submitted to the staff and delivered at supermarket prices. In this way, the guests don't have the need to spend time in making shops and could simply enjoy their stay.

Easy shopping in the region

A payment card will be issued to guest on check-in, that will be used on local commerce, restaurants and services, making easy to buy, without the need of monetary transaction. The card will be connected with RRC and the payment will be made at checking out of the stay.

Rental services

The possibility of guests moving freely through the region is fundamental since we are in isolated regions, with more difficult access and with little offer of public transport services. In this way rental services will be made available, namely, i) vehicles, that may be regular vehicles, or 4x4 vehicles for those who wish to adventure on off-road trips; ii) motorcycles, iii) electric bicycles; iv) boats and sea scooters, in case there are lakes, rivers or dam reservoirs in the region. Some of these vehicles may have the possibility to be rented for use and proper driving, or rented with driver, thus

^N A.N. Fernando Pessoa, (1930-1935). In book: "Poesias Inéditas"

allowing guests to enjoy the experience in a more relaxed and safe way. These services will be offered through partnership with a rental company, and professional list of drivers, specialized in the various vehicles and situations.

Events management

Events management is a service that will be available to guests, but also, represent a business area to explore with partners and suppliers, as well as public and private entities in the region. The ability to globally manage the entire event involves the accommodation management, catering and meals, transport logistics, set up of spaces, technical and audiovisual means, as well as animation management, whether involving artistic and cultural shows, sports and leisure. In the case of events requested by clients such as birthdays, family or groups of friend's parties, the event will be designed and implemented following the client's instructions.

All ages dedicated programs and activities

This project, namely the concept of local involvement and regular stays throughout the year, presupposes that the whole family is involved and motivated. The household may be only the couple, but may add children, at various ages, as well as older people, grandparents or other family members. It is therefore important that everyone has their points of interest and their activities, which does not necessarily have to be always common. Particular attention will be paid to the activities of local partners in areas of interest to childhood and youth, including artistic, cultural, sporting and entertainment activities, as well as programs of volunteering. Also, for the elderly, various programs will be created, comprising the various degrees of autonomy and particular interests, giving special phase to the programs of sharing experiences and active aging. Particular attention will be given to the 'grandparents and grandchildren program', in which, conditions will be created for grandparents to spend seasons with grandchildren in RRH, particularly on scholar vacations, with the necessary monitoring and activities by the services of the RRC. Other programs may be created, namely the integration of older people, pensioners, into activities where they can be useful and share their experiences and knowledge, namely fostering the relationship grandfather-grandson, even if grandparents and grandchildren are not even family.

Picnick planning and baskets

It may seem like a minor activity; however, it is included in the "art" of surprising guests. The planning of picnics has to do with making easy and safe to any visitor to reach places, normally with difficult access conditions or unknown to most of the people, enabling them to find some hidden

but pleasant and naturally beautiful spots on the region, and enjoy an outdoor meal in unexpected conditions, surrounded by natural beauty. To this end, routes will be developed, that may be by walking, cycling, motorbike or 4x4 vehicle; an itinerary will be properly identified on the ground, as well as in the case of routes for motorcycles and 4x4 vehicles, they will be equipped with GPS navigation system and eventual rescue. This route-setting activity should be developed together with a local partner, or promoting a start-up creation. The packs can provide itinerary + rental car + basket of picnic, or a picnic provided by a partner restaurant located on the route; whether the meal in a restaurant, or the picnic basket, should represent an experience by itself, offering a meal with unexpected refinement and quality, given the inhospitable place they should be at.

Tours, experiences and activities organization

Resources in rural areas are scarce, but they are generally underutilized, thus this project aims to create conditions that enable, in the intervention area of each RRC, the full usage of local resources, revitalizing the economic and social fabric, and creating new tourism products (CARVALHO, 2009)⁵⁸. Considering the reality of Portugal, there are already several examples with significant results mainly in the segments of active tourism and nature tourism, consolidating the offer of walking routes, trails and mountain biking centers, trail running and geocaching, among the most relevant. These activities, associated with a calendar of permanent animation, with different forms of promotion and communication, gain special prominence in territorial domains with relevant heritage offer, organized in networks such as Aldeias Históricas (Historical Villages), Aldeias do Xisto (Schist Villages), Aldeias Vinhateiras (Vineyard Villages), among others, or in national and/or international competition circuits such as Ultra trail and SkyRoad Aldeias do Xisto, for example (CARVALHO, ALVES, 2019)⁵⁹. With this in mind, the activities of active tourism and nature tourism represent an opportunity and an interesting business vector for the profitability of local resources, and for the economic viability of the RRC. On the opposite, the competition circuits, in spite of being mass movements and business generators, move away from the concept of establishing a lasting relationship of the visitor with the region, thus also diverge from the concept and goals of this project.

Local community engagement activities

It is one of the pillars of this project, and aims to create lasting links between the guests and the region where the RRC is included. It is therefore a fundamental element and that justifies special attention and a detailed study of the region, its natural, cultural and heritage resources, engaging local community players and adding local knowledge to the identification and design of offers at this level.

The main general policy message of place-based approaches is that one-size fits-all policy recipes do not serve rural regions, therefore strong emphasis should be put on local knowledge and collective contemplations as well as the importance of pooling locally embedded knowledge and extra-local knowledge to serve local development, which stresses the importance of locally organised collective strategy processes resulting ideally in a shared vision and collective strategies (SOTARAUTA, 2020)⁶⁰.

The identification of local players, goes through an exhaustive survey of all public and private entities, as well as individuals with knowledge and influence in the community, in order to create working groups for i) identification of local resources, as well as, ii) in the elaboration and development of activities to promote it and enhance the interest of visitors. The identification of resources involves signaling resources in the RRC region, whether agricultural, cultural or recreational, linked to manufacturing processes, recovery of old activities, festivities, among others, as well as material and immaterial heritage, such as buildings, traditions, legends, history and relevant events. After this identification, the development of activities involving the identified resources, also goes through a work of creating conditions, whether in the RRC or RRH in specific, or through local partnerships with entities and companies, or even the creation of new businesses that are justified in this framework. These activities aim to represent a growing link between guests and the region, allowing them to enjoy differentiated and genuine local activities and products. As for the RRC, the possibility to calendarize and forecast future activities and reduce seasonal lack of occupation.

The local resources and framework for the working group vary completely with the location, however, as an example some resources and potential engaging activities related to them will be presented.

Farmland available and abandoned

A proposal can be made to property owners to yield, or eventually sale, these lands, which after preparation will be made available, in whole or in parts, to clients, in the form of a place where they can make their crops and their harvests. Plantations could be in order to have their own vegetables garden, or to make other type of plantations like i) vineyards, in order to produce their own wine, ii) olive trees, in order to produce their own olive oil, iii) orchard, in order to produce their own fruit, amongst others. The RRC will provide the complement of agricultural service to the guest's activity, by professionals that will assist clients, or be in charge on client's absence, as well

equipment's rental, local partners for special services like wine and oil press, amongst others, and accommodation packs, depending on the seasonality of the plantations and harvesting.

Agricultural activities

Agricultural activities, besides laborious, are also potentially pleasant and enriching experiences, either by contact with nature or by the pleasure of doing something with a purpose. With this in mind, several harvests are suited to allow the collaboration of people without experience, such as the harvest of grapes, olive harvest, or fruit, among others. The proposal involves creating accommodation packs with incorporation into local harvesting activities, and the 'remuneration' will be through harvested goods. For example, the olive harvest pack, includes in addition to the accommodation and harvest labor, the attendance of the process of production of olive oil in the mill, as well as a quantity of olive oil for own consumption; in the case of wine, the pack involves providing accommodation in the various stages of the process, such as harvesting and crushing, wine transferring to vats as well as opening and tasting the new wine, and in the end, some wine for own consumption.

Local festivities

Every rural village has its annual or seasonal festivities, which involve, in addition to a religious side, conviviality and various recreational activities very connected with traditions, uses and customs of the region. The organization is usually in charge of elements of the population, and the various activities are shared and involve the whole community. The offer of an accommodation pack for the festive seasons, may involve the integration in the various activities, together with the local population, as well as the creation of working link throughout the year in order to prepare the next festivities, and wait for them eagerly.

Opportunities for volunteering

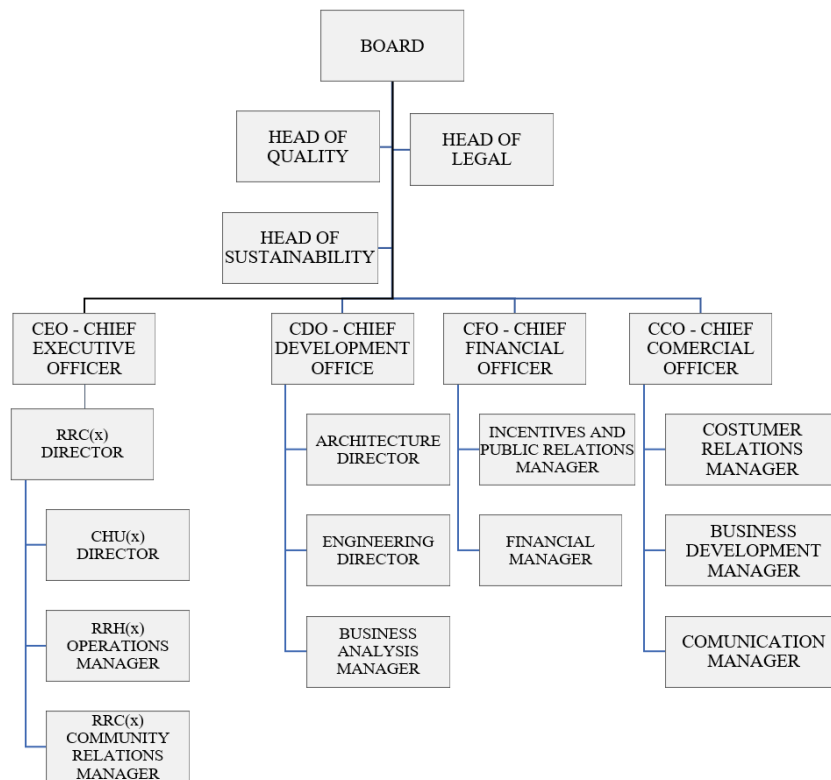
Being a volunteer means giving without expecting anything in return, and it is amazing how rewarding it could be, thus it can be a strong connecting element, whether to people, places or projects. In this sense, the opportunities for volunteering will be identified and will be made available for consultation of clients and guests, however, without any kind of promotion or evidence. Possibilities for volunteering could happen in elderly homes, animal rescue and care shelters, disabled people's homes, built heritage reconditioning projects, historical research projects, amongst others. A close relationship between the RRC and the entities that accept voluntary work, in order to study together packs with special accommodation prices, as well as advantages in loyalty programs.

Notwithstanding the rural framework of the project, it aims to promote the relationship of visitors with the territory but not necessarily isolation in rural reality; thus, the urban reality nearby should not be forgotten and be promoted, in particular with foreign visitors, therefore, thematic excursions will be made available, in order to make known the cultural, historical and patrimonial reality of the nearby cities, festivities and eventually religious and sports tourism.

5.2 - MANAGEMENT TEAM

The management structure will have to be light enough to quickly absorb all the inputs of the operation, but structured to allow for a sustained growth. Thus, the structure which can enable the development of several RRCs is now considered. In a first phase, it is considered that several of the functions can be occupied cumulatively by the same person or outsourced, leaving however, the structure prepared to, if the growth so justifies, these functions are occupied by other resources, being however identified. Following the company chart is presented in Figure12

Figure 12 – Company Chart



Source: author elaboration

Therefore, the structure of the company is a flexible structure, and it is intended to grow depending on the stage of the project. In a first phase, that is, in the first RRC, the board will be ensured by three elements, and these three elements will ensure in a cumulative way all the functions of the defined structure, being architecture and engineering outsourced. In a second phase, with the opening of a second RRC, the management of the RRC's will become independent of the board members, even if they may coexist. The third phase, when five RRC's are achieved, architecture and engineering will become internal departments, and several other functions will have their direct responsibilities. When 10 RRC's are achieved, all functions defined in the organization chart will be assumed by a direct responsible. Depending on the greater or lesser internationalization of the evolution the new RRC's, it may be necessary to add some direct function, or staff, as specific support to the international process^O.

RRC STRUCTURE

Presumably, the director of the CHU will be the director of the RRC and, depending on the specificity of the RRC and the number of RRH covered, the support of an operations manager could be needed. However, in general it is assumed that the presented structure will have to have a RRC director, a CHU director, and when 5 RRH are exceeded, an operations manager needs to be integrated, as well as community relations manager need to be integrated when RRC size exceeds 10 RRH.

6. – MARKET ANALYSIS

UNWTO^P understands Rural Tourism as a type of tourism activity in which the visitor's experience is related to a wide range of products generally linked to nature-based activities, agriculture, rural lifestyle and culture^Q, more extensively, a type of tourism that comprises all forms of tourism that take place in rural areas or rural communities, and that highlights natural areas, local practices, culture and gastronomy (MARIA-IRINA, 2017)⁶¹. Nevertheless, for the purpose of this project, rural tourism definition seems to not be enough to absorb the full potential

^O A.N. See **COMPLEMENTARY NOTE No. 2** for detailed functions description and framework on different phases,

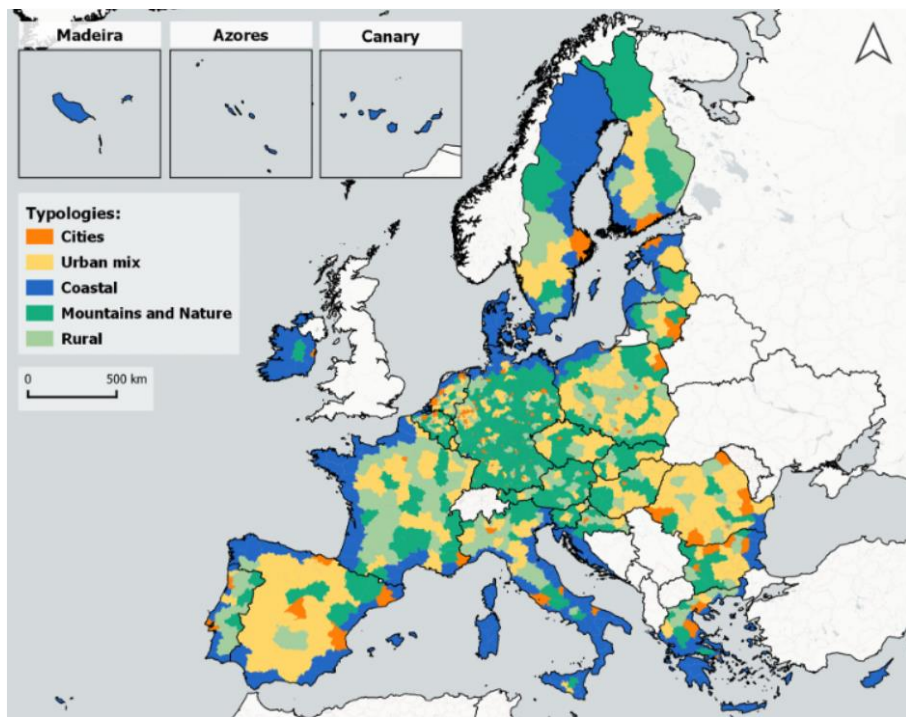
^P A.N. The World Tourism Organization (UNWTO) is the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism.

^Q UNWTO World Tourism Organization. "Rural and Mountain Tourism". Retrieved from <https://www.unwto.org/rural-mountain-tourism>, on the 26th December 2020

and provide the proper framework for market analysis. Therefore, considering Batista e Silva (2020) findings, a rural typology based on hotel location patterns and geographical criteria will be used, basically, focused on where tourism supply is actually located within each region, obtaining this way a classification of NUTS3 regions in five typologies: i) cities, ii) coastal regions, iii) mountains and protected areas, iv) rural regions and v) urban mix, regions with tourism capacity located in cities, in combination with rural, mountainous and protected areas (BATISTA E SILVA & all, 2020)⁶².

This is a widespread classification, since the scope of this project cannot be summed up by rural tourism only, thus according to this classification, RRC's may be framed in rural regions, but also in mountains and protected areas, as well as in the urban mix. In the following figure 13 is presented the geographical distribution of the regional typologies and in figure 14 the proportion of each typology in terms of total nights-spent per country in 2018.

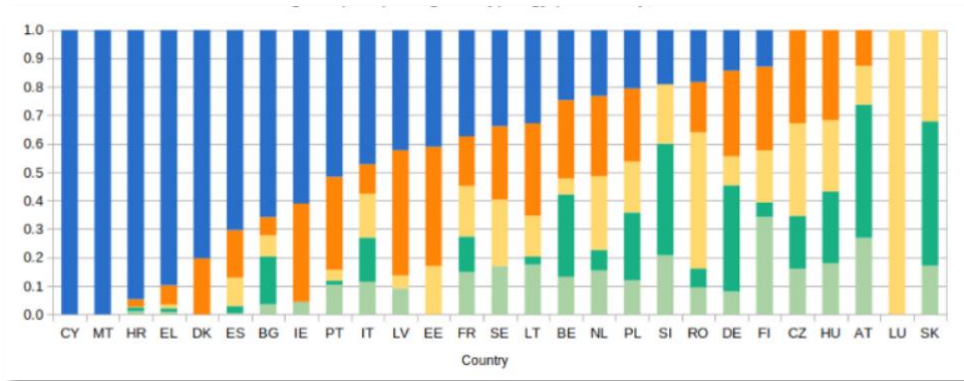
Figure 13 – EU regional tourism typologies, 2018



Source: EU, Joint Research Centre, 2020⁶³

Both figure 13 and figure 14 show coastal regions as the ones accounting for the majority of nights-spent in the EU (42%) followed by cities (19%) (BATISTA E SILVA & all, 2020)⁶⁴.

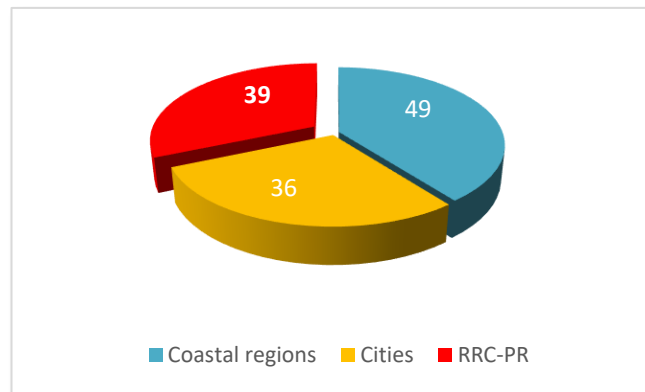
Figure 14 – Nights-spent per regional typology per EU country, 2018



Source: EU, Joint Research Centre, 2020⁶⁵

For this project, considering that RRC could be located in rural regions or in mountains and protected regions as well as in the urban-mix regions, we labeled this mix typology as RRC Potential Regions (RRC-PR mix), thus we conclude that RRC-PR mix (39%) followed closely coastal regions on nights-spent in the EU, as per figure 15.

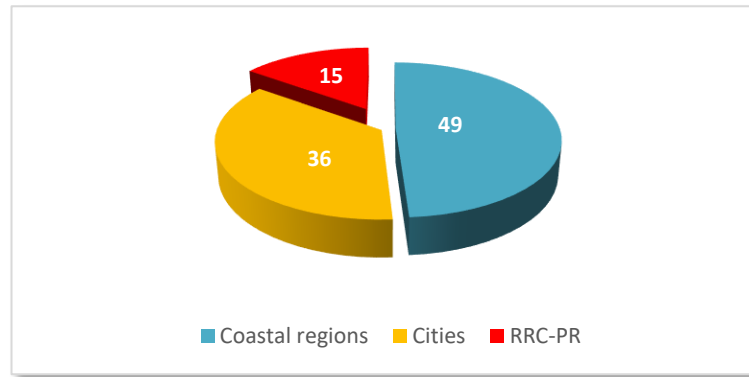
Figure 15 – RRC-PR mix nights-spent in the EU, 2018



Source: Author's elaboration, with data retrieved from <https://doi.org/10.1016/j.annals.2020.103077> on December 26, 2020

However, figure 16 shows that for Portugal results diverge from the EU average, with higher concentration on coastal regions (49%) and in cities (36%) leaving for RRC-PR mix just 15% of nights-spent.

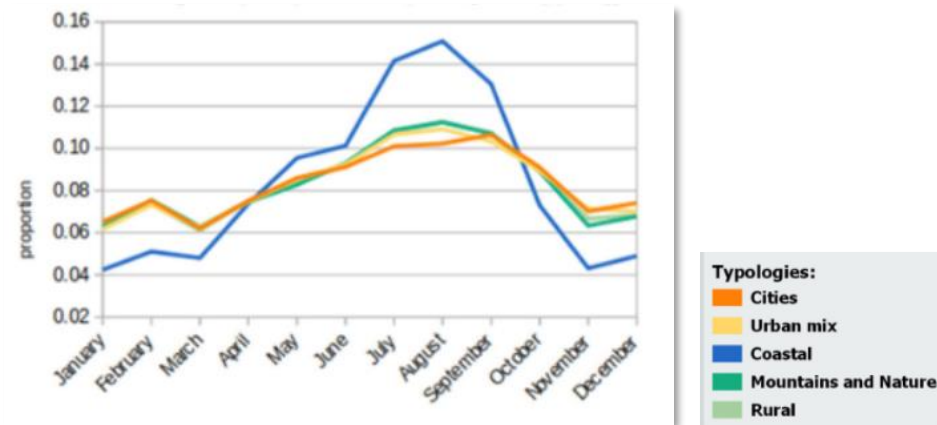
Figure 16 – RRC-PR mix nights-spent in Portugal, 2018



Source: Author's elaboration, with data retrieved from <https://doi.org/10.1016/j.annals.2020.103077> on December 26, 2020

Regarding seasonality, the coastal typology is the most seasonal of all, showing a very evident maximum of affluence in the summer months. All the remainder typologies show a more flattened seasonal profile, although the summer months remain the most popular for tourism across all typologies (figure 17). Even though cities show the lowest seasonality, the RRC-PR mix appears with a very similar profile compared to cities, with just a slight high in summer, however presenting a very robust coherence between all the three typologies of the RRC-PR mix, sharing approximately the same profile over the months.

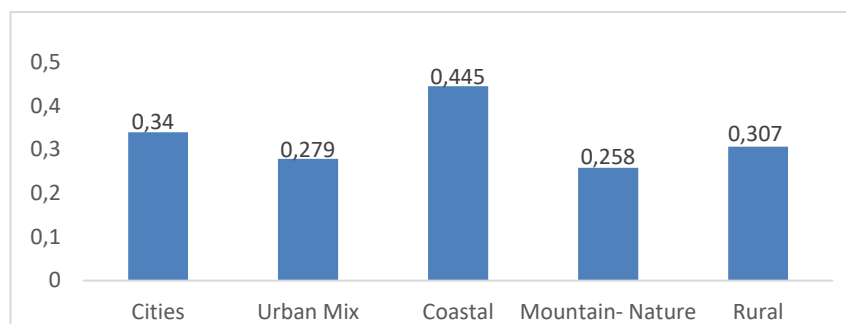
Figure 17 – Share of nights-spent per month per regional typology, in the EU, 2018



Source: Batista e Silva, et all (2020)⁶⁶

As for the share of foreign tourists, coastal regions score the highest average value, around 45%. On the other hand, the urban mix and the mountains and nature regions are, on average, characterized by much higher shares of domestic tourists (figure 18)

Figure 18 – Share of foreign tourists per regional typology, in the EU, 2018



Source: Batista e Silva, et all (2020)⁶⁷

For Portugal, this project aims to take advantage of the growth potential of nights-spent in the RRC-mix, resulting from the divergence for the EU average, sustained by the low seasonality and the high shares of domestic market, and its potential growth. The coronavirus (COVID-19^R) pandemic continues to hit hard, with international tourism decreasing by around 80% in 2020, however, domestic tourism is helping to soften the blow (OECD, 2020)⁶⁸, which is in favor of the development of strategies that drive people from their work environments, offer them different, healthy, safe and sustainable activities, and which do not imply long and risky journeys, that is, consistent with the objectives and aspirations of this project. On the other hand, due to the current health crisis, many passionate travellers consider staying at home next year. Others explore different options than usually and plan specific kinds of holiday that they have never tried before.

Studies show that people plan to travel once it is safe and with as few restrictions as possible^S, and according to Tourism Review, the top 10 tourism trends expected in 2021 are: i) urban tourism – the quick getaways, ii) rural and nature tourism – a breath of fresh air, iii) domestic tourism – passion

^R A.N. COVID-19 is the name, attributed by the World Health Organization, to the disease caused by the new Coronavirus SARS-COV-2, which can cause severe respiratory infection such as pneumonia. Retrieved from <https://www.sns24.gov.pt/tema/doencas-infecciosas/covid-19/#sec-0> on the 09th January 2021

^S Tourism Review News (2020). “TOP 10 Tourism Trends in 2021”. Retrieved from <https://www.tourism-review.com/next-years-tourism-trends-news11768> on January 10,2021.

for short trips, iv) business and MICE^T tourism – business must go on, v) medical and wellness tourism – a healthy alternative, vi) sports tourism – excitement and adrenaline, vii) cultural tourism – experience above all, viii) food tourism – smell and flavour, ix) family tourism – an old school trend and x) educational tourism – look and learn^U.

If we take out of the equation urban tourism and business and MICE tourism, all the remaining eight trends are part of this project, being the structural basis of the strategy that is intended to be explored. Each of the identified trends are included in market segments consistent with this project strategy:

Rural and nature, or community-based tourism by experiencing local culture, sharing lifestyles and enjoy life in the nature and within local communities, is the backbone of this project and the aim of this business model to be implemented in each RRC.

Domestic tourism, or national travel, concerns the knowledge of the places and communities that are close to us and which, within a short travel, we can enjoy. This trend boosts the will of making several trips during the year and a regular presence in the places, thus being able to integrate the community, participate in local activities and take care of their own crops.

Medical and wellness tourism has become increasingly popular as the concept of mindfulness^V spreads and as society becomes aware of the importance of preserving health, therefore the attention paid to thermal tourism, as well as to provide SPA offer within the RRC range of partnerships, goes in the same direction as the identified trend

Sports tourism, is not only about sporting events and dedicated to athletes and fans, but also to people that just like to practice sport activities. Despite taking into account the various sports competitions taking place in the region, this project pays special attention to the active tourism

Cultural tourism is aligned with the aim of this project as it promotes the development of local identity, therefore local activities and celebrations together with the built and landscape heritage, visits and community engagement will attract visitors looking for a more intimate understanding of local culture

^T **A.N.** MICE: Meetings, Incentives, Conferences and Exhibitions

^U Tourism Review News (2020). “TOP 10 Tourism Trends in 2021”. Retrieved from <https://www.tourism-review.com/next-years-tourism-trends-news11768> on January 10,2021.

^V **A.N.** See **SUPPLEMENTARY NOTE No. 3** for mindfulness definition

Food tourism is also strongly aligned with the strategy of this project, as it is central to foster community engagement with regard to culinary activities, by tasting local dishes and drinks in local restaurants and bars, as well as all agricultural activities that allow to produce and prepare ingredients to include in the meals. Local gastronomy, and the experience to produce, prepare and taste it integrated in local community, is one of the key elements of this project and a strong contribution for the sense of belonging we aim to provide.

Family tourism fits perfectly in the concept of this project, as special attention is paid to the various ages of guests on the same family, with regard to the correct adequacy of the activities to the preferences and expectations of the whole family. If stays at RRC are expected to be moments of salutary family life, and sharing of activities, it is also certain that the preferences of the different ages must also be understood. One of the project main goals is to be able to motivate all the members of the family, so that everyone is always eager to return to 'their' RRC

Educational tourism in the case of this project, involves several types of learning, such as agricultural activities, culture and local activities, various courses ranging from wines to honey production, vegetables production, olive oil, gastronomy and local dishes, among others. These learning activities could be included in regular programs according to stays. They will be complementary to all other activities within the RRC and another reason to create a schedule of visits throughout the year.

Even the trends for which we considered the project to be little appropriate, can have some framework and possibility. Urban tourism, can be framed in the offer of visits to nearby cities, with programs of guided tours, experiences and various activities. Business and MICE tourism, may be framed in particular with regard to incentive programs and corporate events, in particular when these events, developed in a global way, integrate sports activities of nature or activities in a natural environment. Therefore, even if the project is not totally appropriate, we can consider that even for these trends, this concept may have some attractive offer.

Considering the above-mentioned trends, in table 2 we resume how adequate the project strategy and aim is to fully seize these opportunities (adequacy levels: +++ high, ++moderate, +low). 0 no adequate).

There's evidence that this project's strategy is highly adequate to take advantage of the identified trends, as it is low adequate only to two trends and we cannot say it is inadequate to any of them. We therefore conclude that, on base of the above, that this project is consistent with the trends

of the market, thus we are confident to argue that it is properly planned to take advantage of the predicted opportunities and has a robust base for sustainable growth and success.

Table 2 – Adequacy levels to the predicted tourist trends

Urban tourism	+
Rural and nature tourism	+++
Domestic tourism	+++
Business and MICE tourism	+
Medical and wellness tourism	++
Sports tourism	++
Cultural tourism	++
Food tourism	+++
Family tourism	+++
Educational tourism	+++

Source: author's elaboration

7 - COMPETITION ANALYSIS

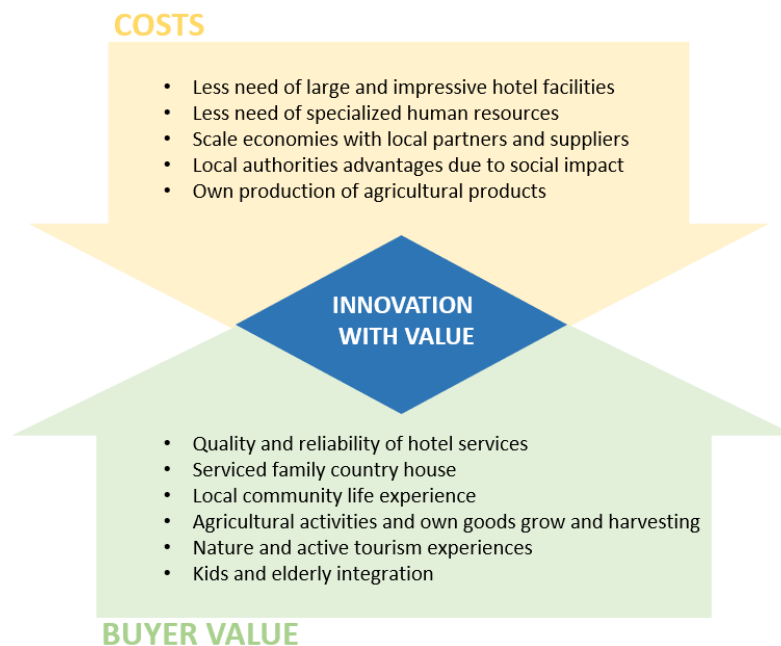
As said before, this project offer includes i) a Rural Hotel, that will work as CHU but also as regular hotel, ii) recovered houses that could be offered as country houses, village tourism or agrotourism, and iii) all together integrated as a Rural Resort Cell. The business of the rural hotel, although important for the financial balance of the RRC, is not, however, the central objective of this project, and is therefore seen as a complement, not part of the main object of this analysis. Thus, we will consider the touristic offer of RRH integrated in the RRC, on the concept of local community engagement of guests and with services previously defined, as the product that will be presented to the market.

Despite the importance of perceiving and overcoming competition, companies need to go beyond that, so the only way to beat competition is to stop trying to beat competition (KIM, MAUBORGNE, 2005)⁶⁹. In the case of this project, it is intended to introduce innovation in the market, through the offer of a non-existent product, differentiated from the rest, and without a substitute. However, innovation by itself is not enough to ensure success, it must be ensured that it is innovation with value. According to Kim&Mauborgne (2004) innovation with value is created when

a company's strategy favorably affects both its cost structure and its value proposition to buyers, rejecting the conventional tenet of conventional strategy that companies need to choose between differentiation and low cost. Kim&Mauborgne (2004) argue therefore that successful companies pursue differentiation and low cost simultaneously (KIM, MAUBORGNE, 2004)⁷⁰. Following this strategy, we consider that this project creates value for costumers in the same time that it drives down costs, as expressed in the following figure 19, thus we conclude that it represents innovation with value.

This is, however, an untapped and unknown market space where, on one hand, demand can be created and where there are opportunities with high profitability and growth potential, but on the other hand there is a widespread conviction that the chance of success is lower when companies venture beyond the existing sectoral space (KIM, MAUBORGNE, 2005)⁷¹. Therefore, understanding the players already in the market, is of great importance for this project, either by their experience in specific sectors of our integrated offer, or in order to properly perceive all unexplored spaces that can be valued by customers.

Figure 19 – Innovation with value



Source: elaborated by the author, based on Kim&Mauborgne (2004)⁷²

In order to understand competition, we will frame and identify players, as well as compare respective value offers. The framework of rural tourism embraces any forms of tourism that showcases the rural life, art, culture, and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals for a more enriching touristic experience. Therefore, a variety of terms are employed to describe tourism activity in rural areas: agritourism, farm tourism, rural tourism, soft tourism, alternative tourism, eco-tourism, and several others, which have a different meaning from one country to another, and indeed from one country to another⁷³. Consequently, there are various types and forms of rural tourism, like agritourism, farm tourism, wilderness and forest tourism green tourism, ecotourism, amongst others, with correspondent variety of rural accommodation types, that also may vary in name, form and typology from one country to other. Therefore, there is no cross-sectional international classification, thus, for the purpose of this project, we will base the study on the typology defined by Turismo de Portugal⁷⁴. This classification defines the various categories for tourism enterprises and, with regard to tourism in rural areas category, it is divided in three sub categories: country houses, agrotourism and rural hotels. Several country houses together in the same village, could be named village tourism^W. On the other hand, the home-stay tourism category can also be included in this project, once country houses could be fully or partially rented, which foster two different experiences, living in a country house or sharing the country house with the family that resides there. Additionally, although campsites category has no framework in this study, the glamping, as a sophisticated dimension of camping, is a category that is important to consider and explore in this project. Finally, with regard to the category resorts, when assumed as self-contained establishment, providing for most of a vacationer's needs while remaining on the premises, like lodging, food, drink, sports, entertainment, among others^X, they are a typology usual in coastal and beach tourism, so, in Portuguese rural areas, although some hotels and accommodation enterprises are used to call themselves rural resorts, in reality their conditions and range of services does not fit in, and on the other hand, they could be framed in other types of classification, so for the purpose of this project, it is concluded that there is no rural resort category in rural areas.

^W DGADR – Direcção Geral de Agricultura e Desenvolvimento Rural. “Características do Turismo no Espaço Rural”. Retrieved from <https://www.dgadr.gov.pt/diversificacao/turismo-rural/caracteristicas-do-turismo-no-espaco-rural#Definicoes> on December 29, 2020

^X X OTELS. “Resort Hotel”. Retrieved from <https://www.xotels.com/en/glossary/resort-hotel/> on December 29, 2020

We will therefore consider that the hotel and accommodation offer in rural areas is divided in i) rural hotels, ii) guest house or home-stay tourism, iii) agrotourism, iv) country house or village tourism and v) glamping, wherefore, these are identified as the competition of this project, and can be characterized as follows:

Rural hotel, basically can be defined as a hotel located outside of a town or city, where tourists visiting can actively participate in a rural lifestyle^Y In Portugal they are classified by Turismo de Portugal, taking into account the quality of the service and facilities, and the rating can be from 1 to 5 stars.

Guest house, or **home-stay's**, are essentially family houses that welcomes guests. A home stay, could be a country house, but where guests live and immerse themselves with a family in their home, with the intention to facilitate a deep cultural tourism experience (STAINTON, 2020)⁷⁵.

Country house is typically a house in a country-side location, and that integrates, by its design, building materials and other characteristics following the typical local architecture^Z. They can be fully rented and provide tourists with the opportunity of a 'home from home' experience. Guests can usually cook, do laundry and watch TV as they would in their own home. Because of their unique character, culture and heritage, cottages make for popular holiday homes (STAINTON, 2020)⁷⁶. Village tourism is when several country houses are located in same village.

Agrotourism, links agricultural production with tourism in order to attract visitors onto a farm, or other agricultural business, with the purposes of entertaining or educating them^{AA}, encouraging visitors to experience agricultural life at first hand, offering the opportunity to work in the fields alongside real farmers^{BB}

Glamping, is a type of accommodation in which you can camp with glamour, combining the amenities and elegance of a good hotel with the pleasures of simple conviviality with nature. The word glamping is the mixture of the words "*glamorous*" and "*camping*", which is nothing more than luxury camping, a service that resembles to camp, but with more comfort and infrastructure. The

^Y X OTELS. "Rural Hotel". Retrieved from <https://www.xotels.com/en/glossary/rural-hotel/> on December 29, 2020

^Z DGADR – Direcção Geral de Agricultura e Desenvolvimento Rural. "Characteristics of Tourism in Rural Areas." Retrieved from <https://www.dgadr.gov.pt/diversificacao/turismo-rural/caracteristicas-do-turismo-no-espaco-rural#Definicoes> on December 29, 2020

^{AA} NALC – National Agricultural Law Centre. "Agrotourism defined". Retrieved from <https://nationalaglawcenter.org/overview/agritourism/> on January 3, 2021

^{BB} ECOTOUR. "Agrotourism definition". Retrieved from <http://www.ecotourdirectory.com/agrotourism.html> on January 13, 2021

spaces offered are usually in the midst of nature and can have different shapes: huts, tents, tree houses, trailers among others, and are housed within properties where there is a team to serve and secure them. It is a growing trend, therefore, a type of offer to be taken into account in rural areas.^{CC}

Figure 20 - Glamping



Source: retrieved from <https://quantocustaviajar.com/blog/o-que-e-glamping/> on the 28/12/20

The previously mentioned points can be defined as the types of business and offer that is presented to the market where this project is a part, and which are thus, presently, the competitive activities to be taken into account.

Kim and Mauborgne (2005) argue that there are four questions that challenge the strategic logic and business model, in this case, of rural tourism: i) which factors are assumed to be normal, and should be eliminated, ii) which factors should be reduced to levels far below current standards, iii) which factors should be high to levels far above current standards and iv) which factors have never been offered and should be created. The answer to these four questions can be found in table 3. Furthermore, the answers provided to questions i) and ii) can explain how this project reduces the cost structure in the face of eventual competition, as for the answers to questions iii) and iv) they provide an understanding on how it increases value for customers and creates a new demand.

^{CC} QUANTO CUSTA VIAJAR. “Voce sabe o que é Glamping?” Retrieved from <https://quantocustaviajar.com/blog/o-que-e-glamping/> on January 4, 2021

Table 3 – Structure of the four fields of action

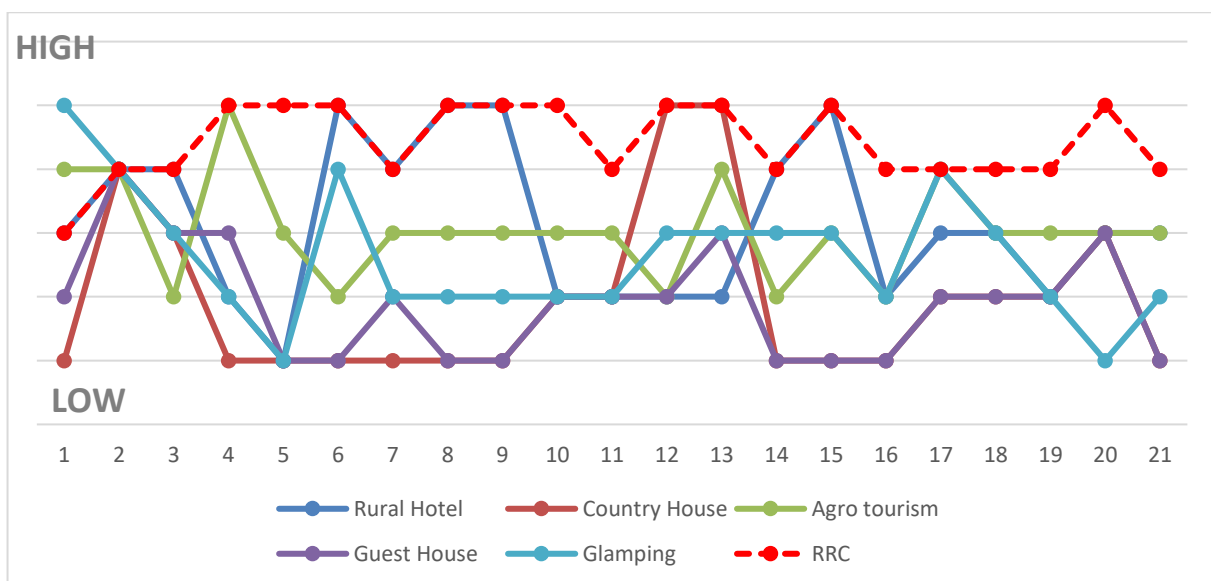
<p style="text-align: center;">ELIMINATE</p> <p>The perception that rural tourism = rustic tourism = lack of services</p> <p>Short and occasional stays, away from the local community</p> <p>The perception that agricultural activity = continuous time consuming</p> <p>Stunning hotel facilities</p>	<p style="text-align: center;">ELEVATE</p> <p>The routine of short-breaking in the country often throughout the year</p> <p>The enjoyment of use own built heritage, rebuilt it and profit from it</p> <p>The bond with land, nature, sustainability and community lifestyle</p>
<p style="text-align: center;">REDUCE</p> <p>The uncertainty on rural hotels and restaurants quality and services</p> <p>The perception that rural tourism = nature and active tourism only</p> <p>The financial and emotional burden of built heritage decay on owners</p> <p>The risk of wildfires and its destruction and fear guests</p>	<p style="text-align: center;">CREATE</p> <p>The chance to have a serviced family house, or second house in the country</p> <p>The practice of grow and harvest own agricultural products</p> <p>The possibility to invest in rural location, have the use and return</p> <p>The feeling of belonging to the rural community and take part on it</p>

Source: elaborated by the author, based on KIM and MAUBORGNE. Blue Ocean Strategy (2005)⁷⁷

Figure 21 ^{DD} illustrates how the four fields of action mentioned before translate into a value curve of the RRC model that stands out from competition. The graphical representation of the value analysis of the various attributes demonstrates that RRC value curve is always at the highest values in all attributes, and despite competing in equality with other competitors in some, it differs by the constancy of high value in several of them. On the other hand, it highlights the creation of attributes that do not exist in the competitors, as well as the valorization of an extended set of attributes in view of the specific valuation of a specific attribute in some of the competing typologies.

^{DD} A.N. See **SUPPLEMENTARY NOTE No. 4** for elaboration details

Figure 21 – RRC Strategic Framework



Source: elaborated by the author, based on KIM and MAUBORGNE. (2005)⁷⁸

The same authors Kim and Mauborgne (2005) argue that, when expressed in a value curve, an effective strategy presents three complementary qualities, it is focused, divergent and has a direct and appealing slogan. RRC’s strategy is focused on wide and qualified service, namely agricultural and country experience and community engagement. It is divergent as it distances itself from the competition by the integration of all value attributes, at a high level, as well as by the creation of demand and innovation. Finally, this strategy results in a direct, almost obvious, clear and appealing slogan: "your country home with all your needs included". It is concluded that the strategy of this project is effective, clear, differentiated and easy to communicate. On the other hand, although competition could not be considered irrelevant, we risk saying that it will be a minor issue.

Nevertheless, it makes sense to examine RRC’s model under another methodology, to properly evaluate the intensity of the forces in the environment where the company is part, thus, as proposed by Michael Porter (PORTER, 1998)⁷⁹, the analysis of the five basic competitive forces – threat of new entrants, bargaining power of buyers, rivalry between existing competitors, threat of substitute products and bargaining power of suppliers - is a method of knowing the company's positioning in the face of its customers, competitors and suppliers, that determine the profitability of the RRC model (FERREIRA & all, 2010)⁸⁰.

Threat of new entrants is considered very low, since we are facing a new market space, there is still no experience in the reality of this business model with regard to profits, thus, the attractiveness

is still very little. On the other hand, there are many barriers to entry, since it is a very differentiated product, with a lot of potential for savings of scale and where, once achieved the customers loyalty, there will be high switching costs.

Bargaining power of buyers, is considered very low since the differentiation and diversity of RRC's offer, makes the probability of existence of substitute products quite low, so standardization will be difficult and the switching costs will be quite high. On the other hand, given the nature of the business model, the high concentration of purchases in a customer is quite unlikely, on the contrary, sales are expected to spread by a wide range of customers.

Rivalry between existing competitors, however possible to exist, it is considered to have a low significancy, since the eventual competitors will be in a small number, and will not be in a position to offer the RRC's product and service. Given its great differentiation, and high switching costs, the rivalry with the RRC model is expected to be weak, on the contrary, it is expected to build space for agreements with competitors, in order to create joint offerings, promote growth and diversification of the market, improve economies of scale and increase profitability.

Threat of substitute products, is considered low, since the high differentiation and the diversity of the integrated offer, makes very difficult to offer full substitute products. It could happen that some competitor's reaction would be to offer some of the services or advantages that we associate with the RRC model, however, it will always be difficult to present the integrated offer and involvement with the community, associating a quality assurance seal we offer on RRC model, thus, it will not be a real and full substitute product.

The Bargaining power of suppliers is considered significant, and with possibility to have a high impact, since, with regard to local activities, these are unique activities, totally differentiated, therefore, without substitute products. Thus, it translates into a high cost of supplier change. In order to reduce the negotiating power of suppliers, vertical upstream integration will be enhanced, either directly or by capital integration, as well as, given the local dimension of these suppliers, the volume of purchases will be significant, and RRC is potentially a customer of great concentration in that supplier, thus reducing its trading power. On the other hand, if we consider the owners of HRRs as suppliers, there is an effective negotiation capacity, particularly in HRRs that, either by their typology or by their uniqueness, are considered strategic for the RRC.

Finally, the analysis should examine the position on the barriers to entry and exit (FERREIRA & all, 2010)⁸¹. In the case of this project, we consider that the barriers to entry are high, so the business

model is protected in relation to the entry of new competitors, however, the barriers to exit are also high, since, in case the attractiveness drops, it will be difficult to redirect the business in another direction. Thus, we are faced with a highly profitable business model but with a significant level of risk.

It is therefore consistent to conclude that the RRC business model is well designed in order to avoid the impact of the five forces. As long as caution is taken in relation to the need of control to the bargaining power of suppliers, and to the level of risk from the high barriers to exit, we consider that it is well positioned to be a profitable and successful model.

Finally, it is helpful to synthesize the information obtained using a SWOT analysis (table 4).

Table 4 – SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> . Possibility of having a second home, in the country, within a local community . Hotel services and quality guarantee . Possibility to develop agricultural activities and crops . Local community engagement 	<ul style="list-style-type: none"> . Dependency of local suppliers on site-specific activities . Difficulty in converting the business into another
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> . Built heritage availability and owners anxious to get their properties recovered and profitable . Growing attention of policy-makers to the rural society . Digital transformation of rural areas 	<ul style="list-style-type: none"> . Risk of changes in the life of the community, and local's reaction . Reaction of competitors

Source: author elaboration

8 – SALES AND MARKETING

8.1 - SEGMENTATION

Several authors suggest that the rural tourist market tends to be composed mainly of i) tourists pertaining to the medium-high class, with relatively high levels of education, including all age groups, generally national tourists travelling by car frequently travelling with family, particularly with children with a particular opportunity identified for the short-break market. However, some rural

tourism destinations are identified as attractive for ii) an important number of foreign tourists for holiday purposes, but also for working in agricultural activities while travelling (EUSEBIO & all, 2017)⁸².

Even agreeing with these two identified segments, within the concept of this project we aim to widespread them, by including in the first segment i) the ones that enjoy agricultural activities, like people who enjoy growing their own products and use them in their food, and did not have that possibility because they live in the city; normally these are people that gives value to the access to natural products and concerned about the sustainability of their production as well as concepts of biological production and seasonality. Also, for the other identified segment ii) we aim to include foreigners interested in knowing the local culture, through the involvement in activities with the community.

Although we consider these two market segments as the most important for the concept of this project, two additional segments have been identified: iii) pensioners, pertaining to the medium-high class, with medium to high levels of education, both national and foreigners, in a system of second dwelling and iv) young couples, with a high level of education, with occupations that can be exercised in mobility, both national and foreigners, sensible to eco and community friendly lifestyle, and on a second housing regime. Both segments represent an additional opportunity, since they may be associated with a business model different from the previous segments, not just accommodation and stay, but promoting investment in homes, own or acquired, integrating them in the RRC as support for recovery and profitability in the absence periods, as well as to enjoy the services and activities, thus integrating themselves in the local community. Special importance will be given to the services and activities most attractive and valued by these segments, namely and for example, in the case of segment of iii) pensioners, health services and care, easy access to a hospital and leisure occupation activities, as well as support services for the ‘grandparents and grandchildren program’ and in the case of iv) young couples, availability of high-speed internet access and complementary activities for children, such as study centers and extracurricular activities like sports, music, arts among others.

8.2 - STRATEGIC POSITIONING

According to Ballesteros & Hernandez tourists seek rural destinations that offer life experiences, and this entails socializing with the local population; also, that they therefore seek

products that enable them to participate in traditional activities and learn about local history and culture, as well as that this type of experiential tourism is even more satisfying if the surrounding environment preserves its authenticity (BALLESTEROS, HERNANDEZ, 2016)⁸³. Consequently, meeting the need for short breaks many times during the year, preserving local architecture and culture and enhancing communication and forming harmonious relationships between the rural world and the tourism product are very positive outcomes (APOSTOLOPOULOS & all, 2020)⁸⁴. Therefore, consistent with these arguments, this project argues that by creating the relationship with local community and sense of belonging to it, together with the chance to have a serviced family house in the countryside, the bond to the region, to the property and to the community will be raised, and will constitute a differentiated offer from the existing in the market.

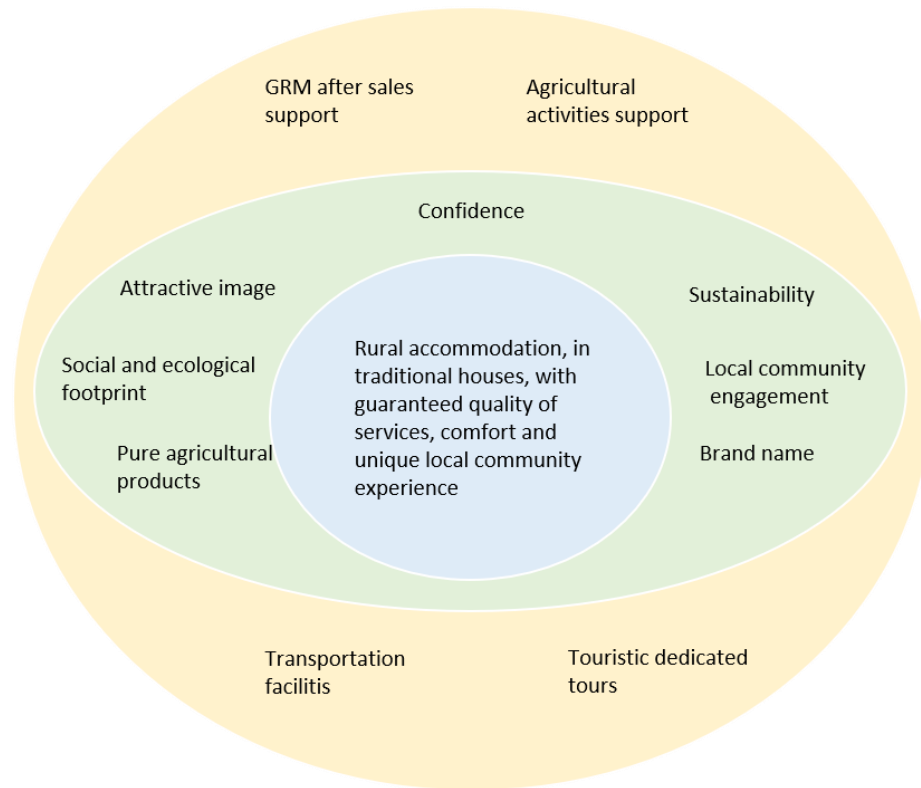
This differentiation will be even more notorious as the project aims to make a contribution to eliminate the perception that rural tourism means rusticity and lack of services as well as the idea that anyone that wants to enjoy some agricultural activity, by growing and harvesting their own products, is forced to be tied to a permanent labor and tight schedules. Consequently, this project argues that these arguments are consistent with the expectations of the segments identified before thus, matched to attract guests to the concept.

8.3 - PRODUCT

As previously mentioned, the main characteristic of our product is rural accommodation, in traditional houses, with guaranteed quality of services, comfort and unique local community experience. However, to properly define it, we need to include other emotional attributes like brand name, attractive image, the confidence on promised quality, the sustainability principals, the social and ecological footprint, as well as the agricultural products costumers will harvest amongst others. Therefore, this product is more than its main characteristics, and also includes the after sales support by the GRM, the support on agricultural activities from local producers, the transfer and other transport facilities, the touristic dedicated tours, amongst others

This product offers high quality tourism standards in rural areas, taking advantage of the local heritage, diversity and culture, as well as, promoting the engagement between guest's and local community social and agricultural activities, therefore, the RRC product is synthetized on figure 22.

Figure 22 – RRC product elements



Source: adapted by the author from FERREIRA et al (2010)⁸⁵

8.4 - PRICE

The price has in itself a quality assessment and an evaluation of the monetary sacrifice, which forms the perceived value of purchase and influences the willingness to buy (FERREIRA & ALL, 2009)⁸⁶, so even knowing that the price has to take into account that there should be profit, and for this, sales have to be sufficient to cover all costs and also generate a surplus (FERREIRA & ALL, 2010)⁸⁷, a pricing cannot be done solely on the basis of the costs. On the other hand, the tendency to standardize products and services should be avoided, due to the consequent intensification of price wars and a reduction in profit margins (KIM, MAUBORGNE, 2005)⁸⁸.

This project benefits from its differentiation and the difficulty in finding substitute products, so the comparison will be difficult. The integration of services and activities, the high level of quality and local involvement, brand weight and sustainability, make the product exclusive and without comparison in the market, as well as make it difficult to appear substitute products. On the other hand, it will be easy for a customer to obtain a perceived benefit, which can go besides leisure, considering the agricultural products, their crops, and social activities. It should also be taken into account that

the investment to be made, will also be compensated for access to natural, healthy and sustainable products. The sensitivity to price will therefore be naturally significant, but greatly attenuated by perceived quality, and the exclusivity of experiences and products.

The price strategy should be of penetration, that is, despite high price to practice prices not very high, so that the RRC concept penetrates the market quickly and deeply, and thus achieve profitability through the volume of sales and the reduction of costs resulting from the respective economy of scale. On the other hand, the lower margins discourage possible ideas for direct competition.

It is understood that in the case of this project, by the innovation that the product presents, has no market experience, thus, cannot observe direct competitors' prices, however, the identified activities that may compete with RRC, even only partially, are the only reference for the determination of the price policy of the project, and for the price perception for the costumers. Consequently, it is important to establish as a price reference in this case, not the country house or the guest house, which are in the essence comparable with the RRH that the RRC provides, but rather the rural hotels, by the level of services and quality offered, and because they are the only ones that have a quality rating, the number of stars. We consider that, whether glamping, or agrotourism, are very specific experiences, which therefore depart from the comprehensive objective of RRC, and therefore are not significant as a price reference.

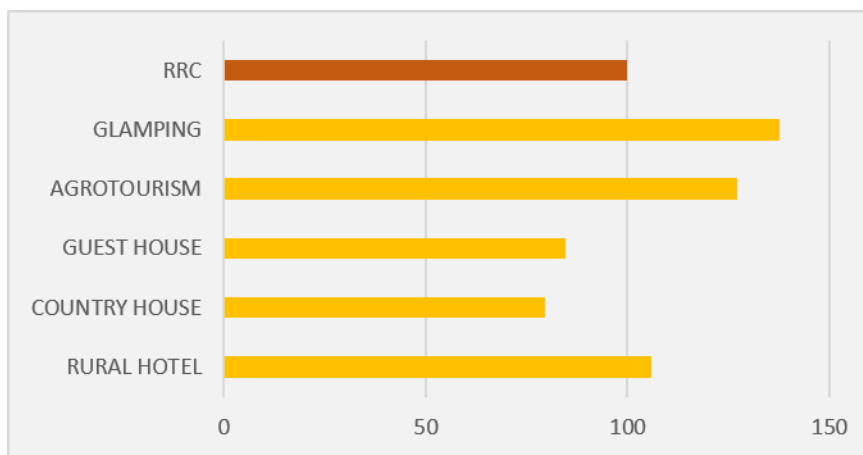
In order to establish a relationship between the various prices charged by identified competitors, a room night price survey was carried out in several establishments, and the resulting relationship is shown in Figure 23, which also situates the RRC price level, that should be close to the price average of rural hotels, albeit slightly below, in order to enhance the market and create some difference in relation to CHU prices.

The task of defining the price that have an independent analysis for each RRC, taking into account its framework. In any case, the method for pricing should be similar, and the relationship between prices should be preserved. On the other hand, room night prices are not the only prices to have in consideration, as several products and services will be made available for guests, at respective prices.

Thus, the general pricing policy should take into account the prices charged by competitors, based on the calculation of the services and products they offer, even in an isolated way. For the determination of this calculation basis, the relationships obtained in the previous research and

presented in table 5 will be applied. However, the Direction of each RRC should analyze and adjust each price taking into account the respective framework.

Figure 23 – Relationship between prices



Source: author's elaboration, with information retrieved from www.booking.com, on the 4 January 2021^{EE}

Table 5 – Base price calculation

	Relation with RH price	RRC price
Rural Hotel (RH)	1	1 x HR
Country House (CH)	0,75 x HR	CH / 0,75
Guest House (GH)	0,80 x HR	GH / 0,8
Agrotourism (AT)	1,2 x HR	AT / 1,2
Glamping (GP)	1,3 x HR	GP / 1,3

Source: elaborated by the author, with information retrieved from www.booking.com, on the 4 January 2021^{FF}

A price discrimination strategy will also be practiced, in which different prices will be charged according to different situations. These situations are directly related to the RRC framework, and under decision of the respective management, however, there are in advance some situations that justify special prices:

Frequency of stays: the more stays throughout the year, the lower the price level

^{EE} A.N. See SUPPLEMENTARY NOTE No. 5 for details

^{FF} A.N. See SUPPLEMENTARY NOTE No. 5 for details

Large families: families of more than five people are considered for this purpose, and benefit from special prices

RRH owners: in case of stays longer than their period reserved for use, will benefit from more advantageous prices

Loyalty program members: the loyalty program will establish levels of benefits depending on stays, purchases and community engagement; these levels will give access to several advantages, particularly lower prices.

'Involve a friend' program: a new customer who has been recommended by a customer who belongs to the loyalty program will generate price advantages for both

Protocols with schools and associations: benefit protocols will be established with schools, associations and other entities

'Program grandparents and grandchildren': grandparents staying with their grandchildren, will have special prices according to age

8.5 - PLACEMENT

The way we bring the RRC product to potential customers will have a direct circuit component and an indirect circuit component. In the first phase of the RRC, it will depend mostly on the indirect circuit, but gradually there will be a migration to the direct circuit, in other words, it is assumed that the indirect circuit will serve essentially in the stage of attracting new customers, and the direct circuit in the retention of the customers already raised. There will be an interest in enhancing the direct circuit, either by profitability resulting from the elimination of intermediaries, or by greater control of the image and positioning towards potential customers.

DIRECT CIRCUIT

Website with on-line booking system: a modern web site will be developed, with an appealing and multi-platform including user friendly and intuitive reservation system

APP: the same content of the web site will be developed for operation in application, especially to be used in mobile devices

Active presence on social networks: an active presence on social networks will serve not only for promotion, but also as a reservation's raiser, through the direct links to the booking site

Creation of online chat systems: whether the web site or the app will provide links to direct chats through the most common platforms

Account management in search engines: the management of a Google Ads account will be carried out, not only in the sense of promotion but also creating direct links to the booking site

Local platforms: content will be developed for platforms linked to municipalities and local tourism that provide direct links to booking system of establishments in the region

INDIRECT CIRCUIT

Contract with booking management platforms: they will be the main partners for the first phase of RRC's, in the process of attracting customers. A set of platforms will be selected and the presentation design, photographic material and its economic proposal will be properly studied.

Among the many existing booking platforms, two main types will be selected, the generalist platforms, which offer all types of accommodation, in all types of location, and the platforms dedicated, in this case, to tourism offers in rural areas and in special and unique properties.

According to the reality of each RRC it may make sense to aggregate or remove some, but at the time we select the ones that offer the largest range, which we consider to have the best positioning and that offer a more complete and user-friendly booking process experience - table 6.

Table 6 – Generalist and dedicated platforms

GENERALIST PLATFORMS	
BOOKING	www.booking.com
DESTINIA	www.destinia.com
AIRBNB	www.airbnb.com
FIND HOTEL	www.findhotel.net
DEDICATED PLATFORMS	
WONDERFULLAND	www.wonderful.land
ESCAPADA RURAL	www.escapadarural.pt
HOTEIS RURAIS DE PORTUGAL	www.hoteisruraisdeportugal.com
COUNTRY HOTELS	www.countryhotels.pt
SECRET PLACES	www.secretplaces.pt

Source: Author elaboration, based in own knowledge

Special attention will be paid to evaluation, comparison and travel sites, either by direct targeting to bookings they offer, or for information management, comments, complaints and evaluations. Among others, it should be noted the following table 7:

Table 7 – Evaluation, comparison and travel sites

TRIP ADVISOR	www.airbnb.com
TRIVAGO	www.trivago.com
LONELY PLANET	www.lonelyplanet.com
VIA MICHELIN	www.viamichelin.pt

Source: Author elaboration, based in own knowledge

8.6 - COMMUNICATION

In this project, we understand communication as a whole, that is present at all times, from the attitude and image of the employees to the eventual dissemination and promotion actions. We therefore understand the communication strategy of this project as a key point for its success, either with the clients or with the owners, whose interest in transferring their properties to the RRC is fundamental. The RRC communication strategy will, therefore, be based on three main vectors: i) corporative image, ii) advertisement and promotion and iii) after sales and loyalty programs

CORPORATIVE IMAGE

The creation of a strong, trustworthy and reliable brand, is mandatory as these attributes will become transversal to all RRCs. The company name, logo, web design and graphics shape the corporative image and are part of the brand, which must be easy to read, recognize and remind, easy to pronounce in various languages, suggests or identifies with the benefits of the product, meets the requirements of use and distribution, and is legally available (FERREIRA & all)⁸⁹.

For the BRANDING DEVELOPMENTS, several attributes were added to the brainstorming: i) targets (trustworthy, reliability, excellence, ii) need (nature related, glamour, simple forms, chromatic simplicity, refinement), iii) approach to naming (nature, forest, sustainability, global community), iv) approach to logo forms (organic, nature, woods, water, simple) and v) approach to colours (disruptive, no-nature, modern, refined). Consequently, branding for the project is as follows.

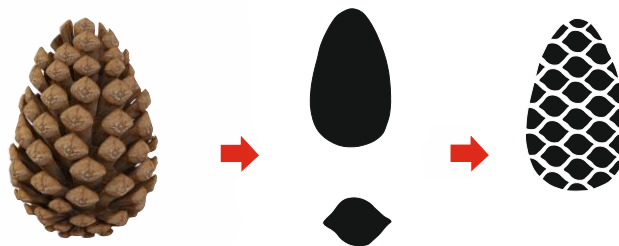
For NAMING was selected: ARBARO – RURAL RESORTS

ARBARO means forest in Esperanto language^{GG} - Forest (nature, environment, sustainability, life, community) and Esperanto (common language, global community, inclusion) - Since ARBARO is a generalist word which, by itself, does not identify the product that is intended to communicate, the naming of the brand will be complemented with RURAL RESORTS, especially in the plural, in order to leave the perception of aggregate and dimension.

For LOGO FORMS, a pine cone shape was selected, due to the obvious relation to the forest and to the organic form, that enable various and creative approaches, as well as easy identification.

For the LETTERING, the selected letter font is Century, due to the organic and modern calligraphy. Thus, figure 24 presents the logo evolution and figure 25 presents the final logo

Figure 24 – Logo evolution process



Source: author's creation and elaboration

Figure 25 – Final logo



Source: author's creation and elaboration

^{GG} **A.N.** Esperanto is a language created to facilitate communication between people around the world. It is an international and neutral language, it does not belong to a particular people or country, but to all the people of the whole world. It is therefore not a vehicle for any trend of cultural hegemony, but a way of bridging the gap between cultures. Retrieved from http://esperanto.net/info/baza_pt.html, on December 28, 2020

For the COLORS of brand identity, several drives were taken in account: i) brown and green are colors naturally associated with nature, countryside and rural environment, which is why they cannot be chosen, ii) the intention to introduce disruption is intended to be by itself a differentiating element, creating the rupture with competition, introducing glamour, elegance and refinement where usually only the basic, elementary and rustic is, iii) the selected colors are, according to the cmyk^{HH} color system, roasted yellow C0M40Y80K0 and magenta C2M100Y55K10 and iv) the final colored, as well as black and white are presented in figure 26

Figure 26 – Final coloured logo



Source: author's creation and elaboration

^{HH}CMYK is the main color system used by the printing industries for printed material. Is an abbreviation of the system formed by the colors cyan, magenta, yellow and black, and reference is built on the percentage of each of the referred colors.

Folowing, figure 27, figure 28, figure 29, figure 30, and figure 31 present several examples of use of ARBARO branding in daily activities.

Figure 27 – Staff t-shirts



Source: author's elaboration

Figure 28 –Uniforms



Source: author's elaboration

Figure 29 – Deliveries



Source: author's elaboration

Figure 30 – Identification plates



Source: author's elaboration

Figure 31 – Vehicles identification



Source: author's elaboration

ADVERTISEMENT

It will be of great importance to the promotion of the RRC product, in order to make it known, and position it properly with potential customers, but it is also necessary to ensure proper communication with owners so that they are interested in converting their property into RRH. Although specific actions could possibly be created for each of the situations, it must be taken into account that, in most of the cases, communication reaches indistinctly owners and customers, as well as is expected that, owners could be also customers, as costumers could be owners. Therefore, it is essential that the promotion is done in a consistent manner, using the appropriate channels and with professional and appellative contents, that provides a clear and comprehensive message.

CHANNELS

BOOKING PLATFORMS: These platforms, used to raise online reservations already have highly developed and effective promotion systems, so they will be, in a first approach, preferred dissemination channels. According to the inputs and rules of each platform, will be developed appropriate promotion content, and that will be disclosed using the pack of services that will be hired, through analysis of the respective cost vs benefit.

SOCIAL MEDIA: Is one of the most important tools of digital marketing due to the amount of information that is created and shared between users of a network, thus shaping various aspects of consumer behavior, however, the content, timing, and frequency of the social media-based conversations are outside managers' direct control (MANGOLD, 2009)⁹⁰. Therefore, it is of great importance a careful management of the presence in social networks, ensuring dynamism, quality and interest of shared content. On the other hand, the management carried out by the platforms on the published contents, can influence opinions and attitudes towards the brand and the product, as well as the intention of purchase and evaluation, so that it is carried out on the basis of a service to be provided, which in the case of this project will be properly analyzed from the point of view of costs vs profit, and exploited as a promotion tool. *Facebook, instagram, linkedin, snapchat, google+, youtube, pinterest, priscope, twitter, tumblr*, are the best-known social networks. They have different purposes and are intended for different people; therefore, the contents should be properly suited according to each of the networks.

TRADITIONAL MEDIA: Newspapers, magazines, television and radio will be considered as strategic communication only in a punctual way. In the written press, could make sense some

advertising in specialized magazines with notoriety and addressed to a specific public, such as wine magazines or others. However, as Martin Dikie from BrewDog Brewery said 'I think if a company is creative and clever with their marketing it can get the advertising for free' (SMITH & ALL, 2010)⁹¹, all indirect advertising will be welcome, such as interviews, reports, tv programs, opinion articles, among others, 'therefore, a policy of be-the-news will be followed by creating contents that will become news and share it within traditional media.

WORD OF MOUTH (WOM): o word of mouth is seen as more credible than advertising as it is perceived as having gone through the evaluation of "people like me" (ALLSOP & all, 2007)⁹². It is therefore of fundamental importance to be enhanced, either by the natural disclosure arising from satisfied customers, or by the disclosure with interest through advantages such as 'involve a friend' program, mentioned earlier.

E-WOM: the same concept as WOM, but applied to social networks, is an increasingly powerful promotion tool. It consists of having recommendations or posts from people, in their own social networks. It will therefore be very important that RRC create incentives for customers to share their experiences, such as: create specific places for '*instagramable*' photos, create videos of specific agricultural activities to publish on *youtube*, publish handmade artefacts on *pinterest*, among other. On the other hand, this tool could be used as well to attribute rewards to opinion makers, like enjoy a free stay in RRC with condition to share the experience in their social network, and act as influencer.

LOCAL ACTIONS: The relationship with the local community is of great importance, so it is essential to ensure good communication locally. It is obvious that all communication also has an effect locally, however, it is important that, in this sense, another type of actions is considered. In particular, local actions such as presence in the local written press, in any local radio, community events and celebrations, sponsorship of prizes, school celebrations, festivities and local competitions should be taken into account.

LOYALTY PROGRAMS

The Loyalty program will consist in a set of benefits that will be offered to customers, depending on their involvement with the RRC and the local community. At the time of the first stay in the RRC, the guest is informed of the automatic membership on the ARBARO LOYALTY REWARDS program (ALR), when completing the admission question. Posteriori, a physical card will be mailed to guest's residence address, that will serve for identification at RRC, as well as to

enjoy advantages within ARBARO partners. The ALR card will thus be used to register and accumulate points that will be awarded by each RRC, but whose benefits can be valid in all RRCs.

ACCRUAL OF POINTS

Guests can earn points by different ways; following some examples.

Membership: with the first stay and ALR subscription will be added a welcome points reward (WPR). WPR will be used in all areas of various activities as a way to promote them.

Expenses in the RRC and the community: the stays will be converted into points according to the amount spent. Thus, for every euro spent, one point will be added to the card. Similarly, an agreement will be established with the network of official partners, in order to have the expenses incurred in the establishments and activities of those partners, add points as well to ALR in the same ratio of 1eur=1 point.

Activities in the community: these activities, whether voluntary or reimbursed, may have a reward by the credit of extra points on ALR. Special attention will be paid to sustainable activities or activities that contribute to the well-being of the community. For example, a guest who is a musician and collaborates with a local music school will be referred by that entity to the RRC, which will add his ALR with extra points, as a recognition.

Bonus: several bonuses may be created, for example i) on specific dates the expense may be worth more than 1euro=1 point, ii) specific properties may have more appreciation in points, iii) a new activity developed by a local partner, may have an extra bonus, assigned according to that entity or iv) a local restaurant, on certain days, or under certain conditions, may offer extra points bonus.

Special programs: for example, 'involve a friend' program will generate extra points to the actual costumer, according to the involvement of the new costumer, on stays, activities and engagement with local community.

TIERS - ALR will be divided in four tiers, according to the accrual of points, SILVER, GOLD and DIAMOND and member will have different benefits according to the level. Tiers will be assigned annually and the tier reached will be valid for the following year

BENEFITS - There will be a list of benefits that will be published online, and with regular updates. This list will identify the products, services and activities for which the guest can exchange the points accumulated in the ALR. It will also identify the list of benefits with local partners, and not only. Negotiations will be developed with several partners in order to obtain advantages for RRC clients and possibility of exchange of points.

9 – OPERATIONS AND MANAGEMENT PLAN

9.1 - PRODUCT GENERATION

A LOCATION ANALYSYS

The analysis of a location to implement a RRC, should take into account the following factors.:

a) be located in a low population density area, b) be located in rural area, c) have several villages in the proximity with potential RRH, d) have a hotel unit to accommodate CHU, or feasibility of its installation.

Be located in a low population density area: areas of low population density are defined as zones with less than 50 inhabitants by km², and areas of very low population density with less than 8 inhabitants per km²^{II}, therefore for the purpose of this project is mandatory to consider a low population density area, but highly valued if a RRC is made viable in a very low-density area.

Be located in rural area: there's not a definition of rural area totally accepted, as it may vary country to country, and cannot be defined merely based on population density, as well as the traditional way of thinking 'rural' as the same as 'agricultural' is not correct anymore (PIZZOLI, GONG, 2007)⁹³. Factors as services offer, administrative division, total of population and houses agglomeration, amongst others, are significant. For this project's purpose and for the location analysis, we will consider rural area definition based only on the population density factor, as described before, knowing however that is not a completely comprehensive and satisfactory definition, which justifies more attention in future studies.

Have a hotel unit in the region: the existence of a hotel unit in that region is mandatory factor to consider the evolution of RRC around it. The creation of CHU will be carried out in that hotel unit, and could take several formats: licensing, franchising, joint venture, or even sharing investment. Locations with high potential of RRH and with no hotel unit may be analyzed by making one of the RRH as CHU; this would be a special analysis, out of the standard developed in this project.

Have several villages in proximity with potential RRH: in the evaluation of the nearby villages, with regard to the potential of RRH availability, an exploratory study should be carried out in the respective communities, identifying the houses that have a day-to-day occupation and those that have occasional occupation, or are abandoned. This information can be obtained just from the Local Authorities, and should be in average close to 50%. In relation to proximity, it should be taken

^{II} QREN Quadro de Referencia Estrategico Nacional. Retrieved from <http://www.qren.pt/np4/3100.html> on January 23, 2021

into account that, in rural or mountain areas, distance may not be the main factor for measuring proximity, since the difficulty of access can cause a short distance to take a long time to travel. Thus, the basic condition is that the RRH farthest from CHU is not more than 15 minutes away by car.

In addition to these, other factors should be taken into account, having in mind that they will not be mandatory to define or not the possibility of establishing a RRC in a given location, but they are fundamental factors and need to be taken into account for its success. We should therefore consider i) the road network and ease of access to RRC, ii) the cultural reality of the area, iii) the reality of the offer with regard to active tourism and nature tourism, iv) the proximity to areas offering thermal activities, v) the associative reality of the area, vi) the endogenous productions on the area and presence of significant producers, vii) existence of reference festivities, viii) existence of historical facts and significant building heritage, among others.

A PROPERTY ANALYSIS

Once the geographical area of intervention of the RRC is defined, it is a mandatory condition that this property is within this area of action to be considered a potential RRH. In this assumption, the analysis of the potential property includes i) analysis of property status, ii) analysis of the typology and implementation of the property, iii) analysis of the potential of the property, iv) investment estimation and v) estimation of operation and maintenance costs.

i) The physical state of the property should be technically analyzed in order to understand the type and dimension of the intervention to be performed. Thus, it will be taken into account whether it is a house with regular use, i.e. habitable, or if it is in a state of abandonment, or even partial ruin. Structural analysis will be carried out, in particular at the level of roofs, walls and floors, as well as at the level of windows and doors, and their types of insulation. Water supply network, sewage network, heating and energy recovery systems will also be analyzed, among other

ii) The typology of the house is extremely important so the number of existing rooms, rooms, kitchen and toilet, as well as the respective areas will be analyzed. With regard to the implementation, the surrounding spaces and possible agricultural activity will be examined, as well as any annexes such as garages and warehouses, as well as their areas.

iii) In view of the analysis carried out in the preceding paragraphs, the potential of the property will be analyzed, whether from the point of view of the recovery and use of existing infrastructure, or from the point of view of the creation of new spaces, indoor or outdoor.

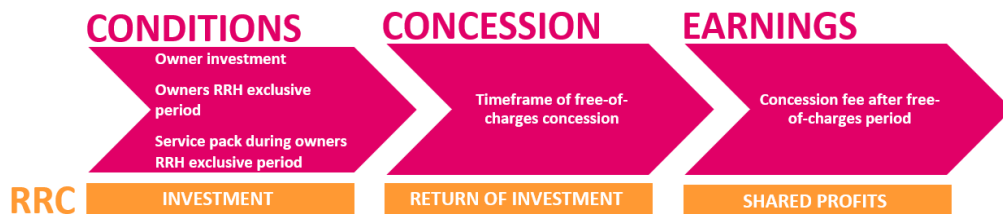
iv) Based on the information obtained in the previous points, property restoration project (PRP) will be prepared that goes through a) architectural project, ii) implementation project and iii) financial project^{JJ}.

TYPES OF PROPOSAL TO OWNER

Once estimated the investment to be made in the property to be integrated into the RRC as RRH, a proposal to be submitted to the owner will be defined, which will take into account i) investment that the owner eventually intends to make, which may represent part of the total investment, thereby reducing the amortization plan. ii) period of time per year that the owner intends to reserve in the RRH for its use, iii) RRC services that the owner intends to ensure in his period of use

The proposal to be carried out will include an economic proposal in which the owner transfers the ownership to the operation of the RRC, free of charge, for a determined period of time, in order to allow the RRC to recover the investment made in recover the property to convert it into an RRH, after which a remuneration to the owner will be defined for the property concession and a period of exclusivity in its commercialization, as figure 32 shows.

Figure 32 – Proposal to owners



Source: Elaborated by the author

With the evolution of the RRC business, the expectation is that owners will have growing interest in adding their properties to the service of the RRC and thus obtain interesting levels of profitability. It is therefore of major importance that the idea and advantages reach property owners and stir their interest, thus communication strategy will be implemented. Figure 33 exemplifies a flyer to be left in post boxes, coffee shops, supermarkets, sent by post, amongst others.

^{JJ} A.N. See **SUPPLEMENTARY NOTE No. 6** for PRP detailed activities

Figure 33 – Example of promotional flyer



Source: Photo, creation and elaboration by the author

START A NEW RRC

After the analysis of the location and potential CHU and RRH, local authorities' involvement is required and mandatory, in order to obtain the local interest for the new RRC. Through local authorities, associations, groups and schools, as well as potential economic partners will be contacted. A manifesto of intent will be prepared, and ratified by the various economic and social forces of the region. This involvement of the representative entities of the local community is mandatory to launch the new RRC.

On the other hand, once the preliminary conditions have been met, and before proceeding with investment, it will be mandatory to secure at least 5 contracts of intent for the first 5 RRH's. Given that, at this stage, there is still no visible experience of other RRH's, it will be important the intervention of local authorities in order to give credibility to the project, and to attest its interest to the community, and to the owners.

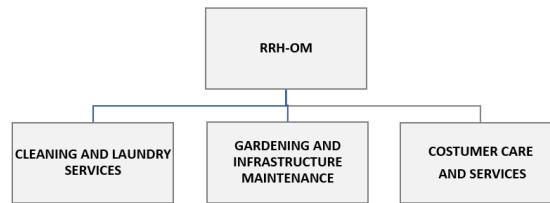
9.2 - OPERATION MANAGEMENT

The RRC operation includes the management of RRH as well as CHU, however, as previously mentioned, although important the CHU is not the focus of this project, so the respective operation will not be addressed here. The RRH operation is coordinated by the RRH Operations Manager (RRH-OM), a function that depends hierarchically on the RRC Director (RRC-DIR), and, at an early

stage of the evolution of the RRC, could be assumed by the CHU Director (CHU-DIR), as mentioned before.

From the point of view of structure, the RRH-OM will have the operation divided into three departments, as illustrated by image 34, and with functions as per table 8; each of these departments will have an assistant as responsible, and at an early stage of the RRC, the RRH-OM may accumulate with the function of responsible for one of the departments. From the point of view of employees, each of the departments will aggregate its staff according to the evolution of the RRC, in particular the increase in RRH number, that will be decided between respective department Assistant, the RRH-OM and RRC-DIR.

Figure 34 – RRH Operations Manager assistants



Source: Author elaboration

Table 8 – RRH-OM DEPARTMENTS FUNCTIONS

CLEANING AND LAUNDRY SERVICES	<ul style="list-style-type: none"> • Daily cleaning and laundry services in each RRH • RRH cleaning and preparation for new guests welcoming
GARDENING AND INFRASTRUCTURE MAINTENANCE	<ul style="list-style-type: none"> • Gardens, swimming pools and exterior spaces maintenance • RRH buildings and infrastructure maintenance • RRH all-ok check for new guests welcoming • Infrastructure and services suppliers management
COSTUMER CARE AND SERVICES	<ul style="list-style-type: none"> • Welcoming and reception • Guests assistance on orders and transportation • Guests assistance in special needs: events, kids and grandparents assistance, special requests • Link to Community Relations Manager for local activities • Check out and farewell

Source: Elaborated by the author

9.3 - KEY PERSONNEL, RECRUITMENT AND TRAINING NEEDS

According to Peter Drucker, ‘in this society, knowledge is the primary resource for individuals and for the economy overall. Land, labour, and capital - the economist's traditional factors of production - do not disappear, but they become secondary’ (DRUCKER, 1992)⁹⁴ ; on the other hand, we believe that the involvement of each employee with the RRC project is not only fundamental, but acts as a guarantee that they will share it with the customers, as well as, ensures their dedication and commitment to the success of the project. We also believe that this involvement will be easier, and will even arise in a natural way, if the staff recruitment favors the selection of local people, residing there, or in other locations but with local roots. Thus, in the case of this project, we add to Drucker’s argument by considering that the primary resource will be both knowledge and local engagement.

KEY PERSONNEL

All personnel are key personnel! As it has been said before, every person who works in the RRC, whatever function it occupies, will always be a 'seller' and a ‘promoter’ of the RRC concept and of that specific RRC. However, there are functions that due to their relevance to the implementation of the RRC concept are considered fundamental, thus three of them stand out as the most critical and central to the success of an RRC.

RRC-DIR: The Director of RRC is the main responsible and guarantor of the success of the RRC. It ensures the effective functioning of the entire RRC, as well as the correct and dynamic relationship with the community in which it is inserted. The success of the RRC depends on this connection with the community, therefore it will be extremely important that this person is a local, or with strong connection to the local community. It should have a high level of autonomy for staff recruitment, and establishing local partnerships with public and private entities. Moreover, this person should have a reasonable knowledge of the region. Among other characteristics, it should be a dynamic person, have leadership skills and ease of communication.

GRM: As explained before, the Guests Relation Manager function is of central importance to the success of RRC and costumer’s engagement. Like RRC-DIR, it is essential that this person is a local resident or possesses a strong connection to the community and to the region. Among other characteristics, it should be extremely cordial, dynamic and with a teamwork spirit.

COMMUNITY RELATIONS MANAGER: This is the person who will ensure and manage the link between the RRC and the community, so it is mandatory that it is local resident, or with

strong connection to the community. It may be someone who performs, or has performed, other functions locally, and who has a reputation recognized by all in the community. It may be, or have been, responsible for any institution, holder of a public function, teacher or other person with recognition and respect on the community. This person will be responsible for identifying partners, activities, points of interest, culture and leisure, as well as promoting the RRC within the community, by highlighting the common interest of success and integration. On the other hand, it will be in charge of identifying activities, cultural or other, where the integration of RRC customers, in the form of volunteering or other, could be of value. It is therefore a central person in the project of a RRC, and one of the first ones to identify in the process of implementing an RRC.

RECRUITMENT

The staffs' recruitment process is extremely demanding, particularly within a RRC and in specially with regard to the involvement with the local community and the project. In this sense, the fact of being a local resident, or having a strong connection to the local community, will be more valued than having specific training or relevant experience. Aware of the need of appropriate training for the correct performance of functions, this possible limitation is considered to be overcome with specific training programs to be implemented in the RRC.

Another peculiarity of the recruitment process for a CRR, regards attracting to the project professionals who, being from the region or having links to the local community, reside and work outside. Thus, a survey will be carried out on those who have training considered interesting for the RRC, or work in activities similar to those performed in the RRC, to be selected and captivated with job offers. On the other hand, guests will be identified according to their training and professional activity, and once their connection to the community and the RRC project has been established, they will be selected and some could be invited with proposals for positions and functions in the RRC. These proposals will have to be attractive, thus the remuneration pack may include various type of compensation, namely, shares in the RRC company.

EQUITY AND PROFIT-SHARE FOR KEY PERSONNEL

Key personnel are nuclear for the RRC structure, and the guarantee of its success. It is therefore essential to maintain its engagement to the RRC and its motivation to contribute to make the project increasingly worthwhile for the community and for the RRC stakeholders. It is of great importance that these key personnel are a part of the profit share. Therefore, a profit-share mechanism

will be implemented, as well as a mechanism for accessing company shares, which may be part of the remuneration package, or integrate the company prize distribution policy.

TRAINING NEEDS

As stated before, training will be a fundamental tool to provide the human resources structure with qualified professionals involved with the RRC and with the local community. Thus, a continuous training plan will be put into operation, in which the personnel will attend classes, to obtain specific training or skills reinforcement. This training may be provided internally or externally, by external teachers or, in specific areas of the RRC activities, having as trainers the respective internal responsible. It will also be promoted the exchange of experiences between RRC's, so training will be regularly carried out to share good practices. The training sessions will be in short periods, maximum 30 minutes, and preferably using on-line platforms, as well as, making available contents for later consultations.

Special attention will be paid to cases of employees wishing to complete their academic studies, bringing up conditions for them to align work and study, and in some specific cases, financial support or prizes may be included in the remuneration package. On the other hand, a policy of internships will be implemented in order to accept trainees. Protocols will be established with schools and universities in the region in order to articulate the formative needs of RRC human resources with the training provided in schools, thus ensuring the employability of students.

9.4 - RISK AND RISK MANAGEMENT

Litter, loss of privacy, restrictions on new housing construction, limited contribution of tourism to the community's economic sustainability, envy and competition (SILVA, 2014)⁹⁵ are the normal consequences perceived by the locals, resulting from the growth of rural tourism. Aware that it will not be possible to escape from all the consequences of the increase in the number of visitors, and of a greater dynamic on the region, as well as from some restrictions arising from the protection of the property and its authenticity, this project aims to increase the benefits to the local community into levels that counterbalance positively some side effects, by enhancing the local living standards, creating jobs, attracting young people and reducing the demographic desertification.

On the other hand, rurality and isolation from the urban world are qualities that represent a comparative advantage for tourist destinations; however, the use of European funds for rural

development could undermine these assets. Thus, rural development programs aimed at reducing disparities between urban and rural areas could limit the competitiveness of these latter regions as tourist destinations (BALLESTEROS, HERNANDEZ, 2016)⁹⁶, wherefore mindless rural development may kill rural authenticity, and consequently reduce touristic attractiveness. Contrary to that, this project aims the opposite, by aspiring to convert rural authenticity in the main asset for economic development, and guests into its major caretakers, promoters and developers.

9.5 - LEGAL CONSIDERATIONS

The legal framework of the entire process of converting a rural house into an RRH, and its assignment and integration into the respective RRC, management, investment, repayment, as well as RRC and property owner rights, will be duly contracted. Binding contracts will be signed to ensure the continuation of these external assets at the service of the project over the period established. On the other hand, for the purposes of applying, using and refunding incentives, as well as, for the treatment of all legal licensing and reconstruction procedures, it is important that the RRC can be the holder of the property, therefore, the contract to be established between the RRC and the owner shall give the RRC the ownership of the property for these purposes. Aside from this, only regular legal considerations, like labor contracts, commissioning, and local authorities and associations agreements, need to be ensured.

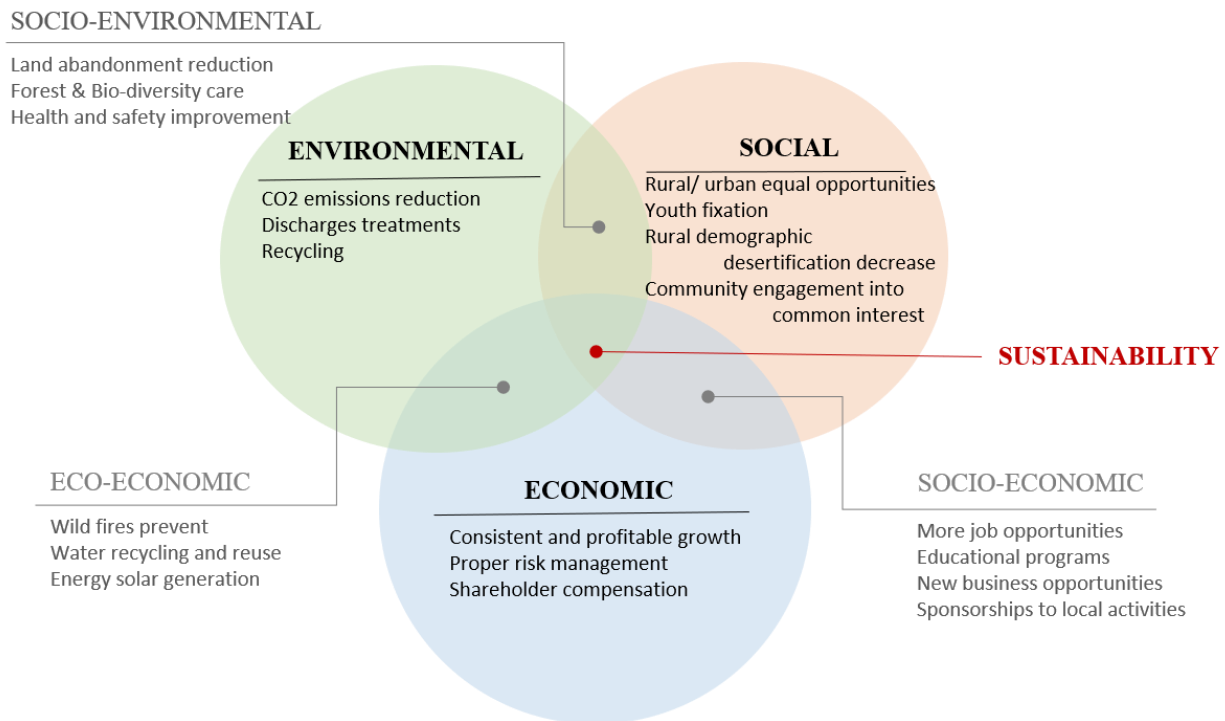
A word for the insurance policy in the RRC, which must comply with the requirements required by law at all levels, but which will also need to cover all activities, internal or external, carried by the guests, even if it may be covered by partners insurance policy. The objective is that, in case of any incident, the assistance would be immediate, without the need for anything more than to trigger the RRC insurance policy. A posteriori responsibility will be evaluated and settled.

10. – SUSTAINABILITY PLAN

The Brundtland Report (1987) defines sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (UNITED NATIONS, 1987)⁹⁷, thus sustainability is understood by this project as an internal and external integrated approach to environmental, social and economic impact (MORFAW, 2014)⁹⁸. As presented in figure 35, the merged impacts were also considered, thus in addition to

environmental, social and economic parameters, are also considered socio-environmental, socio-economic and eco-economic parameters for better understanding of the real impact of an RRC.

Figure 35 – RRC sustainability parameters



Source: elaborated by the author based on MORFAW, John (2014)⁹⁹

Joyce & Paquim (2016) developed a tool for exploring sustainability-oriented business model, the ‘triple layered business model canvas’ (TLBMC), built on Osterwalder and Pigneur’s original business model canvas (OSTERWALDER, PIGNEUR, 2010)¹⁰⁰, a popular and widely adopted tool for supporting business model innovation, by explicitly integrating environmental and social impacts through additional business model layers that align directly with the original economic-oriented canvas (JOYCE, PAQUIM, 2016)¹⁰¹. It is therefore consistent with the aim of this project and its sustainability-orientated model to explore it, grounded on the proposed triple layered canvas. Thus, we will distil this organization business model into the canvas interconnected components, to build the three layers: the economic, environmental and social.

10.1 - THE ECONOMIC BUSINESS MODEL CANVAS (figure 36)

This is the original canvas, economically oriented, that will allow us to better understand how revenues will outweigh costs, by exploring the eight following components.

Customer segments are all the people for whom this project creates value, thus, i) medium-high class national family tourists, agriculture lovers and short-break market, ii) foreign tourists on holidays, and interested in local culture, activities and agriculture and iii) second dwelling for medium-high class pensioners, both national and foreigners.

Value proposition is our bundle of products and services that create value for our guests, thus i) rural accommodation, in local serviced houses, with guaranteed quality and comfort, ii) local community engagement, agricultural and cultural activities and experiences and iii) serviced second house in the village with integrated profit plan.

The **channels** through which we interact with customers are i) web site, APP, social networks, search engines, local tourism platforms, amongst others and ii) Booking, Airbnb, TripAdvisor. LonelyPlanet, ViaMichelin, Wonderfulland, Escapada Rural amongst other platforms.

Customers' relationships identify the type of relationship we establish with our guests, thus, i) the guest's relations manager and ii) the loyalty program, 'involve a friend program and 'grandparents & grandchildren' program.

Revenues tag how and in what way our business model captures value, thus, i) by selling RRH room nights, events and respective hotel services ii) on commissions, merchandising, sales of agricultural goods amongst others and iii) through land rental and agricultural services.

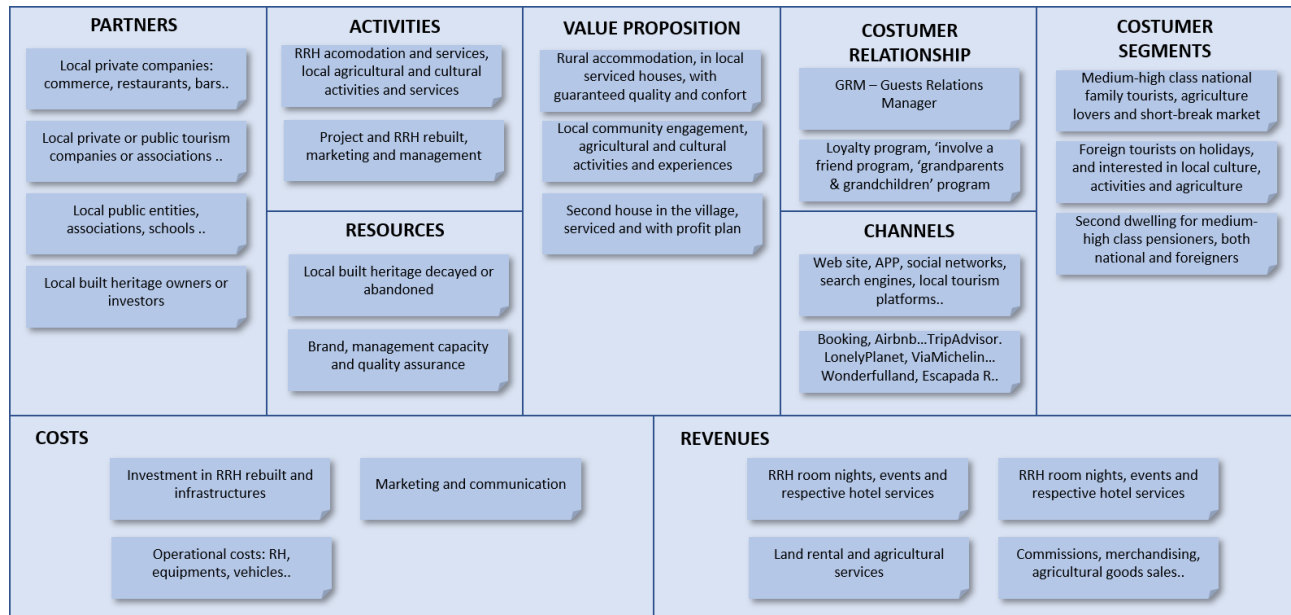
Key **resources** are assets that are indispensable for developing the RRC business, thus i) decayed or abandoned local built heritage and ii) brand reputation, management capacity and quality assurance

Key **activities** that have to be carried out to run RRC business are, i) RRH accommodation and services, local agricultural and cultural activities and services and, ii) architectural project and RRH rebuilt, marketing and management.

Key **partners** to leverage RRC business are i) local private companies (commerce, restaurants, bars..), ii) local private or public tourism companies or associations , iii) local public entities, associations, schools .. and finally, iv) local built heritage owners and investors.

The Costs structure, formulated once understood the infrastructure of RRC business, is i) investment in RRH rebuilt and infrastructures, ii) marketing and communication and iii) operational costs (RH, equipment's, vehicles..)

Figure 36 – RRC economic business model Canvas



Source: elaborated by the author grounded on Osterwalder and Pigneur (2010) and Joyce & Paquim (2016)

10.2 - THE ENVIRONMENTAL LIFE CYCLE BUSINESS MODEL CANVAS

(figure 37)

This layer of TLBMC builds on life cycle assessments (LCA) that to this project represents the way for evaluation and quantification of possible environmental impacts associated with our process and services. Consistent with economic business model canvas, that is used to understand how revenues outweigh costs, the objective of the environmental layer is to appraise where this project generates more environmental benefits than environmental impacts (JOYCE, PAQUIM, 2016)¹⁰², thus, for each RRC the proper LCA indicators^{KK} will be selected. The nine components of the environmental layer are described below.

Functional value is a conversion of the RRC functional activity into a quantitative description of the service performance. What is being examined is the sum of room-nights of all the RRH's on the RRC, plus CHU, sold along one year.

^{KK} A.N. Types of LCA indicators (e.g.CO2 emissions, eco-systems quality, human health, resource depletion, water use) Joyce&Paquim (2016)

Materials refer to the bio-physical stock used to perform the functional value, and key materials on this project are i) CHU infrastructure, swimming pools, central laundry and ii) computers, vehicles, cleaning devices, communication and maintenance systems

Production captures activities which are core to RRC and which have environmental impact, thus i) all CHU and RRH's infrastructure, swimming pools and ii) all computers network, vehicles, cleaning devices, communication and maintenance systems.

Supplies and outsourcing refer to actions that are outsourced rather than kept in-house, such as i) local suppliers for services, goods and activities and iii) building contractors and home appliances suppliers for rebuilt and furnish RRH.

Distribution involves the physical means by which the RRC delivers to guests the services and facilities within the RRC, thus, i) electric vehicles for transport, cleanings, maintenance, deliveries and ii) cartons for goods packaging, food delivery and cups as well as water purifiers for tap water at RRH.

Use phase refers to the use, by customers, of energy and resources to enjoy RRC facilities and services, thus, i) customers travel from their home to RRH, either by car, train, plane or other and ii) customers travel within the RRC region using car, motorbikes or other

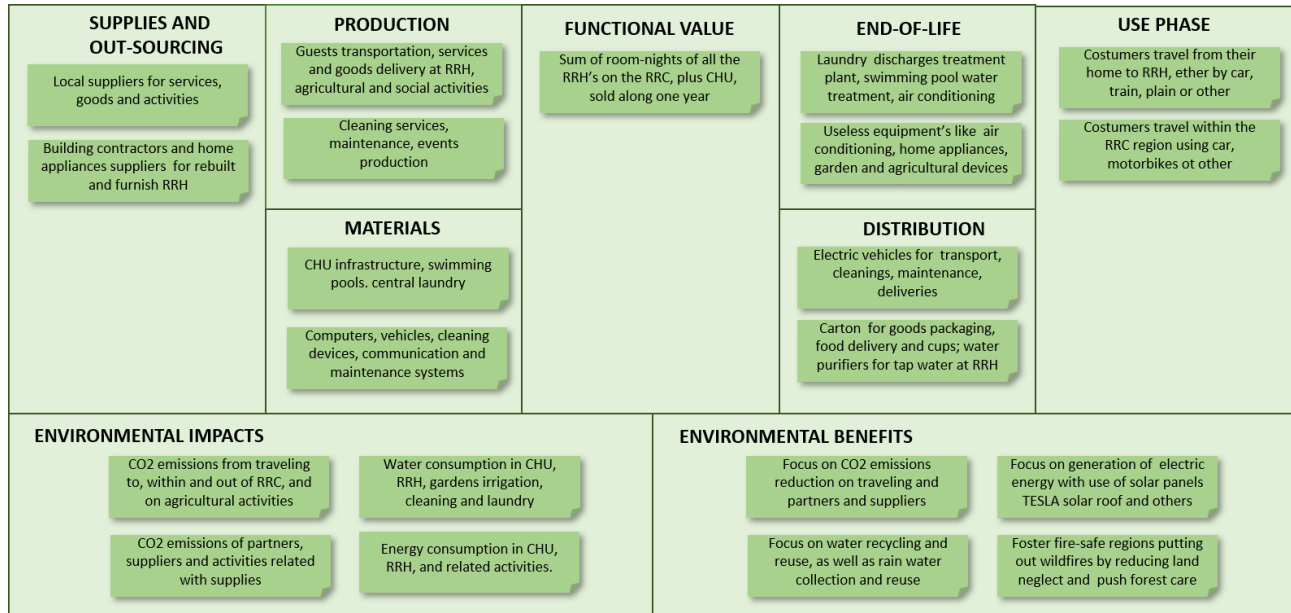
End-of-life means the need to manage impact of RRC through extending its responsibility beyond the value of services and products, thus, means the necessity to manage i) laundry discharge treatment plant, swimming pool water treatment, air conditioning and ii) useless equipment's like air conditioning, home appliances, garden and agricultural devices.

Environmental impacts examine the ecological cost of RRC actions, thus, i) CO₂ emissions from traveling to, within and out of RRC, and on agricultural activities, ii) CO₂ emissions of partners, suppliers and activities related with supplies, iii) water consumption in CHU, RRH, gardens irrigation, cleaning and laundry and iv) energy consumption in CHU, RRH, and related activities.

Environmental benefits addresses the ecological value RRC creates through environmental impacts reduction, thus, i) by the focus on CO₂ emissions reduction on traveling and partners and suppliers activities, ii) by the focus on water recycling and reuse, as well as rain water collection and reuse, by the focus on generation of electric energy with use of solar panels, like TESLA solar roof

^{LL}or others, and iv) by foster fire-safe regions by putting out wildfires trough the reduction of land neglect and the push for forest care and profitability.

Figure 37 – RRC environmental Life Cycle business model Canvas



Source: elaborated by the author grounded on Joyce & Paquim (2016)

10.3 - THE SOCIAL STAKEHOLDER BUSINESS MODEL CANVAS (figure 38)

The social layer of the TLBMC builds on a stakeholder management approach to explore an organization's social impact. A stakeholder management approach seeks to balance the interests of an organization's stakeholders^{MM} rather than simply seeking maximum gain for the organization itself (JOYCE, PAQUIM, 2016)¹⁰³. Similar to the environmental canvas layer, the social canvas layer extends the original business model canvas by filtering RRC business model and impacts through a stakeholder perspective, as described below on each of the nine components of social canvas layer.

Social value has to do to the aspect of this project mission which focuses on creating benefit to the local community i) by fostering more job opportunities, promoting youth fixation and reducing demographic desertification, ii) by reviving and preserving local culture, traditional activities and

^{LL} A.N. For more information check online at <https://www.tesla.com/solarroof>

^{MM} A.N. Stakeholders are considered those groups of individuals or organizations which can influence or is influenced by the actions of an organization

landscape protection and iii) by upholding the legacy of ancestors, focusing on the recovering of built heritage, and make it enjoyable and profitable.

The Employee component provides a space to consider its role as a core RRC stakeholder, thus focusing on the aspects which are more relevant for the RRC business model, this project i) promotes local recruitment and specific training and ii) promotes gender equity, education opportunities as well as equity and profits share opportunities.

Governance captures the organizational structure and decision-making policies of an RRC thus, this project make point on being transparent on decision making i) by making public the company's balance sheet and income statement, and ii) making public the sustainability report with company's Corporate Social Responsibility policy.

Local community relationship is mutually beneficial as it provides RRC with suppliers that ensure critical resources to support its success, such as i) local companies supplying goods and services for RRC daily needs, ii) local companies and associations supplying services for land use and related activities as well as nature and active tourism, tours, transportation, rental vehicles etc, iii) local building companies for recovering RRH activities and iv) integrated sales and promotion with restaurants, bars and touristic services companies.

Societal culture recognizes the impact of this project on society as a whole, thus, this project i) foster's the life in community, the share of experiences and wellness by a more natural lifestyle and ii) foster's the pride regarding the ancestors and the value of heritage, the return to roots and the link to the land.

Scale of outreach describes the outreach of the relations this project builds over time, thus, i) educational programs, sponsorship to local activities and to forest protection activities, as well as ii) foster the elderly and youth relationship by sharing the experience and special programs, such as 'grandparents and grandchildren program'.

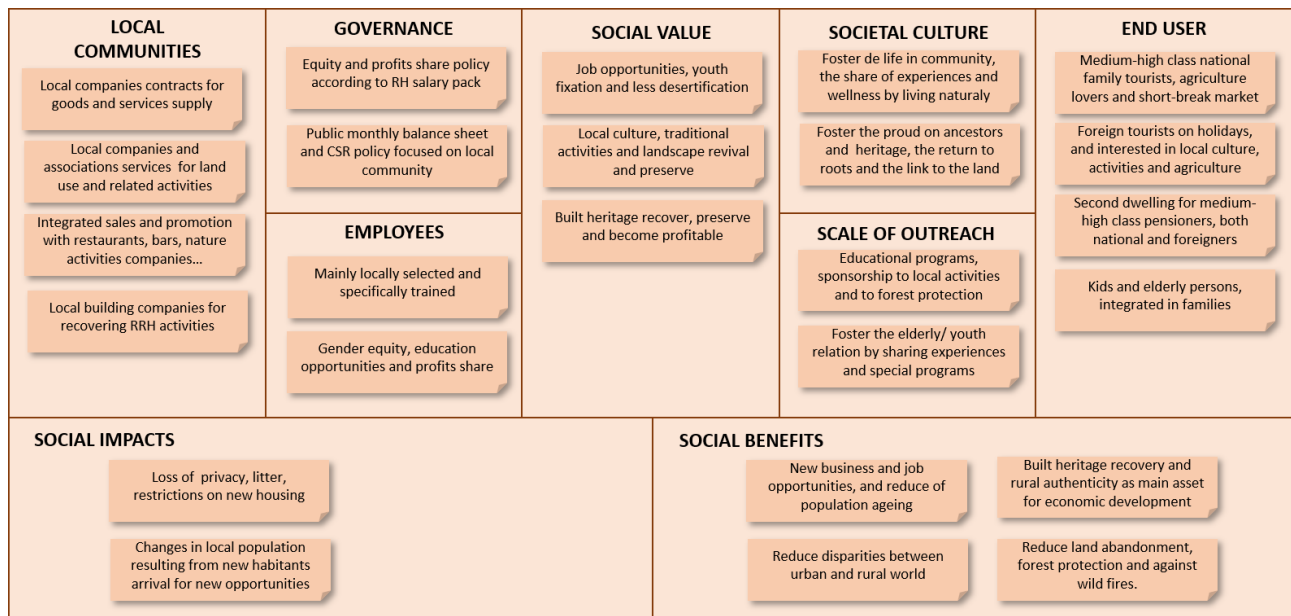
End user is the costumer for whom the RRC facilities and services are directed, thus, i) medium-high class national family tourists, agriculture lovers and short-break market, ii) foreign tourists on holidays, and interested in local culture, activities and agriculture, iii) second dwelling for medium-high class pensioners, and young couples, both national and foreigners and iv) kids and elderly persons, integrated in families.

Social impact addresses the social cost, or in other words, the negative social impact, of an RRC, thus i) loss of privacy and litter, due to the new dynamic and more people, and restrictions on

new housing as more demand means higher prices and tighten norms, as well as ii) changes in local population resulting from new habitant's arrival for new opportunities.

Social benefits are the positive social value creation aspects of RRC action, thus, i) new business and job opportunities, and reduce of population ageing, ii) reduce disparities between the urban and rural world, iii) built heritage recovery and rural authenticity as main asset for economic development and iv) reduce of the land abandonment, and forest protection against wild fires.

Figure 38 – RRC social stakeholder business model Canvas



Source: elaborated by the author grounded on Joyce & Paquim (2016)

Each layer supports a horizontal coherence, or an integrated approach to exploring an organization's economic, environmental or social impact, by highlighting key actions and relationships within the nine components of each layer Combined, the three layers provide a vertical coherence through connecting the components of each layer to their analogues in the other layers, further elucidating key actions and connections and their impacts across layers (JOYCE, PAQUIM, 2016)¹⁰⁴. Integrating the economic, environmental, and social layers supports a more robust and holistic view of the RRC, and this project as a whole, through its actions and relationships.

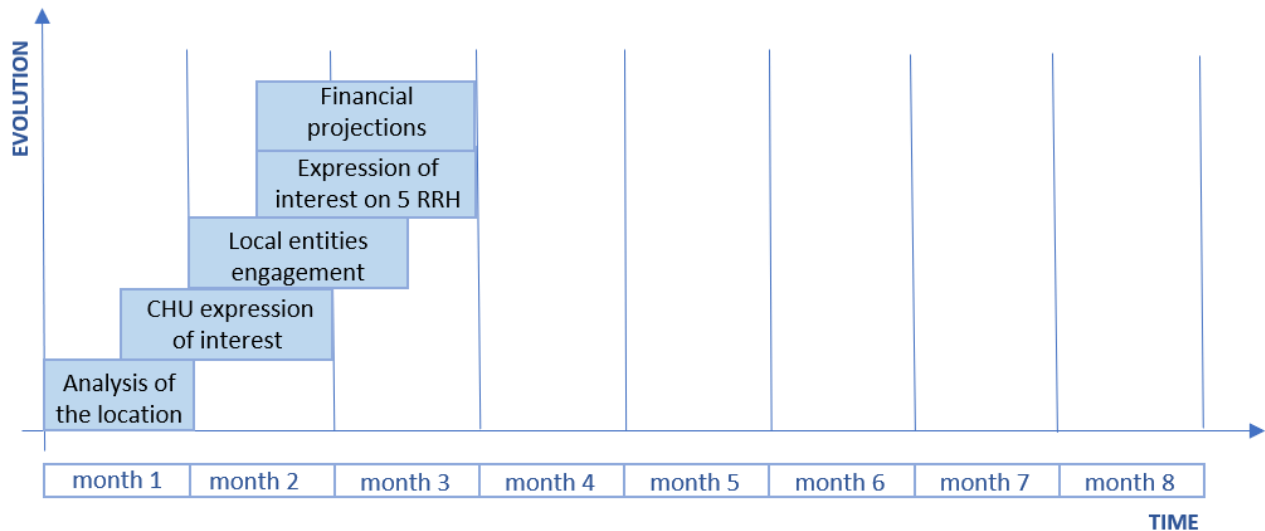
11. - WORKPLAN AND MILESTONES

The implementation of a CRR goes through three phases: 1) feasibility analysis, 2) recovery and adaptation works and 3) operation, and each of these phases follows a specific workplan. However, it is important to note that, although a time frame is presented for each of the phases, this is just a rough estimate, since the reality of each RRC will always necessarily be different and a detailed workplan needs to be assessed for each RRC under analysis. Following each of the three phases will be described and time framed.

PHASE 1 - ANALYSIS

It is the phase in which the viability of a CRR is analyzed, and includes: 1) the analysis of the location, 2) identification of CHU, 3) involvement of local entities and 4) expression of anticipated interest of 5 RHR and 5) financial projections. For financial projections, a financial scenario needs to be anticipated, including expected investment in CHU and in RRH's, local and EU grants and public entities commitments, as well as cash-flow and financing needs. Even depending on several random factors, work flow estimation for this phase is as Figure 39.

Figure 39 – Estimated work flow for PHASE 1



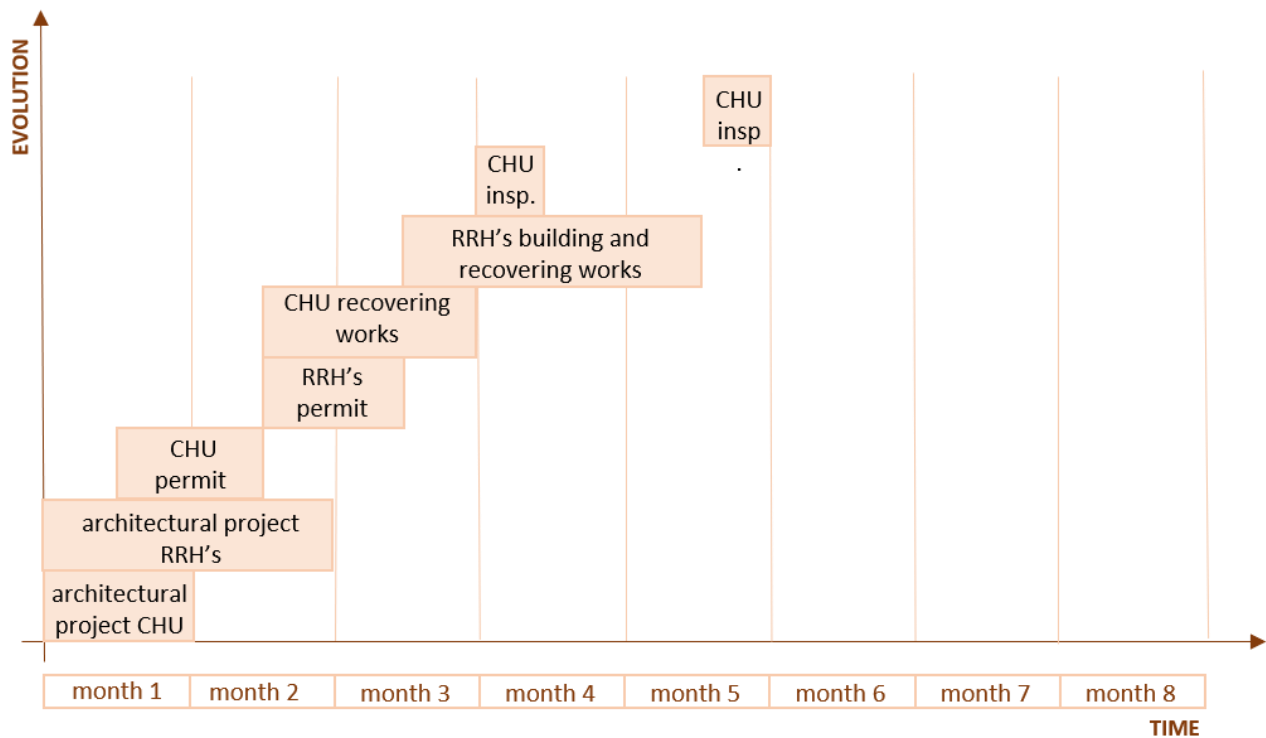
Source: Elaborated by the author

PHASE 2 - WORKS

This phase starts on the decision to move forward-which is to say that phase 1 was successful and all mandatory aspects were fulfilled as well as financial projections are adequate, thus, RRC is

considered viable. In this second phase 1) the architectural project will be defined, for both CHU and RRC's, 2) the respective implementation project and 3) construction permits attainment 4) workplan for building and recovery works on both CHU and RRH's and 5) finally inspections and legal procedures. Even depending on several random factors, work flow estimation for this phase is as figure 40

Figure 40 – Estimated work flow for PHASE 2



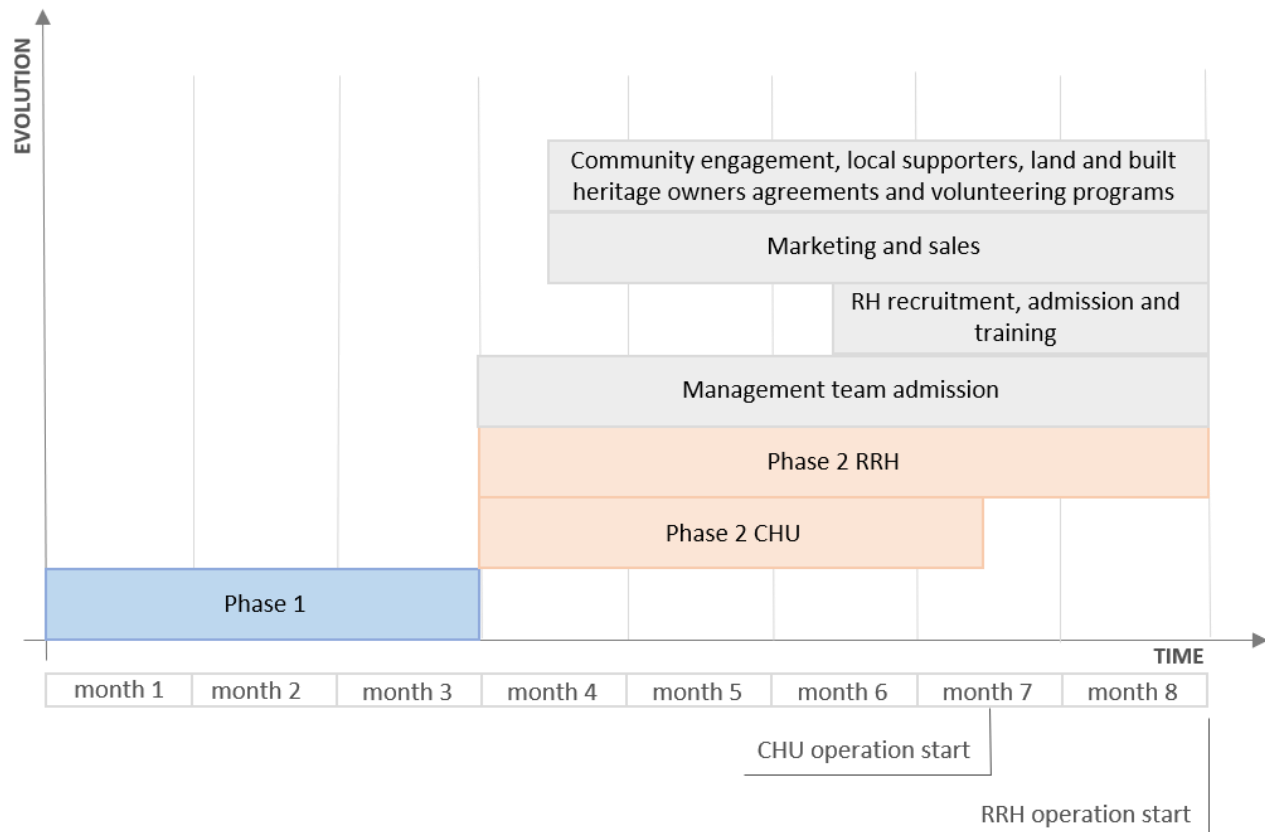
Source: Elaborated by the author

PHASE 3 - OPERATION

Although the effective start of the operation is the moment when it officially begins to receive guests, in reality, the operation begins far before, with the preparation of the entire physical structure, human and logistical means, local partnerships and marketing structure, in order to allow first guests to check-in soon after inspections. This pre-operation phase will therefore take place simultaneously with phase 2 and will take advantage of CHU's previous inspection, using this month and a half to establish the technical and support base of RRH's. Taking into account each RRC in particular, it may be considered to start the operation in the CHU immediately after CHU inspections, offering only the

normal hotel services, however serving as promotion of RRH that will be available a month and a half later. Figure 41 then presents the overall workflow, which integrates phase 3 together with phase 1 and phase 2.

Figure 41 – Estimated work flow for PHASE 1 + PHASE 2 + PHASE 3



Source: Elaborated by the author

12. – ECONOMIC AND FINANCIAL PROJECTIONS

As stated before, this project focuses on RRC as a concept and model of evaluation and operation, and similarly, economic and financial analysis will be independent on the CHU. Thus, it is assumed that the RRC business will always be analyzed independently from the CHU business. While it is understood that the synergies generated by joint management will always benefit the business in general.

From the point of view of company structure, i) may be two independent companies, in which the RRC is based on an agreement with a hotel unit that will operate as CHU, but being legally

different companies, or ii) may be a single company that will incorporate both the CHU and RRC, however, CHU and RRC business will always be managed as two independent business units.

In the case of this project, we will consider the option of CHU and RRC to be one only company, with two business units, and for the purpose of this project, only the RRC business unit will be analyzed, and considered to be based in Portugal.

12.1 - MACROECONOMIC ENVIRONMENT

According to Banco de Portugal economic projections for the coming years^{NN}, a positive annual variation rate on Gross Domestic Product (GDP) is expected, contrary to the past years. Consistent with this projection, it is expected that Private Consume Rate (PCR) returns to positive in the coming years, as well as Inflation Rate, that is expected to become positive as well (table 9). These projections are good news for this project, as they are positive indicators of economy wealth, favorable environment for investment and costumer's confidence, that will affect positively the growth of the RRC business.

Table 9 - Economic projections for Portugal updated December 14, 2020
(Unit: annual variation rate, in percentage)

	2020	2021	2022	2023
GDP	-8,1	3,90	4,5	2,4
IR	-0,20	0,30	0,90	1,1
PCR	-6,8	3,90	3,3	1,90

Source: Elaborated by the author, based on information retrieved from <https://www.bportugal.pt/page/projecoes-economicas>, on February 26, 2021

12.2 - ASSUMPTIONS

RRC MINIMUM DIMENSION will be 5 RRH as said before. These 5 RRH will be pre-contracted at the time of the decision to enable a RRC and should provide a minimum of 20 rooms. Preference should be given to RRH in which owners have intention to invest.

RRH MINIMUM DIMENSION is considered the minimum number of rooms available in a specific RRH. For the first 5 RRH, on the start of a RRC, a minimum of 3 rooms per RRH is

^{NN} Economic projections for Portugal updated in 14 de dezembro de 2020. Retrieved from <https://www.bportugal.pt/page/projecoes-economicas>, on February 13, 2021

mandatory. However, once RRC is in operation any rooms availability is acceptable, once dully framed in the respective investment (MVI)

5 YEARS PROJECTION: this project estimates that, once in operation, RRC will generate an attraction effect for new business followed by higher de demand, thus number of RRH’s is expected to increase every year, as per following table 10:

Table 10 – Expected RRC growth in 5 years

Year	RRH	Rooms
1	5	20
2	7	28
3	10	40
4	14	56
5	20	80

Source: elaborated by the author

OWNERS RESERVED PERIOD (ORP): is the period of time owners reserve RRH for your own use. It will be managed and agreed according to owner’s request, but for the purpose of this study, we will consider that any owner will require 2 weeks per year, thus, these two weeks will be free of charge for RNP.

EQUITY CAPITAL: for economic analysis purposes equity capital will be 50.000eur

MAXIMUM VALUE OF INVESTMENT (MVI) is defined according to the number of rooms to be made available in RRH. Thus, table 11 defines the MVI according to the typology, however, exceptional conditions, as well as additional equipment, will be analyzed punctually.

Table 11 – MVI vs RRH typology

Typology (rooms)	MVI (eur)
1	15.000
2	20.000
3	25.000
4	30.000
more	to be analysed

Source: elaborated by the author

PROVISION OF SERVICES AND SALES

RRC's turnover comes from the provision of hotel services, means ROOM NIGHTS, and from the sale of PRODUCTS AND SERVICES contracted to local partners, and to the CHU.

ROOM NIGHTS: We are managing a maximum of 7.300 room nights/year that is however undermined by the OCCUPANCY RATE (OR). For OR we will not consider 2020 data, as it was an atypical year due to COVID 19 pandemic, thus, we will consider 2019 data. The annual average at national level is the index that will be used, since it is understood that the RRC concept exceeds the seasonality factor, making irrelevant the notion of high season vs low season and thus competing in the annual average with the most touristic areas, namely coastal areas. We therefore consider that the value of OR=65%^{OO} is reasonable. However, as protection, we will assume 20% for safety margin, which is to say that OR=52%, and only achievable at the end of the period. Therefore, QR will be 36% on the first year, and will grow 10% a year as per table 12. In relation to ROOM NIGHT PRICE (RNP), we will consider the assumptions already defined, and the value of RNP= 106eur^{PP}. However, and following the protection considered on OR, we will assume a double safety margin by reducing RNP to 60eur. Considering the above, table 13 expresses expected turnover on room nights.

Table 12 – Occupation Rate (OR) evolution

Year 1	Year 2	Year 3	Year 4	Year 5
36%	36,9%	43,56%	47,92%	52,71%

Source: elaborated by the author

Table 13 – Expected turnover in 5 years

Year	Room nights/ year	Room nights turnover
1	2.623	157.378
2	4.042	242.495
3	6.354	381.220
4	9.787	587.239
5	15.383	922.994

Source: elaborated by the author

^{OO} A.N. See SUPPLEMENTARY NOTE No. 7 for Occupation Rate 2018-2019-2020

^{PP} A.N. See SUPPLEMENTARY NOTE No. 5 for Prices Survey

SERVICES AND PRODUCTS:

INTERNAL SERVICES, will be considered all services and products provided within the RRC, without intervention of any external supplier. However, services provided by CHU will be considered as a supply to the RRC, as they will be independent business units. EXTERNAL SERVICES, are considered all services and products provided by the RRC but with intervention, or fully assured by external partners. In all these services, the price charged to the RRC will consider a margin of 30% on to the market price in benefit of the RRC. A payment system by card will be made available, that will be valid at all partners, and all expenses, both internal and in external partners will be paid at the RRC. Table 14 lists the services and products sold through the RRC, and the respective assumptions and previsions. Note that all the following assumptions were undermine with the OR, which means that same safety margin applied to room nights is considered in the expected income in services. Additionally, the growing rate of these services along the period was extracted from the growth of RRH.

Table 14 – Assumptions and previsions for income in services and products

Service	Yearly income
CHU restaurant, take away, bar and services	Each house spends a total 30eur on each room night
Local partners restaurants, in and take away	Each house, 1 meal, 5 days a week, 100eur
Local partners pubs and bars	Twice a week, 2 couple, 2 nights, 30eur each pax
Land rental, agricultural services and tools	10 guests pay 850eur for land, tools and service
All ages dedicated programs	Each house buys a 5x5eur program twice a weak
Transportation services	Each house, once a week. 50eur average
Rental of 4x4, moto, bikes, boats and jet ski	Each house, one full day twice a week, 25eur/H
Tours, experiences and nature activities	On each house 5 pax once a week, average 40eur
Parties and events management	Each house will welcome 6 events a year, 1.000eur
Daily provisions and picnicks	Average daily consumption per house 30eur
SPA treatments and transports	2 pax per house, 8 weeks a year, 600eur
Agricultural packs, activities and goods	Once a week, each house, 1 pack 200eur
Local commerce	Average daily consumption of 10eur per room
Local and on line sell of local products	Average daily consumption 40eur per house

Source: elaborated by the author

SUPPLIES AND SERVICES

Following the incomes, the costs will also be INTERNAL and EXTERNAL, thus, some costs will be charged by the CHU and others, from external suppliers. Table 15 lists the several expectations and assumptions on supplies and services, and the growing rate of these services along the period was extracted from the growth of RRH.

Table 15 – Supplies and services previsions and assumptions

Service	Yearly cost
Flat fee paid to CHU for administrative and reception services	1.000eur/ month
Booking platforms ^{QQ}	Average commission of 7%
Laundry services	Each room cost 3eur a day
Web promotion: social web, platforms, search engines	Yearly 3.000eur
Advertisement and sponsorship	Yearly 2.000eur
Surveillance and security	Each house 75eur monthly
Maintenance and repairs materials	Each room costs 150eur a year
Amenities	15eur per month per room
Cleaning products and materials	100eur monthly per house
Protection and sanitizing products	250eur a year
Gardening products and materials	Each house spends 15eur a month
Professional clothes, shared with CHU	RRC pay 1.500eur a year
Stationery and office material, shared with CHU	RRC pay 500eur a year
Software and licences, shared with CHU	RRC pay 1.000eur a year
Energy consumption on 100% electric vehicles	2eur ^{RR} /100km and 40.000km/year
Electric energy consumption on houses	Each house spends 100eur a month
Water consumption on houses	Each house spends 70eur a month
Travels and stays	1.000eur a year will be spent
Electric vehicles monthly rent, per vehicle type, all included	A:628 B:550 C:693 D:460eur ^{SS}
Communication, mobile and landline	150eur per month contract
Internet and cable TV	30eur monthly per house
Insurances: RRH, civil liability	750eur per year
Insurances: work force	40eur per pax a year
Legal expenses	1.000eur per year

Source: elaborated by the author

^{QQ} A.N. See **SUPPLEMENTARY NOTE No.9** for support calculations,

^{RR} LUGENERGY. Electric consumption of a Renault Zoe . Retrieved from <https://www.lugenergy.pt/custo-carregar-carro-eletrico> on February 25, 2021

^{SS} A.N. See **SUPPLEMENTARY NOTE No. 9** for information and calculations

WORKING COSTS

Working costs will follow the business evolution throughout the period. However, there is a previous preparation for the implementation of an RRC that needs to start, in average, 6 months before of the previously called PHASE 1. It is considered that in this period, and in the first year of the RRC, the CHU-DIR will be in charge of RRC-DIR function, and only in the second year, an RRC-DIR will be hired. In terms of salary, table 16 lists the various functions, the respective number of people, and respective base remuneration pack. It is not considered any increase in salaries along the period, since salaries have a flat and a variable portion, as well as profits share due to 6% of shares allotment, thus, increase depends on good results of the RRC. Additionally, partial time workers are considered.

Table 16 – Working force remuneration packs

	Year					Base remuneration pack		
	1	2	3	4	5	Net salary	Variable	other
RRC-DIR	0	1	1	1	1	2.450	1,5% on sales	2% share
RRH-OM	1	1	1	1	1	2.350	0,5% on sales	1% share
FM	1	1	1	1	1	1.900	0,5% on sales	1% share
GRM	0	0	1	1	1	1.250	0,5% on sales	0,35 to 2% share, according to growth
Cleaning	2	2,5	3,5	5,5	7,5	700	-	
Maintenance	1	1,5	2	2,5	3,5	750	-	
Costumer service	1	1	2	2	2	700	-	

Source: elaborated by the author

INVESTMENT

This business model does not require significant initial investment, as per table 17

Table 17 – Investment

Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Computers, tablets, smartphones	3.000	1.000	1.000	1.000	1.000
Surveillance and alarm systems	1.500	600	900	1.200	1.800
Cleaning and gardening devices	1.500	500	500	500	500
Web site and social web	4.000				

Source: elaborated by the author

HOUSES RENT AND INVESTMENT

Houses to be included in RRC as RRH, can be raised in two main ways: i) the house is delivered to the RRC on acceptable conditions for market, through investment done by the owner, or ii) the owner makes the house available, but it needs recovery works to be an RRH, that is, it needs investment, and the owner has no conditions, or interest in doing so.

In the case of the first option i), the RRC will pay the owner 22% on the profitability it obtains from the house. The economic study is developed taking into account this option, and offers owners an annual and growing benefit according to table 18. Taking into account these data, and the MVI for this typology of HRR, the owner would recover the investment to be made in his home in just over 4 years.

Table 18 – Annual benefit for owners per house

Year 1	Year 2	Year 3	Year 4	Year 5
6.925	7.621	8.387	9.228	10.153

Source: elaborated by the author

If, on the other hand, the option is the second ii), then the RRC will have to take part in the recovery of the house, as well as, in the respective financial process. However, in terms of economic study, it has no influence given that the amount of income payable to the owner considered in the present study, will always necessarily have to be higher than the cost of financing, and on the other hand, the recovery works, even with the monitoring by the RRC, will be fully subcontracted to a partner, and this cost is financed in full.

RRH RECOVERING FUNDING

The financing of the reconstruction works should involve several entities: i) investors, ii) financial partners, iii) guarantors and iv) public entities.

The RRC may be an INVESTOR, through the investment of cash arising from the activity results in the recovery of more RRH to the RRC. However, potentially interested investors could be found within entities that have a clear interest in the growth and success of the RRC, namely, local partners in some activities marketed through the RRC and local partners responsible for the recovery

works. The investment of these partners, will be supported in business-guaranteed contracts in the RRC for a certain period of time.

FINANCIAL PARTNERS will be found on the traditional banking, through the negotiation of financial products suitable for the financial needs. Bank entities with local presence will be privileged, and the business potential of the RRC will be used as a reinforcement of the debt capacity, as well as, negotiating marketing counterparts to the banking entity with the local population, in the various activities of the RRC

As GUARANTORS of financial operations with the bank, the allocation of the house to the operation can be negotiated. Thereby, this financing should be linked to that house recovery and respective company selected to carry out the work. In any case, this solution should start with an interest and agreement with the owner. Another option is to negotiate the project as a whole with a Mutual Guarantee Society (MGS), thus gaining support for better negotiation with the bank, either from the point of view of the amounts to be financed or the conditions.

PUBLIC ENTITIES should be involved, by appealing to the interest of the project for the local economy, as well as to its sustainability principles, in order to create the best conditions for the implementation of the RRC. It is expected that the policy of incentives for the next coming years will prefer for the nuclear vectors of this project, in particular the action against human desertification of rural areas, and the creation of technological conditions that equalize the opportunities of these areas with urban areas. Thus, the value of this project should be valued, and support should be provided for the usage of EU funds, that can be applied directly to the recovery of houses. To this end, the Regional Coordination and Development Committees (RCDC) plays a role of major importance. The RCDC are, according to law 104/2003, decentralized services with administrative and financial autonomy, entrusted with implementing measures useful for the development of the respective regions, being therefore the regional entities to which this project should be presented, and from whom support should be obtained (DIARIO DA REPUBLICA, No.104, 2003)¹⁰⁵.

The RRC BEGINNING will be the most difficult period either by the financial need to support the renovation of homes, or by the absence of business history. Several factors should be considered, and organized in order to create the necessary conditions: i) analyzing the financial structure of chu, which will be of extreme importance in order to allow the use of any debt capacity, or allocation of assets as guarantor, in order to create appropriate financial conditions, ii) identifying local partners with interest in the RRC project and assure their involvement by offering advantages in future trades,

in exchange for investment or more advantageous conditions, iii) a preference for houses that are in a position to be traded, or in which the owners are willing to invest and iv) studying the scenario of opening capital of RRC to Venture Capital Societies (VCS), promoting the entry of capital to leverage the business in the beginning, with date and conditions of exit duly negotiated.

12.3 - ECONOMIC AND FINANCIAL ANALYSIS

The purpose of this analysis is to verify whether the business is viable and can be implemented according to the assumptions and data that have been presented before, and whether it represents return for investors. The analysis should be as functional and objective as possible for its objectives to be met.

Based on the assumptions defined behind, the INCOME STATEMENT^{TT} was elaborated, which reflects the "film" of the financial year corresponding to the five years considered in this analysis, the BALANCE SHEET^{UU}, which represents the "photograph" of the company's financial situation on December 31 of each of the five years studied and iii) a brief analysis of cash flow and return is presented.

A comparative analysis could also have been made if there were data, but being this project pioneering, we consider that there is no comparability.

INCOME STATEMENT

As is visible in Table 19, the result of the company's operational activity, translated by the EBIDTA indicator, is always positive, with constant and non-regular growth, over the five years of the project. This growth is based on the evolution of the number of RRH's and the number of rooms. From the first to the second year there is a sharp growth in terms of net income, as resources and fixed costs are excessive for the number of existing RRH's, so the increase in the number of RRH's in the second year, will not require the equivalent increase in resources and fixed costs. In the third year and in the fifth year the same pattern is found, because it is in these years that the number of RRH has doubled, and the following year is always the year of adjustment. Consequently, the results show the dynamics in line with the dynamics of sales

^{TT} A.N. See **SUPPLEMENTARY NOTE No. 10** for Income Statement

^{UU} A.N. See **SUPPLEMENTARY NOTE No. 11** for Balance Sheet

Table 19 – EBITDA, EBIT and Net income

EBITDA	3 990	9 531	7 792	8 049	7 361
EBIT	1 231	6 278	3 983	4 959	3 536
Net income ^{VV}	973	4 960	3 147	3 918	2 793

Source: elaborated by the author

This project does not outline significant changes in EBIT, because the investment required for the development of the activity is not significant, so the depreciation of the year does not have much impact on the company's results. As investment, financing and excess money are not verified, thus financial rents are not affected, therefore there is a zero financial result and an EBIT equal to EBT.

BALANCE SHEET

In relation to the assets structure, it is necessary to distinguish between assets of the business, and extra-business assets. However, in the case of this project, and from a functional balance sheet perspective, all assets are business assets, i.e. affecting to the operation, even if it has a very residual value with respect to non-current fixed assets, since the company will essentially use the subcontracting method, so there will be no investment in resources.

This business is based on assets that do not belong to the company, and will be used in the activity in the form of rental, thus, the company has little assets. From the point of view of liabilities, the business does not generate indebtedness in terms of investment, because there are no assets, and no payment terms dilated in time, that is, current liabilities. Therefore, and as shown in table 20, the positive net results generated throughout the project are being transferred to results carried over thus showing increasing and positive capital. In assets, with no investment or non-current assets, the amounts are in cash.

Table 20 – Assets and Liabilities

TOTAL ASSETS	65 960	80 191	96 635	121 837	158 379
TOTAL LIABILITIES	14 987	24 259	37 555	58 840	92 589
TOTAL SHAREHOLDERS' EQUITY	50 973	55 932	59 079	62 997	65 790

Source: elaborated by the author

^{VV} A.N. It is not considered taxes, in particular IRC, Corporate Income Tax

External assets are neither visible nor quantified in the accounts, however, they exist and are the basis for the development of the activity. It would be risky to base an activity on external assets if they did not materialize in contracts that bind the parties and ensure their use by the project during the period understood as appropriate. Given the absence of these assets from the accounting records, these would necessarily be disclosed and quantified in the company's account report, through the presentation of the annex to the financial statements, as an asset linked to the project and materially relevant. The same is true to liabilities, since there are also RRC obligations to the owners, and would also have to be disclosed and quantified in the annex to the financial statements.

CASH FLOW, ROE and ROA

The financial structure of this project presents balance and solidity, since the relationship between equity and debt capital is clearly favorable. Table 21, that shows the WCR, which results from the difference between WCN and RWC, demonstrates the financial surpluses, therefore, without the need for external financing of the project's exploration cycles.

Table 21 – Investment in Working Capital Requirements

	Year 1	Year 2	Year 3	Year 4	Year 5
Working Capital Needs (WCN)	674 230,41	1 038 970,60	1 633 909,48	2 515 906,80	3 954 061,37
Resources Working Capital (RWC)	516 979,76	793 080,17	1 251 145,99	1 927 642,38	3 034 445,94
Working Capital Requirements (WCR)	-157 250,64	-245 890,43	-382 763,49	-588 264,42	-919 615,43

Source: elaborated by the author

Return on assets (ROA), allows you to evaluate the profitability of the company in relation to its assets. As the capital invested in assets is reduced, or almost nil, it is understood that the analysis of this ratio is not significant. On the other hand, the return on equity (ROE) allows analyzing the return on capital that partners have invested in the company, at the end, allows to analyze whether it is worth the investment made. As evidenced in Table 22, the profitability is positive throughout the years analyzed in this study, however it may, or may not, represent a good investment for partners, depending on the expectation they created for it.

Table 22 – Return on equity

	Year 1	Year 2	Year 3	Year 4	Year 5
Return on Equity (ROE)	1,91%	8,87%	5,33%	6,22%	4,25%

Source: elaborated by the author

It is thus concluded by the viability of the project, demonstrated in the economic and financial support presented, Consistently, the philosophy of low investment and low passive counterbalance the risk of few assets for the development of the activity, in binding contracts, which ensure the continuation of external assets at the service of the project over the period established. On the other hand, given that over the period under analysis it was not considered reinvestment or results distribution, the project is in a position to put to the decision the application of these results, in distribution of dividends, or in investment, for example, in the recovery of more houses to aggregate as RRH, or invest in launch another CRR in another location.

12.4 - PUBLIC INCENTIVES

This project holds that economic viability should not be dependent on external subsidies, which adulterate the real added value of the concept. However, they can assume a key leverage role for sustained and exponential growth. Since this type of incentives are mostly local, each location will present a different framework. Particularly at international level, the realities are quite diverse, and it is recommended that a thorough analysis of available public funding and the frame of the project in its guidelines and objectives, as well as, in terms of funding and its conditions. Thus, for this project purpose, will be analyzed only the reality of Portugal, and the respective framing of this project in existing support lines.

The current situation derived from the Covid 19 pandemic, provokes a difficult economic situation and a crisis is announced for the next times. In order to face the coming challenges, the Government has put into public debate the Recovery and Resilience Plan (RRP) which, according to Prime Minister Antonio Costa, tends to "respond to the economic and social crisis that covid-19 has dragged". But it's not an aspirin, for the immediate. "It is not intended to be an emergency response program, such as the measures we have taken to support employment, to ensure business liquidity or to combat poverty, nor does it replace the Multiannual Financial Framework (MFF) that we will have

to implement from here until 2029. This program is a program focused on time", said António Costa, letting realize that the RRP intends to act at a more macro and lasting level^{WW} On the other hand, the said MFF reflects the Portugal 2030 Strategy, which includes the recovery of the economy, protection of employment, and convergence of Portugal with the EU, ensuring greater resilience and cohesion, social and territorial, for the next 10 years. It is structured around four central thematic agendas: i) people first: a better demographic balance, greater inclusion, less inequality; ii) digitization, innovation and qualifications as engines of development; iii) climate transition and resource sustainability; iv) an externally competitive and internally cohesive country.^{XX}

We are therefore in a transition phase between FFM, together with the launch of the RRP, which represents the arrival of a significant amount of European funds that will support new projects and boost economic growth. Although the content of the support programs is still unknown, given the consonance between the main strategic lines of this project and the RRP or the MFF, EU funds programs are expected to frame and boost this project. Although all this support framework is unknown, we present some existing programs at the time, and where this project would be framed.

LEADER PROGRAM

The main objectives of the LEADER program are to promote integrated initiatives designed and implemented at local level. It encourages and supports rural actors to reflect on the potential of their territories from a long-term perspective, as well as the implementation of original strategies for sustainable, integrated and high-quality development, such as: new ways of enhancing natural and cultural heritage, economic strengthening, in order to contribute to the creation of jobs and improving the capacity of communities to organize themselves. The aspect of "cooperation" is one that corresponds to the main element of the program. In particular, the operation 'Renewal of Villages' aims at the preservation, conservation and enhancement of local, landscape and environmental heritage elements, as well as the elements that constitute the intangible heritage of cultural and social nature of the territories. Funds up to 200,000eur with only 20% refundable of the total eligible^{YY}

^{WW} PUBLICO (2021). "O Bê-á-Bá do Programa de Recuperação e Resiliência" Published on-line in February 22, 2021. Retrieved from <https://www.publico.pt/2021/02/22/politica/noticia/beaba-programa-recuperacao-resiliencia-dois-videos-4m25s-1951568> in February 25, 2021

^{XX} YUNIT CONSULTING. "O PT 20-30 já tem uma agenda". Retrieved from <http://www.yunitconsulting.pt/blog/um-portugal-justo-sustentavel-inovador-conhecedor-responsavel/>, in February 23,2021

^{YY} Porto Editora. "Leader". Infopedia, 2003-2021. Retrieved from [https://www.infopedia.pt/\\$leader](https://www.infopedia.pt/$leader) in February 27, 2021

SUPPORT PROGRAM THE NATIONAL PRODUCTION

The National Production Support Program will support small investment projects of micro and small enterprises in the area of tourism and industry, with an average co-financing rate of 50% in the fund lost and with an increase to the interior of the country, which can go to a 60% support to lost fund. This program supports investments up to EUR 235,000eur^{ZZ}.

INTERIOR EMPLOYMENT PROGRAM PLUS

Financial support granted to workers who enter into employment contracts on behest of others or create their own employment or undertaking, whose place of employment implies their geographical mobility to the territory of the interior. This program can be important in raising human resources who want to change their residency to work in RRC. The financial support is 6 times the value of the Social Support Indexer (SSI), for the conclusion of an employment contract on behest of another person or creation of the employment or company itself, in a place^{AAA} located in the interior and that implies a change of residence, which can be increased by 20% by each element of the household of recipient who accompanies it.

13. – A CASE STUDY

Considering that we are in a rural region, with low a population density, the existence of a hotel unit with potential to be the CHU of this RRC can be considered an accepted indicator for the beginning of a study about a location. It cannot be considered a general rule, notwithstanding, the existence of this potential CHU, allows to trace a zone of action around it, and thus determine the potential of HRR's. On the other hand, this unit may have the necessary conditions installed, but even more interesting will be the existence of needs, in which the RRC project itself will be an added value and synonymous of qualitative growth and business generator. With this in mind, we start the analysis of the present case study by the potential CHU opportunity, located in a rural and low populated region

^{ZZ} UNIAO EUROPEIA. Portugal 2020. “Novo Programa de Apoio à Produção Nacional para micro e pequenas empresas.” Published in November 5, 2020. Available on-line at <https://www.portugal2020.pt/content/novo-programa-de-apoio-producao-nacional-para-micro-e-pequenas-empresas>

^{AAA} IEFPI Instituto do Emprego e Formação Profissional. “Emprego Interior Mais – Mobilidade Apoiada para um Interior Sustentavel”. Retrieved from <https://iefponline.iefp.pt/IEFP/interiorMais.do?action=overview> in February 27, 2021.

THE POTENCIAL CHU

The American Hotel (figure 42) is located in the village of Carapinha, belonging to the Municipality of Tabua and District of Coimbra. This unit offers 22 apartments with fully equipped kitchenette and dining area. There is a seasonal outdoor swimming pool and free Wi-Fi.

Figure 42 – American Hotel



Source: retrieved from www.booking.com on January 14, 2021

Figure 43– American Hotel – property area



Source: retrieved from www.google.pt/maps on January 14, 2021

WHY IS IT A POTENCIAL CHU? The main reason is the potential of the property, which in addition to the apartments also has two rooms with 280m² each, with potential to be installed a restaurant, as well as several support annexes. The property has a total area of 7.728m², where there is still plenty of space available, as it can be evaluated in figure 43. Other important reason is the current lack of quality of the apartments and service, visible in the negative reviews of the customers left on booking.com platform. There are no data available about the average occupation of this unit, but by both the perceived quality and personal knowledge of the author, it is estimated that it is a very low occupation.

It is therefore a unit that has great potential to be CHU, and on the other hand, the RRC project could mean a quality boost and great potential generator of business, which will certainly be considered an asset by the owners. However, it is necessary to consider the need to carry out works to improve the quality of apartments, improvement of outdoor spaces and above all, HR training to improve the quality of service.

THE LOCATION

Easy accessibilities are an advantage to this location, as the CHU will be right next to a IC6^{BBB} junction, thus access by car is easy and fast, whether to the nearby villages, or cities like Coimbra (30 minutes by car) and Viseu (30 minutes by car), as well as airports (Lisbon airport: 2,5 hours by car, Oporto airport: 2 hours by car) and Spain (2 hours to the Spanish border of Vilar Formoso – Salamanca is 3 hours driving, and Madrid 4 hours driving). This means that this location's easy access, allows that anyone living in Lisboa or Oporto can arrive in no more than 2,5 hours by car, and within 4-hour driving get access to the Madrid's 7 million inhabitants market^{CCC}. On the other hand, being 30 minutes away from one of the main hospitals in Portugal, namely the Hospitals of the University of Coimbra, with a range of medical services of reference at national and international level, is an interesting and highly valued argument, namely in attracting customers in the pensioners segment, especially foreigners when looking for a second dwelling.

Potential RRH's need to be found around CHU location, thus, given the principle that the distance to CHU cannot be so that the access by car takes more than 15 minutes, traces a radius of action, which in this case, given the location of the CHU on the border of three municipalities, covers villages of the municipality of Tabua, but also the municipality of Arganil and Penacova, as identified in figure 44.

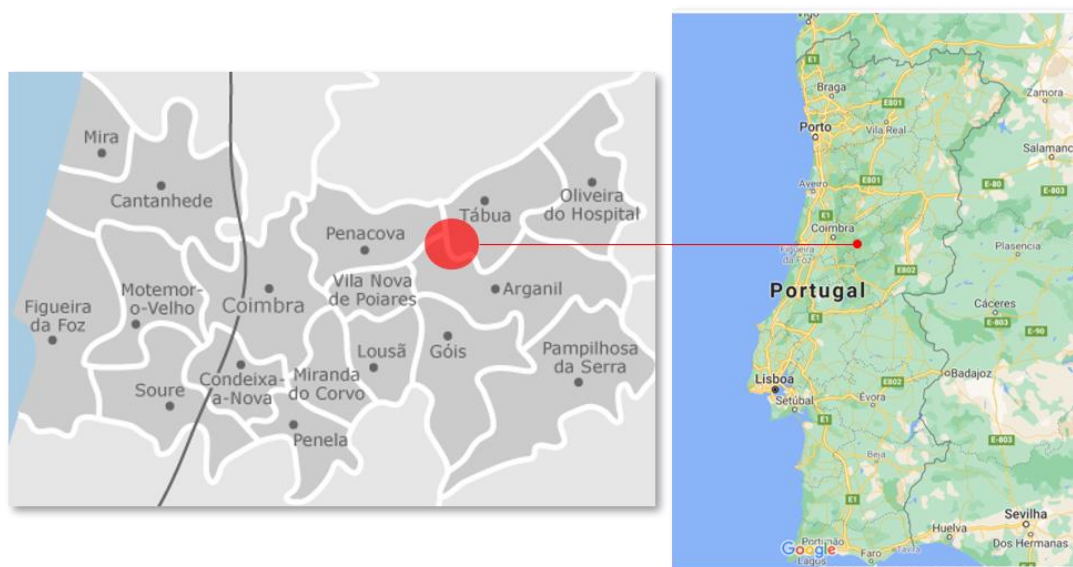
Therefore, the civil parishes covered will be those identified in table 21. With regard to the population residing in these parishes, it points out that the population density in all, is below the previously defined value of 50 inhabitants / km², with a maximum of 42.05 registered in the parish of Carapinha. Also, the growth of the resident population in the last decade, is negative in all parishes, being also noted the smallest decrease of all in the parish of Carapinha, in which the number of residents practically remained unchanged. These least bad negative data of the parish of Carapinha, derive likely from the fact that, about 30 years ago, the local Parish Council have licensed and urbanized a housing allotment, which results today in a new area of the village, with new inhabitants,

^{BBB} **A.N.** The IC6, starting at IP3 in Penacova, is thought to connect Coimbra to Covilhã through the interior of the district of Coimbra and the southern slope of Serra da Estrela, but stopped at Tabua junction in 2010. In March 2017, the year of municipal elections, the Government announced that 38 million euros would be invested in the extension of IC6, between the municipalities of Tábua and Seia. *Source: retrieved from <https://www.campeaoprovincias.pt/noticia/aberto-concurso-para-projecto-do-ic6-que-ligara-a-oliveira-do-hospital> on February 10, 2021*

^{CCC} **A.N.** Madrid: 6.700.000 inhabitants in 2019 plus Salamanca: 300.000 inhabitants in 2019. *Source: www.google.com retrieved on January 22, 2021*

who migrated from other parishes, and who have set there their new residence, due to the good conditions of the urbanization, excellent landscape and excellent accessibility.

Figure 44 - RRC location



Source: elaborated by the author based on images retrieved from www.google.pt/maps and <https://www.idealista.pt/> on January 12, 2021

Table 23 – Parishes within RRC

Municipality	Parish	Population growth,	Population density
Arganil	S.Martinho da Cortiça	-14,13	35,64
Tabua	Carapinha	-0,74	42,05
	Mouronho	-14,63	29,85
	Covelo	-19,81	15,01
Penacova	S. Paio do Mondego	-18,53	19,67

Source: elaborated by the author^{DDD}

^{DDD} A.N. See SUPPLEMENTARY NOTE No. 12 for complete data, and source references,

POTENCIAL FOR RRH

This region, known as the Beiras region, reflects the migratory flow of the 1950s to the 1970s, with the movement of population abroad and large Portuguese cities, as already mentioned back. This is noticeable in the high number of houses without permanent residents, or even abandoned. From research carried out to the Parish of Carapinha,^{EEE} it was concluded that 51% of the houses are not inhabited or even abandoned. If we consider that, the allotment carried out in 1990 attracted new residents, and that the houses of this allotment are 100% inhabited, we are therefore faced with a factor that could bias that data. It is therefore arguable that the reality for the RRC will be the one obtained excluding the factor 'allotment', which does not exist in none of the other parishes of this RRC. Thus, the percentage of uninhabited houses in the parish of Carapinha, excluding allotment, is 56%, which we consider to be representative to all other parishes of the RRC, and therefore gives robust support to the viability of this location for RRC.

THE POTENCIAL OF THE REGION

Being the villages of Tabua, Arganil and Penacova, the biggest urban centers and with the highest offer near CHU, the distance from CHU^{FFF}, affects the relationship of RRC with the activities, services and offer of each. Therefore, it is expected a greater relationship with Arganil, given its easier access, and almost no relationship with Penacova, given the distance.

The research carried out identified diverse offer, which is divided into i) cultural associations, ii) cultural venues, iii) historic places, iv) touristic places, v) sports venues, vi) restaurants, vii) accommodation and viii) bars and pubs^{GGG}. All identified entities are potential partners, as well as places of interest are opportunities, but distances will always be the central element in defining the potential. However, we highlight situations that, despite the distance, are so relevant that justifies the trip. We highlight the Aldeia de Xisto of Piodão and the Mata da Margaraça, integrated in the Protected Landscape of Serra do Açor (figure 45), which despite being almost one hour by car, will be of interest by the guests, and will be part of tours in the region, as well as nature itineraries.

^{EEE} A.N. See **SUPPLEMENTARY NOTE No. 13** for complete data

^{FFF} A.N. Approximate distances in time: CHU to Arganil: 20min; CHU to Tabua: 30min; CHU to Penacova: 40min

^{GGG} A.N. See **SUPPLEMENTARY NOTE No. 14** for research detailed information,

Figure 45 – Piodão and Mata da Margarça

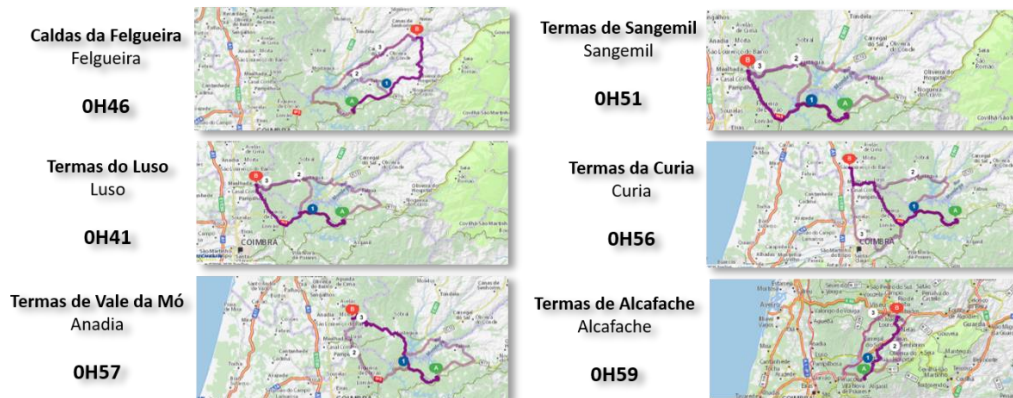


Source: retrieved from www.cm-arganil.pt on the 15th February 2021

Among the various attractions of the region, we highlight four that, as mentioned above, configure activities that may be valid arguments to attract guests: i) thermal facilities, ii) wine production, iii) motor sports and iv) water sports.

TERMAL FACILITIES: within 1 hour driving maximum we can find at least 6 thermal establishments, offering a wide range of services and treatments, as well as hotel facilities, that could be combined together with the RRC stay. The following figure 46 illustrates the thermal facilities that are less than 1 hour by car.

Figure 46 – Thermal facilities within less than 1 hour driving



Source: elaborated by the author, using information retrieved from www.viamichelin.pt on February 13, 2021

WINE PRODUCTION: part of this location, namely the parishes of the municipalities of Tábua and Arganil, integrates the Dão region, which is one of the oldest wine regions of Portugal. The references to the vineyard and wine in old documents of almost all the municipalities attest to its great social, economic and religious importance throughout history. This is the first demarcated

name that goes beyond the country. There is no rational explanation for the passion that moves thousands of people to crowd Arganil due to the rally. As per the words of Walter Rohrl, twice World Champion of Rallies, “wondering what all the fuss is about Arganil? It’s just a road, just a stage, right? Wrong. It’s about a legend” it is understandable why this project considers that this location could take advantage of the fact of being located in the worldwide recognized rallies cathedral^{III}. Consistent with the relevance of Arganil brand in the world of rallies, is the project of the Arganil Rally Center, an international museum dedicated to rally, that local municipality intends to place in the recovered building of the Old Ceramic Arganilense, and that is expected to be of major importance for local economy in the future, and that will benefit this RRC in the same way.

Figure 48 – Agueieira dam location



Source: Author elaboration based on www.google.pt/maps

Figure 49 -FIA World Rally Championship 2019 – Arganil



Source: photo from the author

We therefore conclude that this location has all the needed arguments to be a valuable place to install an RRC. Next step would be contact American Hotel for evaluation of interest, and after, assure local authorities’ engagement, and finally should be performed the financial analysis and projections, together with the five RRH for interest expression.

^{III} **A.N.** Arganil is known for the "Cathedral of the Rallies", a mythical area spoken in the four corners of the world by those who like rallies, an area where unforgettable shows were lived, that behind the wheel or who watched from the outside. In *AUTOSPORT Historico*, retrieved from <https://www.autosport.pt/ralis/wrc/rali-de-portugal-1982-michele-mouton-apelou-a-s-goldofre/> on the 13rd February 2021

14 – INTERNACIONALIZATION AND GLOBAL MARKETING STRATEGY

Thomas L. Friedman defined globalization as the inexorable integration of markets, transportation systems, and communication systems to a degree never witnessed before – in a way that is enabling corporations, countries, and individuals to reach around the world farther, faster, deeper, and cheaper than ever before (FRIEDMAN, 2002)¹⁰⁶, notwithstanding this project argues to the value of local culture, the local heritage, to return to the individual, to the basics, therefore, the effect of globalization has to be harnessed in order to enhance the concept, applying it in the most diverse locations, but maintaining concern about the preservation of the intrinsic cultural values of the region concerned. Thus, the internationalization of this business model involves locating rural areas, with low population density, in the country under analysis, after which the reality of these regions will be evaluated, particularly with regard to land abandonment, and little use, or even abandonment, of old dwellings. The internationalization model will be in the form of the offer to hotels located in these regions, of a side-business, complement of its core-business.

The understanding the local culture is mandatory for the possibility to implement and be successful with this business model in a location. Once we will be dealing with local communities, a high context typology^{JJJ} should be more frequent, with lengthy negotiations, taking time and giving value to one's word, preferring agreements to lawyers' discussions, and seeing the whole picture instead of one thing at a time. Following Hofstede's typology^{KKK}, it is essential to analyze country's values for the six dimensions, to enable solving intercultural challenges. By using Hofstede 6-D Model^{LLL} we can get a good overview of the deep drivers of a culture relative to other world cultures, thus for the purpose of this project, we consider that the case of Portugal (figure 50), could

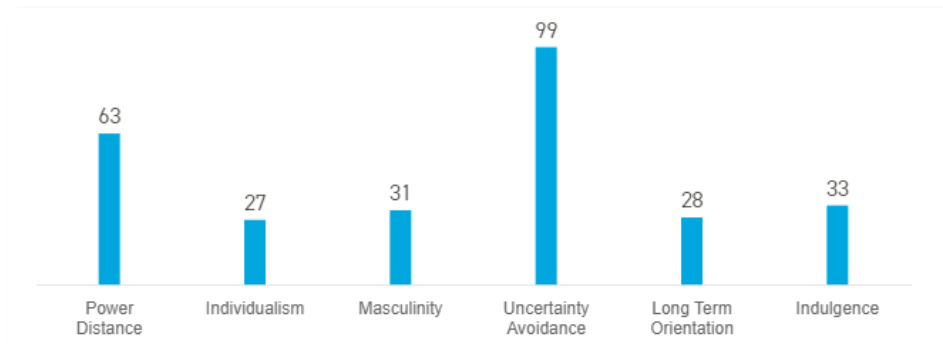
^{JJJ} **A.N.** Hall identified context key cultural factors. In a high-context culture there are many contextual elements that help people to understand the rules., and in a low-context culture, very little is taken for granted. Whilst this means that more explanation is needed, it also means there is less chance of misunderstanding. Retrieved from http://changingminds.org/explanations/culture/hall_culture.htm on February 21, 2021

^{KKK} **A.N.** Hofstede identified six categories that define culture: 1) Power Distance Index 2. Collectivism vs. Individualism, 3 Uncertainty Avoidance Index, 4 Femininity vs. Masculinity, 5 Short-Term vs. Long-Term Orientation, Restraint vs. Indulgence, retrieved from <https://corporatefinanceinstitute.com/resources/knowledge/other/hofstedes-cultural-dimensions-theory/> on the 11th February 2021

^{LLL} **A.N.** The 6-D model of national culture: Geert Hofstede, assisted by others, came up with six basic issues that society needs to come to term with in order to organize itself. These are called dimensions of culture. Each of them has been expressed on a scale that runs roughly from 0 to 100., retrieved from <https://geerthofstede.com/culture-geert-hofstede-ger-jan-hofstede/6d-model-of-national-culture/on-the-17th-February-2021>

be considered as a reference, and similar countries with respect to Hofstede 6-D Model© values, would be culturally similar, thus, will be of great potential to analyse possibilities to implement RRC business model, and hotels located in rural low population density areas, should be identified and captivated.

Figure 50 – Hofstede Country Comparison - Portugal



Source: retrieved from <https://www.hofstede-insights.com/country-comparison/portugal/> on February 11, 2021

The **mode of entry** will therefore be by licensing, franchising or by joint-venture. By LICENSING, or FRANSHISING we will make available the RRC concept and business model to the hotel, together with the ARBARO brand name, the business knowledge, potential partnerships and access to the internal system of reservations. These modes of entry will allow us to generate profit with low investment, by the fees that will be contracted, but more importantly, will provide the local knowledge that is mandatory to the implementation and success of the RRC. Thus, the license should grant to the hotel a considerable autonomy and freedom to adapt the RRC concept according to the local culture and reality. However, attention must be put on the possibility of lack of control, thus, the mode and details should be analysed and properly negotiated balancing the freedom to adapt and the control link to the home business concept, as well as brand reputation protection. JOINT-VENTURE would be an option to solve the aforementioned problem of lack of business control. However, the investment creates risk that, even if shared with the hotel, still exist, and is higher than on the above licensing and franchising options. On the other hand, it generates synergies that can be used, and facilitates entry into some markets as well as could be helpful for the global business leverage.

The **global segmentation** for this project is assumed to be similar to the case of Portugal. Therefore, it is expected to obtain potential customers within people with same attitude towards nature and rural lifestyle, that gives value to sustainability principles and that are eager to run away from the urban daily life and enjoy family life in the country, thus a PSYCHOGRAPHIC segmentation will take place, together with some DEMOGRAPHIC segmentation consequence of the medium-high level of income and education that is expected on the potential costumers.

Regarding **pricing** a GEOCENTRIC approach is recommended, since it is important to be sensitive to local market conditions, but also be aware of the importance to accept a global pricing relation. Although it is essential to assure the comparison rates to rural hotels, country houses, guest houses, agrotourism and glamping, as defined before, it is also vital to absorb local inputs and allow price adaptations to local circumstances.

For **distribution**, the approach will follow the already existing model, benefiting from the continued relationship and business volume with the reservation platforms, and above all, benefiting from the chain effect, and the notoriety of the ARBARO brand.

Finally, with regard to **promotion**, the approach will be similar to the case of Portugal, focusing on local actions and traditional media, as well as the ‘word of mouth’ (WOM) especially in E-WOM for its impact and effective return. The communication of the ARBARO brand will be of extreme importance, and will be ensured by the standards of dress-code, presentation, and training of hospitality and welcoming know-how. Finally, great emphasis will be given to the dissemination of the loyalty program and its benefits and promotions.

15 - CONCLUDING COMENTS

Consistent with Thomas Friedman, in book ‘The World is Flat’ (FRIEDMAN, 2005)¹⁰⁷ we argue in the opposite to the current; globalization no longer creates poverty and injustice, on the contrary, it makes life easier for the poor who want to compete in the open market. In business, but also in research, in sport, in culture, globalisation is making the world fairer (NEVES, 2005)¹⁰⁸. However, if the concept of development is limited to covering urban and industrial development, in a competitive, rational, selective and hierarchical system, the territories less adapted to this reality, will end up succumb, languish and lose power and economic relevance (CARVALHO, 2003)¹⁰⁹. Consequently, the human desertification of rural areas is evident, in a never-ending circle of decline, with lack of services and businesses, fewer jobs and population aging, as well as land and built

heritage abandonment and degradation. This project argues that there is a triple-sided opportunity to invert this trend to decline, and reverse the expression ‘places that don’t matter’ into ‘places that really matter’.

Firstly, the digital transformation of rural areas that is taking place, offering connectivity and digitalization, that will power many such new opportunities, by improving the social equality of the society, especially between rural and urban areas. The role of TIC will be of extreme importance to make available the opportunity to compete in the open market, in equal circumstances and taking advantage of local assets. The expected progress on TIC, and respective infrastructure will create rural areas where people can and want to live, because innovative, digital solutions make their lives easy and comfortable, and market opportunities are similar to urban areas. Consequently, rural areas have to be considered as new places of active life and productivity, where it becomes possible to imagine and design a more inclusive and sustainable future.

Secondly, the growing attention from EU policy makers to the rural society, namely to the socio-economic underdevelopment, ecological degradation and demographic situation. Territorial cohesion is in the political agenda as a structuring vector that will foster new rural activities, as counterbalance to the decline of agriculture and forest activities. Tourism could be, directly and indirectly, a structural activity, making use of the rural uniqueness and authenticity to attract visitors as well as new businesses and new residents. The role of tourism in the creation of economic wealth, but also in furthering the objectives of greater social cohesion, should be highlighted as a sustainable growth driver to meet targets of reducing depopulation and demographic ageing. The Government and policy makers are expected to enforce active policies to support tourism activities, entrepreneurship and local infrastructures, creating a proper environment for youth fixation, with attractive life conditions and well-paid jobs.

Finally, the new generation of land and rural built owners, that faces a burden instead of an asset or a benefit on the legacy received from their ancestors. Their relationship with the rural world, is now the thin relation to the intrinsic and distant value on legacy related to heritage with no value of use or possible profitability. On the other hand, there’s no fair value for properties on eventual sale, caused by the lack of commercial interest, and land abandonment is not an option, as owners are now obliged by law to ensure cleanliness and maintenance. New rural owners are now facing a never-ending problem, in which the same heritage represent a permanent cost without any profit or future. It is, therefore, of obvious interest a new light on this matter, by addressing a new strategy to

overcome this critical situation, enabling the recovering and maintenance of built heritage, and obtaining some profit from it. This will allow the current generation to hold on the memory of the ancestors, to continue enjoying their built heritage, and to be part of a sustainable project that will have a leverage effect on the economy of the community they belong by inheritance.

The combination of these three fields of opportunity, the digital transformation progress, the political concern about territorial cohesion and the vast availability of built heritage and interest of respective owners, provide a fertile environment for this project concept. There's therefore a window of opportunity to create an innovative business, grounded on the the touristic offer of hotel rooms in recovered rural houses, integrated in a rural resort, with all facilities, services and hotel refinement, on the concept of unique experience of local community engagement of guests. Additionally, since the rural resort cell revolves around a central hotel unit, it provides a business model easily replicable in several locations with similar characteristics, all over the world.

Sustainability is the baseline of this project, thus, an internal and external integrated commitment to environmental, social and economic positive effect is structural. By using the TLBMC, a tool for exploring sustainability-oriented business model, we obtain a robust support on the positive effect of this project business model. Economically, we found support on the financial projections, that demonstrate revenues overcoming costs significantly, and a sustainable growth along the years, taking into account reasonable safety margins on estimations. The environmental impact of this project has clearly more benefits than negative impacts, showing a strong coherence on all actions of the operation and sustainable principles, that result on a green foot print of the activity, that is extended to partners and suppliers through training and motivation. The Social level is where this project has the highest expectations and aims on the possible positive effects on the community. The social benefit of this project is relevant and may represent an effective change in the economic life of the community. Importance should be given to the fact that economic sustainability achievement is strongly influenced by the subcontracts to local partners, which highlights the potential of the project as business booster and new opportunities generator in the community. This thus embodies an improvement in the living conditions of the inhabitants, and in the reversal of the tendency of decline of a specific rural region. We aspire that this project could be a significant contribution for youth fixation, for creating more and better jobs and for reducing the desertification and ageing of rural communities.

The ARBARO project has thus the ambitious goal of be a dynamic booster of rural communities' economy, through the usage of the latest technology to market the unique local assets and attract customers worldwide, taking advantage of the topicality of the rural issue and concern for territorial cohesion of the policy makers, to achieve better infrastructures and favorable conditions, and finally contributing to a better life in rural areas, turning them into a place where it's good to live. This project aims to make ARBARO a brand associated with sustainability, natural life style and rural heritage, that will be recognized in the various ARBARO Rural Resorts, which will multiply throughout the country and throughout the world, transforming rural communities into modern and dynamic living places, grounded in the local authenticity and uniqueness.

16 - FUTURE PROJECT DIRECTIONS

ICT's expected evolution is outstanding, and rural areas could be placed to take advantage on it; the creation of a prosperous human-centric smart society in which both economic development and the resolution of societal challenges are achieved through this digital transformation, known as "Society 5.0", is taking place (VAN NESTE, 2020)¹¹⁰. Society 4.0 is an information society that realizes increased added-value by connecting intangible assets as information networks. In this evolution, Society 5.0 is an information society built upon Society 4.0, aiming to build a society where people enjoy life to the fullest. Economic growth and technological development exist for that purpose, and not for the prosperity of a select few (FUKUYAMA, 2018)¹¹¹.

The future on rural areas is thus directly related with connectivity and digitalization, and the correlation between the rural authenticity and uniqueness, with the innovative digital solutions is an open door for future studies and projects. The convergence of digital technologies to communities where depopulation is a major issue can have profound benefits. Bringing multidisciplinary expertise around smart sensing can provide innovative solutions in powering existing and next generation digital devices to resolve such societal challenges. In Society 5.0, new value created through innovation will eliminate regional, age, gender, and language gaps and enable the provision of products and services finely tailored to diverse individual needs and latent needs. In this way, it will be possible to achieve a society that can both promote economic development and find solutions to social problems^{MMM}. It is therefore of major importance to conduct a deep research on the

^{MMM} CABINET OFFICE, GOVERNMENT OF JAPAN. Society 5.0. Retrieved from https://www8.cao.go.jp/cstp/english/society5_0 on the February 23, 2021

opportunities and challenges, as well as the real expected impact on the correction of regional inequality.

The COVID 19 pandemic, which stamps the entire 2020 and continues in 2021, without a predicted outcome despite the start of vaccination, was a limitation to the present study, and severely affected the action of the project in terms of future projections. Alongside all the other sectors of the economy, tourism has been severely affected, and faces the challenge of reorganizing and surviving in a time of financial crisis, with severe travel limitations, harsh restrictions and uncertainty about when will the recovery be possible. These unexpected circumstances, that affected everyone's life, also undermine this project, assuming it as a limitation, in the sense that it hindered the development of the study and generated uncertainty about the validity of existing historical information. On the other hand, it undertakes an opportunity for future studies, which will be necessary and fundamental for the reorganization of all economic sectors, tourism in particular. This new reality will undoubtedly change our behaviors and the lifestyle we know today, and this is going to naturally have an impact and generate opportunities in the rural world. The forthcoming times are of uncertainty, but also of opening, with a vibrant call for new studies and projects. Consistent with this sunny outlook, this project argues that, on an organizational level, times of crises can be both threatening and liberating. This is that moment^{NNN}.

^{NNN} TRENDWATCHING (2021). "Where next? 10 cross-industry trends accelerated by the Covid crises". Retrieved from <https://info.trendwatching.com/10-trends-for-a-post-coronavirus-world>, in February 4, 2021

SUPPLEMENTARY NOTES

SN1 - SUPPLEMENTARY NOTE No. 1

FACILITIES AND SERVICES WITHIN RRC

Service offer within the RRC is detailed in bellow table SN1, identified for service and facilities, and referred as (M) mandatory, when 100% required, (O) optional, when is an option to consider, taking into account the reality of the RRC, (P) preferred, when is an option that could make a positive experience to guests, (N) when no significance and no need exists, and (R) when a service is not available at the RRH but is assured or could be requested to the CHU

Table SN1 - Facilities and service offer within the RRC

		CHU	RRH			CHU	RRH
	Characteristics of facilities and equipment			36	24H Maintenance and Repair Service	M	R
1	Distinct access for service and guests'	M	P	37	Presential reception service in-house	N	M
2	Identified location of reception, check in/ out and information's	M	N	38	Bilingual (English, Portuguese) reception service	M	M
3	Common area with living room, coffee-shop and bar	M	N	39	Multilingual reception service	P	P
4	Common area with breakfast room	M	N	40	Luggage storage service	M	P
5	Sanitary facilities in the common area	M	P	41	Acceptance of payment by credit card	M	R
6	Area for restaurant	P	N	42	Private shuttle service (airport, nearby cities...)	M	R
7	Service area with kitchen, or pantry and storage area	P	N	43	Shuttle service between RRH and CHU	M	R
8	Service area with sanitary facilities and dressing room	M	N	44	Customer manager service	M	R
9	Rooms with climatization system that guarantees thermal comfort	M	M	Cleaning and laundry service			
10	Climatization of common areas	M	P	45	Daily cleaning of rooms and common areas	M	M
11	Rooms with private sanitary facilities	M	P	46	Change of towels daily	M	M
12	Common sanitary facilities for each 2 rooms	N	M	47	Change of bed linen daily	M	O
13	Private parking	P	P	48	Change of bed linen every 2 days, or when guests change	N	M
14	Kitchen equipped with refrigerator, stove and utensils	N	M	49	Daily cleaning of kitchen waste and dish washing	N	M
15	Kitchen equipped with dishwasher and microwave	N	P	50	Laundry and ironing service	P	R

16	Bathrooms equipped with hairdryer	M	P	Food and beverage service			
17	Bathrooms equipped with bath towels, face and floor	M	M	51	Breakfast service	M	N
18	Bathrooms equipped with amenities (soap, shower gel, shampoo)	M	M	52	In-house breakfast service	N	M
19	Other superior amenities available upon request	M	R	53	Bar and coffee-shop service	M	N
20	Rooms with television	M	P	54	Drinks at the customer's disposal, without bar service	P	M
21	Television on common area	M	M	55	Free tea and coffee in the bedroom or in the common areas	N	P
22	WIFI access in common areas and rooms	M	M	56	Welcoming	P	M
23	Direct telephone in each room	M	P	57	Fridge with drinks and snacks	P	P
24	Telephone located in common area	M	M	58	Meal, lunch and dinner service, 7 days a week	P	R
25	User's manual for all equipment	O	M	59	Wine list available, with emphasis in the wines of the region	P	R
26	Emergency instructions and respective devices dully identified	M	M	Complementary services			
27	Outdoor swimming pool	M	P	60	Fireplace and cozy living room	P	M
28	Indoor swimming pool	P	P	61	Electric bike rental service	P	R
29	Gym and Health Club	P	P	62	Car and 4x4 rental service, with and without driver	P	R
30	SPA and Thermal Offer	P	R	63	Motorbike and 4x4 quad rental	P	R
31	Sports facilities (tennis court, football field..)	P	P	64	Boat rental services, with and without driver	P	R
32	Self-service barbecue	N	M	65	Barbeque services	P	R
33	Games room, bikes and facilities	P	P	66	Picknick baskets and organization	P	R
Reception and concierge services				67	Tours, experiences and activities organization	P	R
34	24H Permanent Service	M	R	68	All ages activities and programs	P	R
35	24H Room Service of drinks and light meals	M	R	69	Events organization	P	R
				70	Local community engagement activities	P	P

Source: elaborated by the author according to DR 49/2015 in *Diário da República, 1.ª série — N.º 214 — 2 de Novembro de 2015*, retrieved from <https://dre.pt/application/file/70869184> on December 19, 2020

SN2 - SUPPLEMENTARY NOTE No. 2

FUNCTIONS AND PHASES FRAMEWORK (table SN2)

Table SN2 – Functions and phases framework

FUNCTION	DESCRIPTION	1st phase (a)	2nd phase (b)	3rd phase (c)	More (d)
Board	Board of directors appointed by the shareholders' meeting	ABC	ABC	ABC	ABC
CEO	Responsible for the proper functioning of all RRC	A	A	A	A
CDO	Responsible for research and development of new potential RRC, and respective RRH	A	A	A	A
CFO	Responsible for financial control, feasibility studies and incentive framework	B	B	B	B
CCO	Responsible for communication, marketing and customer relationships	C	C	C	C
RRC(x) Director	Responsible for the proper functioning of a specific RRC	A	D	D	D
RRC(x) CHU Director	Responsible for the proper functioning of CHU in a specific RRC	A	D	D	M
RRC(x) Operations Manager	Responsible for the proper functioning of the various RRH in a specific RRC	A	D	E	E
RRC(x) Community Relations Manager	Responsible for the relationship with the local community in a specific RRC	A	D	F	F
Architecture Director	Responsible for interior and exterior architecture in RRH and CHU	OS	OS	G	G
Engineering Director	Responsible for engineering studies in potential RRH and work monitoring	OS	OS	H	H
Business Analysis Manager	Responsible for the analysis of potential RRH and potential RRC	A	A	I	I
Incentive and Public Relations Manager	Responsible for the management of incentives and relationship with local political power	A	A	J	J
Financial Manager	Responsible for financial control suppliers and customers, and financing	B	B	K	K
Customer Relations Manager	Responsible for after sales management	C	C	L	L
Business Development Manager	Responsible for commercial action and market strategy	C	C	L	N
Communication Manager	Responsible for the communication strategy	C	C	L	O

Source: author elaboration

SN3 - SUPPLEMENTARY NOTE No. 3

WHAT DOES MINDFULNESS CONSIST OF?

Mindfulness derives from the term in Pali Sati (Smṛti in Sanskrit), an essential element of Buddhist practice. The practice of mindfulness is increasingly present in the Western world, in greater predominance in Psychiatry and Psychology to alleviate a variety of physical and mental conditions, including obsessive-compulsive disorder, anxiety and in the prevention and depressive relapses, as well as in the treatment of addictions. It has gained popularity worldwide as a method of excellence to deal with emotions.

Contrary to popular belief, mindfulness does not seek to empty your mind of thoughts or emotions. It is about paying attention to the present moment, without being attached to the past or without projecting itself in the future. At its base, mindfulness is a training based on the "mind-body" connection, and can help you observe your patterns of thoughts and emotions, your experiences – good, neutral or negative. This can really change the way you manage, react and respond, for example, to stressful situations, giving you a valuable tool to stay mentally (and physically) healthy.

The experiential component: mindfulness is one of those things you really have to try to understand. There are a number of misconceptions about mindfulness – for example, which is a tool that aims to decrease anxiety or induce relaxation. It won't be a right perspective – mindfulness is about noticing and accepting your current experience, just as it is, whether that's good, bad or neutral. Anxiety reduction or relaxation usually happens, or maybe not. The important thing is to learn to accept life, with your experiences, and that's the true value of mindfulness.

Source: Sociedade Portuguesa de Meditação e Bem Estar. Mindfulness Institute (2020). Retrieved from <https://meditt.space/r/mindfulness>, on December 28, 2020

SN4 - SUPPLEMENTARY NOTE No. 4

STRATEGIC FRAMEWORK

To elaborate the RRC value curve, and the strategic framework, we identified the various attributes that a potential visitor perceives in the various types of tourism in rural areas.

On Table SN4 a classification was assigned to each typology, in a scale from 1 to 5, according to the perceived value: 1- low value; 2- few value; 3- moderate value; 4 - significant value; 5 – high value

Table SN4 – Attributes value per typology

ATTRIBUTES	No	TYPOLOGY					
		Rural Hotel	Country House	Agro tourism	Guest House	Glamping	RRC
Price	1	4	1	2	2	5	4
Contact with nature, leisure and relaxation	2	4	4	4	4	4	4
Nature tourism and active tourism	3	4	3	2	3	3	4
Participation in agricultural activities	4	2	1	5	3	2	5
Land and conditions for own agricultural production	5	1	1	3	1	1	5
Superior hotel quality guarantee	6	5	1	2	1	4	5
Quality guarantee of gastronomic experiences	7	4	1	3	2	2	4
Wide range of superior quality hotel services	8	5	1	3	1	2	5
Variety of dining experiences	9	5	1	3	1	2	5
Integration and interaction with the local community	10	2	2	3	2	2	5
Various stays throughout the year	11	2	2	3	2	2	4
Privacy and exclusivity	12	2	5	2	2	3	5
All family together experience	13	2	5	4	3	3	5
Brand prestige	14	4	1	2	1	3	4
Customer management and support	15	5	1	3	1	3	5
Multiple experiences in the same place	16	2	1	2	1	2	4
Sustainable activity in terms of environment	17	3	2	4	2	4	4
Sustainable activity in economic terms	18	3	2	3	2	3	4
Sustainable activity in social terms	19	2	2	3	2	2	4
Built heritage conservation	20	3	3	3	3	1	5
Cultural activities	21	3	1	3	1	2	4

Source: author elaboration

SN5 - SUPPLEMENTARY NOTE No. 5

ROOM NIGHT PRICE SURVEY

For this research, prices for room nights were analyzed in the various types of accommodation in rural areas. It was considered price for weekend, entry to Friday and departure on Sunday, for a couple with a 12-year-old son. The estimated date was from 18 to 20 June 2021, in order to frame an intermedia season, neither high season nor low season. Prices were searched within the prices provided by the BOOKING.COM, www.booking.com on January 4, 2021, and are present on the following table SN5.

Table SN5 – Room-night price survey

	2 nights	Price/night	Average
RURAL HOTEL			
Hotel Convento do Desagravo ***** - Oliveira do Hospital	238	119,00	106,00
Luna Hotel *****- Tabua	214	107,00	
Hotel de Arganil ***	178	89,00	
Hotel Rural Quinta da Geia*****- Aldeia das Dez	218	109,00	
COUNTRY HOUSE			
Casa Ponte Capinha - Capinha	239	119,50	77,13
Casa Traca - Valbona	160	80,00	
Casa da Fonte - Lavacolhos	88	44,00	
Alojamento local de Pardieiros	130	65,00	
GUEST HOUSE			
Casa da Avo Fatima Gois	144	72,00	79,67
Guest house Tabua	172	86,00	
Apartamento Mondego - Penacova	162	81,00	
AGROTOURISM			
Vumba Agroturism - S.Martinho da Cortiça	370	185,00	123,75
Quinta dos Carvalhos - Castelo Branco	170	85,00	
Casal de Castro - Avantos	240	120,00	
Casa Lata - Amares	210	105,00	
GLAMPING			
Natura Glamping - Alcongosta	445	222,50	131,30
Lugar das Varzeas - Pracerias	153	76,50	
Senses Glamping - Celorico da Beira	145	72,50	
Quinta do Lameiro - Tarouca	266	133,00	
Quinta do Ragal - Lavacolhos	304	152,00	

Source: author elaboration with information retrieved from www.booking.com on the 4th January 2021

SN6 - SUPPLEMENTARY NOTE No. 6

PRP ACTIVITIES

Table SN6 – PRP activities

ARCHIITECTURE PROJECT
Plan for the implantation of buildings on the topographic plant;
Accessibilities
Survey of infrastructure needs;
Graphic representation of the characteristics of the building;
The interdependence of areas and volumes (the functional connections of the building);
General partitioning of the building;
Topographic plant of implementation of the property and profile of the land that define its
Thermal and acoustic solutions;
Exterior architecture project
IMPLEMENTATION PROJECT
Descriptive memory: definition and general description of the work, in particular as to its
Calculations relating to the different parts of the work, presented in such a way that define at
Measurements, giving an indication of the quantity and quality of the work necessary for the
Pieces designed according to the established for each type of work and must contain the
Technical conditions, general and special, of the specifications.
FINANCIAL PROJECT
Budget, based on the quantities and working qualities of the measurements;
Financing design and capital structure
Amortization plan

Source: author elaboration with information retrieved from <https://mjarc.com/pt/noticias/etapas-de-um-projeto-arquitetura-and-ndash;-conheca-as-3-fases> on January 2, 2021

SN7 - SUPPLEMENTARY NOTE No. 7
OCCUPATION RATE

Table SN7 – Occupation rate

	2020	2019	2018
Norte	27,0%	64,8%	64,0%
Centro	22,1%	46,2%	44,9%
A.M. Lisboa	24,5%	75,8%	75,3%
Alentejo	31,6%	55,6%	52,2%
Algarve	30,8%	64,2%	63,2%
Açores	23,1%	61,7%	59,8%
Madeira	28,5%	69,8%	73,9%

Source: Elaborated by the aauthor with information retrieved from <https://travelbi.turismodeportugal.pt/pt-pt/Paginas/PowerBI/taxas-de-ocupacao.aspx> on the 25th January 2021





SN8 - SUPPLEMENTARY NOTE No. 8
SUPPLIES AND SERVICES

Table SN8.1 – Booking platform commissions

Platform	Commission	Bookings	x/10
AirBnb	5	5M	3,5
Homeaway	8	3	2
Booking	15	5	3,5
TripAdvisor	3	1	1
Average commission:			7%

Source: elaborated by the author based on info retrieved from <https://www.rentalscaleup.com/the-otas-compared-airbnb-vs-homeaway-vs-booking-com-vs-tripadvisor/>, on January 29, 2021

Table SN8.2 – Electric vehicles types, rents and allotment

Type	Vehicle		Monthly	Allotment
A	NISSAN Leaf Acenta 40kwh		628	RRC-DIR
B	SMART EQ ForFour Electric		550	RRH-OM
C	NISSAN EEV 200 Electric		693	Cleaning
D	SMART EQ ForTwo Electric		460	Costumer service + maintenance + cleaning

Source: elaborated by the author based on information retrieved from <http://www.mobiletric.com/> on December 19, 2020 and images retrieved from Smart and Nissan official websites

Table SN8.3 – Electric vehicles types per year

Type	Year 1	Year 2	Year 3	Year 4	Year 5
A	0	1	1	1	1
B	1	1	1	1	1
C	1	1	1	1	2
D	2	4	7	8	11

Source: elaborated by the author

SN9 - SUPPLEMENTARY NOTE No. 9**INCOME STATEMENT**

Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Net sales (turnover)	547 992	844 371	1 327 415	2 044 780	3 213 886
		0,54	0,57	0,54	0,57
Cost of goods sold (COGS)	308 053	474 663	746 205	1 149 471	1 806 683
	0,00	0,54	0,57	0,54	0,57
Gross margin	239 939	369 709	581 210	895 309	1 407 203
Supplies and Services expenses (SSE)	76 666	107 882	155 670	207 171	303 704
	0,00	0,41	0,44	0,33	0,47
Workforce costs	159 283	252 296	417 748	680 089	1 096 139
		0,58	0,66	0,63	0,61
Impairments (bad debt)	0,00	0,00	0,00	0,00	0,00
Other operating income	0,00	0,00	0,00	0,00	0,00
Other operating expenses					
EBITDA	3 990	9 531	7 792	8 049	7 361
Depreciation and amortization	2 758	3 253	3 808	3 090	3 825
EBIT	1 231	6 278	3 983	4 959	3 536
Interest and similar income	0	0	0	0	0
Interest and similar expenses	0	0	0	0	0
EBT	1 231	6 278	3 983	4 959	3 536
70% EBT	862	4 395	2 788	3 471	2 475
Report of losses of previous period		0	0	0	0
Accumulate report of previous losses			0	0	0
Amount of previous losses used in the present year		0	0	0	0
Amount of losses to report to the following year		0	0	0	0
Income tax for the period	259	1 318	836	1 041	743
Net income	973	4 960	3 147	3 918	2 793

Source: Elaborated by the aauthor

SN10 - SUPPLEMENTARY NOTE No. 10

BALANCE SHEET

Balance Sheet						
	Year 1	Year 2	Year 3	Year 4	Year 5	
ASSETS						
Current Assets						
Cash	58 718	73 909	90 966	116 920	153 833	
Marketable Securities	0	0	0	0	0	
Accounts receivable	0	0	0	0	0	
Inventories	0	0	0	0	0	
Prepaid income taxes	0	194	989	627	781	
Other current assets						
Total current assets	58 718	74 103	91 955	117 547	154 614	
Non Current Assets						
Property, plant and equipment	7 242	6 088	4 680	4 290	3 765	
Finance receivales	0	0	0	0	0	
Goodwill						
Other assets						
Total non current assets	7 242	6 088	4 680	4 290	3 765	
TOTAL ASSETS	65 960	80 191	96 635	121 837	158 379	
LIABILITIES						
Current liabilities						
Long-term debt due in one year	0	0	0	0	0	
Short-term debt	0	0	0	0	0	
Accounts payable	0	0	0	0	0	
Income taxes payable	14 987	24 259	37 555	58 840	92 589	
Accrued expenses						
Other liabilities - refundable funding (short-term)	0	0	0	0	0	
Other current liabilities						
Total current liabilities	14 987	24 259	37 555	58 840	92 589	
Non-Current liabilities						
Long-term debt	0	0	0	0	0	
Postretirement healthcare benefits						
Deferred income taxes						
Other liabilities - refundable funding	0	0	0	0	0	
Other-long term liabilities	0	0	0	0	0	
Total non-current liabilities	0	0	0	0	0	
TOTAL LIABILITIES	14 987	24 259	37 555	58 840	92 589	
SHAREHOLDERS' EQUITY						
Common stock	50 000	50 000	50 000	50 000	50 000	
Additional paid-in capital and other	0	0	0	0	0	
Retained earnings	973	5 932	9 079	12 997	15 790	
TOTAL SHAREHOLDERS' EQUITY	50 973	55 932	59 079	62 997	65 790	
TOTAL EQUITY + LIABILITIES	65 960	80 191	96 634	121 837	158 379	

Source: Elaborated by the aauthor

SN11 - SUPPLEMENTARY NOTE No. 11
CASE STUDY – POPULATION DENSITY

Table SN11.1 – Resident Population and Population variation 1981/2011 and 2001/2011

	1981	1991	2001	2011	1981/2011	2001/2011
S Martinho Cortiça	1 720	1 688	1 536	1 319	-23,31	-14,13
Carapinha	461	420	405	402	-12,80	-0,74
Mouronho	1 100	1 080	984	840	-23,64	-14,63
Covelo	302	279	308	247	-18,21	-19,81
S. Paio do Mondego	327	275	259	211	-35,47	-18,53

Source: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes

The exact data on the resident population are those obtained by⁰⁰⁰censuses, and the last census of the population occurred in 2011, so the current data date back 10 years ago. Therefore, once there's no updated data for 2021, we estimate the current population data, considering that the percentage of the decade 2001/2011 remains the same for the 2011/2021 decade, which results in the following table:

Table SN11.2 - Estimated population density

	Estimated Resident Population 2021	Area (KM2)	Population Density
S Martinho Cortiça	1133	31,78	35,64
Carapinha	399	9,49	42,05
Mouronho	717	24,02	29,85
Covelo	198	13,2	15,01
S. Paio do Mondego	172	8,74	19,67

Source: elaborated by the author

⁰⁰⁰The oldest and most direct way to know the number of people who, at any given time, inhabited a given territory, was to perform a count, through exhaustive inquiry (usually called census or censuses) of individuals. The INE has been responsible for conducting the Census since it was created in 1935. In 2021, the XVI Population Census will take place. Retrieved from https://www.ine.pt/xportal/xmain?xpgid=censos21_hist_pt&xpid=CENSOS on the 16th February 2021

SN12 - SUPPLEMENTARY NOTE No. 12
CASE STUDY – RRH POTENCIAL

Civil parish of Carapinha, is built by four villages: Carapinha, Moita da Serra, Avelar and Vale da Ovelha. The relation of inhabited houses versus non inhabited houses is as per following table SN12

Table SN12 – House’s occupation research at Carapinha parish

Village	Street Identification	Inhabited	Non inhabited
Carapinha	St. Comendador Antonio Soares	8	11
	St. Professor Jose Oliveira e Costa	9	7
	St. Alfredo Ferreira	4	13
	St. Alfredo da Costa Pinto	3	6
	Sq. Jose Teles Corte Real	2	2
	Rd. Covelo	4	1
	Rd. Moita	5	6
	Allotment Senhor da Serra	16	0
Moita da Serra	Rd. Nacional 17	10	15
	St. Carvalhas	1	3
	St. Capela	4	8
	St. Outeiro	3	3
Avelar	Rd. Arganil	3	4
	St. Avelar antigo	15	7
	Rd. Serra	6	3
	Rd. Nacional 17	2	5
Vale da Ovelha	St. Principal	3	5
Total:		95	99
TOTAL Houses:		194	
% Non Inhabited:		51%	
% Non Inhabited (excluding the Allotment):		56%	

Source: elaborated by the author based on own local research

SN13 - SUPPLEMENTARY NOTE No. 13
CASE STUDY – POTENCIAL OF THE REGION

Table SN13 – Information about cultural, economic and touristic activities and facilities

CULTURAL ASSOCIATIONS	Location	Distance to CHU
Philharmonic Association of Arganil	Arganil	20
Philharmonic Association Barrilense	Barril do Alva	30
Philharmonic Association Patria Nova	Coja	30
Poliphonic Chorus of Tabua	Tabua	30
Tuna Popular of Arganil	Arganil	20
Tuna de S. Martinho of Cortiça	S. Martinho Cortiça	20
Tuna de Cantares of Coja	Coja	30
Rancho Folclorico of the Arganil Region	Arganil	20
Rancho Folclorico Rosas de Coja	Coja	30
Youth Association ‘Cume’	Arganil	20
Gambarra - Associação Cultural	Tabua	30
Bttábua - Associação De Desportos De Natureza	Tabua	30
Tabua Xxi - Associação Juvenil	Tabua	30
Mk - Associação Desportos E Máquinas	Tabua	30
Tabua Xxi - Associação Juvenil	Tabua	30
A.c.p.m.t. - Associação Cultural E Popular Das Marchas De Tábua	Tabua	30
Tábua Youth City Council	Tabua	30
Academia Artística do Municipio de Tabua	Tabua	30
Youth Association ‘Chama Viva’	Secarias	25
CULTURAL VENUES		
Old Ceramica Arganilense (multipurpose space and 250pax auditorium)	Arganil	20
Municipal library of Arganil	Arganil	20
Teatro Alves Coelho	Arganil	20
Teatro da Casa do Povo	Arganil	20
Joao Brandão Library	Tabua	30
Centro Cultural de Tabua (286 pax auditorium)	Tabua	30
HISTORIC PLACES		
Capela de S. Pedro	Sarzedo	15

Mosteiro de Folques	Folques	25
Santuário do Montalto	Montalto	25
Capela do Senhor da Ladeira	Montalto	25
Hospital e Mata Condessa das Canas	Tabua	30
Ponte Romana de Sumes	Tabua	30
Via Romana da Pedra da Se	Tabua	30
TURISTIC PLACES		
Aldeia de xisto do Piodão	Piodao	45
Mata da Margarça	Benfeita	40
Fraga da Pena	Benfeita	40
Penendo Cabana	Tabua	35
SPORTS		
Old Ceramica Arganilense swimming pool	Arganil	20
Jose Miguel Coimbra swimming pool	Arganil	20
Football field Dr Eduardo Ralha	Arganil	20
Pavilhão Multiusos de Tabua	Tabua	30
RESTAURANTS		
A Impala	Sarzedo	10
Churrasqueira S Martinho	S. Martinho Cortiça	20
Dominó	Urgueira	10
Caçula	S. Martinho Cortiça	20
Pizzaria Avenida	Arganil	20
O Telheiro	Arganil	20
O Pintassilgo	Arganil	20
O Parque	Sarzedo	10
O Refúgio	Carapinha	0
A Saborosa	Carapinha	0
O Tileira	Mouronho	10
A Paragem	Mouronho	10
Gota D'Agua	Secarias	20
ACCOMODATION		
Hotel de Arganil *** (34 room)	Arganil	20

Hotel Canario** (24 room)	Arganil	20
Vumba Guest Houses	S. Martinho Cortiça	20
Cantinho das Secarias, Local accomodation	Secarias	30
Camping Sarzedo (35.000m2 and 5 bungallows)	Sarzedo	10
Luna Hotel de Tabua**** (74 room)	Tabua	30
Quinta da Alegria	Carapinha	0
Moradias da Tapada	Mouronho	10
Quinta do Vale da Ovelha	Vale da Ovelha	5
Quinta do Rio Alva	Mouronho	10
BARS AND PUBS		
Ceramica Bar and Lounge	Arganil	20
O Castelo Bar	Sarzedo	10
Tutti Club	Arganil	20
KX Bar	Arganil	20

Source: elaborated by the author based on local turistic information, and own local research

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