



## JUNGLE TROPICAL MEDICINAL TRAIL

ISLA SAN CRISTOBAL - FULL DAY TOUR




30 min by boat from Colón Island, the Med community-tourism initiative offers a fascinating Ngobe-Bugle culture. Guided by one of the Ngobe villagers you will discover the tropical products that are gathered for medicine, food, daily Ngobe-Bugle needs, as well as some of the arts of the community. Enjoy a traditional performance performed by the Ngobe Bugle



Village tucked away on the coast of Isla San Cristóbal, a indigenous community of nearly 800 villagers. The village is made of wooden huts surrounded by beautiful

ical medicinal plant trail and learn about the Ngobe community. Preparation of a fresh home-made

the dances

Visit the local handicraft

of the spectacular view of the top of the hill near the school.

the villagers. Most of the villagers speak Spanish, although Ngobe-Bugle is their native tongue.

**ITINERARY:**  
 This tour runs every Wednesday

9:45 Information Center  
 10:00 Leave Isla Colon  
 10:30 Arrive at Ngobe village  
 10:40 Medicinal Plant Hike  
 12:30 Lunch  
 1:30 Dance demonstration  
 2:00 Community Tour  
 2:30 Free time to talk to villagers and purchase local handicrafts  
 3:00 Return to Isla Colon

**PACKAGE INCLUDES:**  
 Boat transportation: Isla Colon - San Cristóbal - Isla Colon  
 Medicinal Trail Tour  
 Community Tour  
 Lunch and Bottled Water  
 Handicraft Workshop  
 Coffee and Snacks

**PRICE:**

[WWW.DISCOVERBOCASDELTORO.COM](http://WWW.DISCOVERBOCASDELTORO.COM)



# USAID CONSERVATION OF CENTRAL AMERICAN WATERSHEDS PROGRAM

**BOCAS DEL TORO TOURISM MARKETING & BRANDING STRATEGIC PLAN**

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STRATEGIC PLAN**

**Contract No. EPP-I-04-03-00014-03**

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**Submitted To: Chemonics International**

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## EXECUTIVE SUMMARY

The USAID Conservation of Central American Watersheds Program (USAID-CCAW) has been asked to develop Marketing and Branding strategy (and a set of marketing materials) that can serve to promote the archipelago and increase visitation. The newly established destination management organization—known as the Bocas Sustainable Tourism Alliance—is best positioned to effectively market the destination and ensure the competitiveness of Bocas del Toro in terms of the visitor experience and travel motivation. With tourism development growing at the destination and conservation threats heightened, Bocas del Toro faces a critical turning point with a need to increase its destination management capacity and re-focus its tourism offerings on the market for sustainable products and packages.

Therefore, the following Marketing and Branding Strategy was created for the Bocas Sustainable Tourism Alliance (BSTA), a destination management company which is a Non-Governmental Organization (NGO) and comprises Bocas del Toro’s many tourism based enterprises and community representatives. The BSTA is located on Isla Colon, the most visited of the archipelago’s islands. There is currently a significant need for a reliable ground handler in Bocas del Toro and the BSTA through its new Geotourism Information Center is positioned to meet that need. The following document will serve as marketing guide for the BSTA through combining the product development, promotion, distribution, and pricing approach, identifying the BSTA’s marketing goals, creating a set of initial materials and explaining how these goals can be achieved within a given timeframe and limited budget.

The goals of this Marketing and Branding Strategy include:

- To brand the destination of Bocas del Toro and the Bocas Sustainable Tourism Alliance (BSTA) by creating and implementing a series of new logos that re-brand Bocas del Toro as a sustainable tourism destination;
- Promote Bocas del Toro as a year-round sustainable tourism destination by promoting its natural and cultural tourism products;
- Increase both annual visitation and length of stay on Bocas del Toro;
- Provide a sales outlet for travelers that will generate revenue to sustain the efforts of the BSTA; and
- Build awareness among travelers about the value of supporting sustainable tourism.

The Strategy begins with an Introduction section to review the rationale behind creating the marketing and branding strategy. It includes the significance of sustainable tourism as well as both a situation and SWOT analysis for Bocas del Toro. By following the successful model of the Costa Rican tourism industry and other similar destinations, Bocas del Toro—boasting numerous natural and cultural attractions—has the opportunity to emerge as a leader in sustainable tourism and attract meaningful economic growth to the region.

The Strategy also includes a Market Analysis, with an overview of tourism trends relating to Panama and its neighbors, as well as Bocas del Toro and other regions within the

country. A tourist exit survey conducted by the BSTA provides primary research regarding visitor trends that contributed to our understanding of how to meet the needs of the target market. The Market Analysis also identifies target markets. Bocas is an ideal destination attracting ‘experiential’ travelers; both budget backpackers in their Gap year and those at a higher income level, seeking a more rustic luxury experience.

In the Marketing Strategy section, the objectives of the promotional efforts and the plan for execution are detailed. The document details the marketing mix that will be employed as a part of the strategy, which includes the product itself, its pricing and distribution, as well as the myriad of materials and tools that will be used to promote the destinations and its tourism products. Two of the most important promotional tools are the Geotourism Information Center (located in the heart of Bocas Town), and the consumer-focused website: **www.DiscoverBocasDelToro.com**. The BSTA has adopted a market-driven approach to planning and executing its activities.

The Financials Section provides an updated set of financial statements detailing the cost of the marketing materials proposed in the strategy in addition to the start-up costs of setting up the Geotourism Information Center—a critical promotional tool incorporated into this strategy.

A summary of priority implementation activities include:

- Launching a comprehensive website and electronic marketing campaign;
- Opening a Geotourism Information Center in Bocas Town Center to provide information and booking services to travelers;
- Placement of marketing collateral in key regional distribution outlets;
- Development of niche product packages combining accommodations, tours and services while also highlighting sustainable tourism leaders in the region;
- Building travel trade awareness of the destination and individual tourism products to facilitate business with travel agents and tour operators;
- Launching a public relations campaign to generate favorable awareness of the region with target markets via international and regional media outlets;
- Creating a strategic partnership with the “La Amistad World Heritage Alliance” to connect travelers between la Parque Internacional la Amistad and Bocas del Toro; and
- Supporting conservation and community initiatives that fulfill the mission of the BSTA.

## SECTION I. INTRODUCTION

### **Purpose**

The purpose of the Marketing and Branding Strategic Plan is to provide a comprehensive roadmap for the Bocas Sustainable Tourism Alliance (BSTA) that will stimulate increased sustainable tourism expenditures in the Bocas del Toro region. The plan identifies the target traveler market and the specific demands for the authentic sustainable tourism products that are available in Bocas. The Plan articulates a viable and cost-effective plan to reach out to, and then successfully engage prospective customers, enticing them to book tourism services in Bocas del Toro. The Plan will guide the destination in sustaining a competitive advantage in the tourism marketplace by using a demand-driven approach. By demonstrating creative and innovative marketing strategies, the BSTA will earn a reputation as the preeminent tourism-marketing agency in Bocas del Toro.

### **USAID-CCAW Project Background**

With tourism having grown over 70% over the past decade in Bocas del Toro, unplanned tourism development is putting tremendous pressure on the area's natural resources. This is a critical time for Bocas del Toro and without proper planning there is a major risk inherent in this situation. As such, one of the main goals of the USAID-CCAW program is to raise awareness and participation among tourism stakeholders to identify and address the main issues facing the destination.

Since the inception of the program in December 2008, the USAID-CCAW program has been working to establish a Destination Management Organization (DMO) that will lead, coordinate, and manage the long-term development and promotion of Bocas del Toro. The creation of the DMO (and the Bocas del Toro Geotourism Initiative as a whole) has been guided by the principles of **'geotourism'**—defined by National Geographic as tourism that sustains or enhances the geographical character of a place—its environment, heritage, aesthetics, culture, and the well being of its residents.

Beginning in January 2009, a series of individual meetings and workshops were held with local tourism stakeholders to gauge the need in creating the DMO as well as their desired level of involvement (through serving on committees or the Board of Directors). Many tourism stakeholders were extremely receptive to this initiative and recognized the potential it had to developing a common vision and improving the management of sustainable tourism in Bocas del Toro.

In February 2009, a business plan document was developed for the DMO concept with a complete set of financial projections. This document indicated that not only was a DMO feasible, but critical to boosting the level of effort dedicated to destination management and marketing in the archipelago. This document has served as a “road map” to creating this entity and has enabled project implementers to articulate plans and action steps needed to begin this initiative. Based on the research and analysis conducted during the business planning process, coupled with discussions with local stakeholders and existing tourism associations, a public-private hybrid was recommended as the optimal model for the DMO. This would allow the DMO to establish itself as a Corporation Limited and obtain a tourist license from ATP in order to facilitate bookings and sell local

merchandise. The DMO would also need to submit the legal documentation needed to form an NGO in Bocas del Toro. The NGO and Corporation Limited would be governed by the same stewardship council and have a mission to create local conservation strategies that can be supported from the tourism revenues generated by the organization (from sales of tours, merchandise, etc.).

The first step in formally establishing the Destination Management Organization was to obtain letters of commitment from key stakeholders agreeing to serve as a member of the Board of Directors. Membership information packets were circulated to potential members, and commitment was obtained from **ten** stakeholders to serve on the Board of Directors.

This Board of Directors (known as the “Geotourism Stewardship Council”) will collectively govern both the non-profit and for-profit entities of the Bocas Sustainable Tourism Alliance through the following duties:

- Govern the organization by establishing broad policies and objectives;
- Create local conservation strategies that can be supported from the tourism revenues generated by the DMC;
- Select and review the performance of the DMC Operations staff;
- Ensure the availability of adequate financial resources;
- Approve annual budgets; and
- Report to local stakeholders on the organization’s performance.

All members of the Geotourism Stewardship Council officially convened on March 16, 2009 for the first Bocas Sustainable Tourism Alliance Board Meeting. On March 17, the Bocas del Toro Geotourism initiative was officially launched through a workshop attended by over 50 members of the local community. During this workshop, the overall objectives and activities of the project were introduced to the tourism stakeholders, local government and USAID officials.



*Members of the first Bocas del Toro Geotourism Stewardship Council convene on March 16, 2009*

On April 20, 2009, a meeting was convened with the Geotourism Stewardship Council to discuss the results of an online survey (taken by 15 members) implemented to gather opinions on aspects such as the name, the members of the Board, the mission of the organization, key issues in the destination, what tools and techniques the organization should use, etc.). They group reached a consensus on the name of the organization (the Bocas Sustainable Tourism Alliance or “BSTA”) and also agreed with the

recommendations to create a new organization as most members felt that the existing organizations and associations were not serving the same mission and objectives as the proposed DMO. Solimar has been working with the law firm Ballard and Ballard (based in Panama City) to assist in the registration of the new NGO. While the anticipated timeframe to create this NGO is 6-9 months, the delay should not prevent the members to lead key initiatives in Bocas del Toro—including the creation and marketing of a new set of tourism packages for the region.



*Rented office space for the Bocas Sustainable Tourism Alliance Information Center – located on 2524 Calle Tercera, Isla Colon, Bocas del Toro*

An office space was secured for the DMO (pictured left) and will be transformed into a functioning Geotourism information center in the coming weeks—and is expected to open in late July of 2009.

In May, 2009 Solimar developed a report detailing how the BSTA can develop a series of packages to promote and book for tourists through the Geotourism Information Center. This document detailed the package

development process, including the current package offering of Bocas del Toro and an analysis of its limitations. Moreover, the report provided a list of tourism product offerings that can be combined to form tourism packages as well as a list of new packages that can be marketed and sold through the newly established Bocas Sustainable Tourism Alliance.

### **Destination Background**

The province of Bocas del Toro in the Republic of Panama is one of the most biologically diverse areas of Central America. Tourism is one of the main economic activities in the area, which, if not properly planned, could act as much as a threat as an opportunity for conservation. The archipelago measures 4,643,9 km<sup>2</sup> and provides nature-based experiences including beaches where ‘sun and sand’ tourism products are available. The Bocas del Toro region features quality tourism infrastructure to support the growth of tourism, although tourism training and some infrastructure are in need of further support.

With tourism having grown over 70% over the past decade in Bocas del Toro, unplanned tourism development is currently putting tremendous pressure on the area’s natural resources. Without addressing the threats from unsustainable tourism development and developing a sustainable alternative, Bocas del Toro risks losing its pristine environment, which is the area’s main attraction and the principal reason why tourists visit the archipelago.

Based on a community stakeholder survey in Bocas del Toro in spring of 2009, 77% of respondents feel it should be a priority of the BSTA to conserve the “character of place” within the region. 80% of respondents stated that it is important to conserve the environment and culture.

The global tourism industry is rapidly embracing sustainable tourism development and community involvement to help ensure long-term success. The community-based tourism approach gained momentum in the early 1990’s with the discussions on sustainable development. It is growing in significance with the United Nations World Tourism defined Focus on Poverty Reduction.<sup>1</sup> Destinations that embrace sustainable community tourism are better able to uphold local environment and socio-cultural elements.

The Tourism Value Chain beneficiaries of this Marketing and Branding Strategic Plan include:

Private sector:

- International Tourism Operators (Costa Rica, United States, Europe)
- National and Local Tourism Operators
- Hotels, Resorts, Lodges, and Restaurants,
- Scuba dive shops
- Association of Water Taxis (Boteros)
- Local Guides (enganchadores)
- Ngöbe Community Tourism Initiatives
- Airlines
- Non-governmental Organizations (NGOs) CORAL and ANCO

Public sector:

- Municipal Government of Bocas del Toro
- Panamanian Tourism Authority (ATP)
- Panamanian Environmental Authority (ANAM)
- Talamanca Association for Ecotourism and Conservation (ATEC)

### **Access to Bocas del Toro**

Bocas del Toro is primarily accessed via ground transfer through Costa Rica or Panama City, or by air travel. Arriving in Bocas del Toro by land and sea requires a combination of driving and water-taxi travel. Visitors take the highway from Panama City or San Jose Costa Rica to the town of Almirante in a rental car or bus and then take a water taxi to Bocas town on Island Colon.

Travelers from the USA, Canada, UK, and Europe who arrive in Panama City early in the day may have time to connect to Bocas del Toro airport (BOC) the same afternoon with

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<sup>1</sup> In August 2002 the World Tourism Organization, in collaboration with the United Nations Conference on Trade and Development, launched the concept of *Sustainable Tourism as an effective tool for Eliminating Poverty* (ST-EP) at the Johannesburg World Summit for Sustainable Development in August 2002. It aims to link the objectives of the WTO’s Global Code of Ethics with the UN Millennium Development Goals

either Aeroperlas or Air Panama. Currently the last flight departs at 4:00pm, which limits the same-day connections. In addition, Nature Air flies to Bocas del Toro from San Jose, Costa Rica three times a week.

Tocumen International Airport, Panama City (PTY) is easily accessible from the USA, Canada and UK as well as regional destinations such as Costa Rica and Columbia. Airlines servicing Panama City are: Acer, American, Avianca, Copa, Taca, Delta, Continental, KLM, Air France, & United.

- In the USA, Phoenix, Miami, New York City, Newark, Orlando, Houston, Atlanta, Washington DC, and Los Angeles have direct flights to Panama City.
- From Canada, Toronto offers direct flights via Copa Airlines, and there are plans to soon offer flights from Montreal and Vancouver to Panama City.
- From the UK, London (Heathrow & Gatwick), Manchester, Jersey, Glasgow, and Bristol all have direct flights to Panama City.

### S.W.O.T. Analysis of Bocas del Toro

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• High rate of tourism in Bocas del Toro;</li> <li>• Many nature-based attractions means large opportunity for tour operators;</li> <li>• There is no other official Bocas del Toro destination branding strategy</li> <li>• Location near Costa Rica; and</li> <li>• English is widely spoken.</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively inaccessible by ground;</li> <li>• Competition for “sun and sea” and “ecotourism” niche markets;</li> <li>• Competing destinations may have more convenient same day air access from major US cities; and</li> <li>• Lack of recycling and waste management.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Create a bi-national tourism alliance to promote destinations within the La Amistad International Park (see below);</li> <li>• Under-developed mainland;</li> <li>• Cultural and ecological diversity;</li> <li>• Niche market for sustainable tourism</li> <li>• Demand for development of rainy day activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Global economic crisis and porcine flu affecting rates of tourism;</li> <li>• Tourism largely dependent on real estate industry;</li> <li>• “Greenwashing” undermines legitimate sustainable development;</li> <li>• Increasing crime levels; and</li> <li>• Tropical storms.</li> </ul>

### Promotional Opportunities

A significant marketing opportunity exists to intercept the large number of tourists travelling from Puerto Viejo, Costa Rica to Bocas del Toro by creating a bi-national strategic alliance with the Parque Internacional La Amistad (established jointly by Panama and Costa Rica) that covers portions of Chiriqui as well as the Bocas del Toro archipelago. This partnership, or "*La Amistad Sustainable Tourism Alliance*", would be formed between the Bocas Sustainable Tourism Alliance and the Talamancan Association of Ecotourism and Conservation (ATEC) (<http://www.ateccr.org/>). ATEC currently has an office and information center located in the middle of Puerto Viejo that arranges eco- and community-based tours in the Talamanca region to help visitors participate in sound eco-tourism activities. Through this partnership, the information

center located in Puerto Viejo would promote the packages and tours sold through the Bocas Sustainable Tourism Alliance and make travelers in route to Bocas aware of the information and resources available through the BSTA. In turn, the Bocas Sustainable Tourism Alliance will promote the tours available through the La Amistad Sustainable Tourism Alliance. This partnership would help to increase awareness, visitation, and greater lengths of stay to both areas included in La Parque Internacional La Amistad (PILA).

PILA was created in 1988 by the governments of Panama and Costa Rica and stretches for 207,000 hectares over the Central Valley between the provinces of Chiriquí and Bocas del Toro. Based on its significant biological diversity, UNESCO declared it World Natural Heritage in 1990. Seven of the life zones of the Isthmus are located in this protected area. More than a 100 species of mammals (including the five species of wildcats) have been recorded in this region along with 91 species of amphibians, 61 species of reptiles and more than 400 species of birds.

## SECTION II. MARKET ANALYSIS

### Bocas del Toro's Tourism Market

Bocas is a popular tourist destination because of its laid-back Caribbean vibe, its natural setting, and ease of access. Panama's easternmost province of Bocas del Toro is a one-hour flight away from both Panama City and San Jose. Total visitation to Bocas del Toro is estimated at more than 100,000 people per year according to IPAT, the Panama tourism authority (Autoridad de Turismo Panamá). Bocas del Toro's principle island, Isla Colon, is well developed with many restaurants, hostels and hotels, and one resort. Bocas' only airport and water taxis to the mainland are also located on Isla Colon. English and Spanish are spoken throughout the destination and the accepted currency is the Panama balboa (PAB) and the US dollar (USD). The archipelago is progressively less developed to the east, although most islands have very comfortable accommodations for visitors. The vast majority of tourists to Bocas spend as little time as possible on the mainland, preferring the white sand beaches and drier climate of the islands.

The province of Bocas del Toro has a diverse landscape of rainforest, rivers, mangrove-filled wetlands, and pristine beaches. Vast tracks of undeveloped land are home to diverse wildlife, notably five species of wild cats, several species of monkeys, and more species of birds than found in the United States and Canada combined. Four species of marine turtles are known to nest along the beaches of the Bocas del Toro Archipelago. These include the green turtle, loggerhead, leatherback and hawksbill. The endangered West Indian Manatee also frequents the shallow waters offshore.

"Bocas del Toro, an archipelago of untouched beaches and uncrowded seas, is a place for sand between the toes...(and) also has thick jungle"

*Islands magazine June 2009*

Additionally, Bocas del Toro is home to several indigenous groups. Seventeen separate communities live within La Amistad on the Talamanca Indigenous Reserve while fewer indigenous groups live on the islands themselves. Many of Panama's 100,000 Ngöbe Buglé Indians maintain traditional communities across Bocas, with communities on Colon, Bastimentos, Solarte, Cristobal, and Water Cay. Like many residents in the province, the Ngöbe Buglé rely on the sea for sustenance and sell fish and seafood throughout the archipelago. Smaller communities of Naso and Bókatá also survive in Bocas. Like the Ngöbe Buglé, these tribes attempt to retain elements of their traditional culture; however, most welcome tourists and visitors to their communities—the sale of handicrafts contributes significantly to the local economy. Throughout Bocas del Toro, residents speak a Creole dialect called Gali-Gali, which combines elements of Spanish, English, and Ngöbe Buglé.

Despite what it has to offer, tourism visitation to the mainland is far less than the islands, due in part to a lack of adequate hotel infrastructure. According to *Moon Guidebook*,

towns on the mainland have a “frontier” feel.<sup>2</sup> The mainland, particularly outside of the towns, can be a good place for more adventurous tourists. The majority of visitors to Bocas include backpackers looking for a more “authentic” Panamanian experience and individuals interested in the cultural and ecological diversity of the region. Increased rates of visitation will take time to develop however, as there is currently a lack of tourism products and hotel infrastructure on the mainland of the Bocas del Toro province.

Bocas del Toro’s real estate market is quite active with an increase in North American and European expatriates purchasing beachfront property in the archipelago. With the influx of these long-term vacationers comes both opportunity and challenges for the destination. This relatively new sector of travelers is ideally suited to the tour products offered by the BSTA. However, many of the condo and beach home projects are not being built with sustainability in mind. As a result, developments in areas such as Red Frog Beach have brought controversy and negative attention to the region, creating animosity amongst local residents. Through the BSTA’s marketing and conservation initiatives, and a shift to destination stewardship by the housing developers, Bocas del Toro has an opportunity to become better known as the leading destination for sustainable tourism.

### **Panama’s Tourism Market**

Panama has the fastest-growing tourism market in Latin America. The World Economic Forum’s Travel and Tourism Competitiveness Report ranks Panama 50<sup>th</sup> out of 130 countries worldwide—fifth in Latin America after Barbados, Costa Rica, Puerto Rico, and Brazil.<sup>3</sup> The Panamanian Tourism Authority predicts that by 2010, Panama will top Latin America in tourist arrival with more than 2 million visitors arriving per year. The World Travel and Tourism Council (WTTC) projects that in the next few years, certainly by 2019, Panama will have overtaken Costa Rica as the most lucrative tourist destination in Central America.<sup>4</sup> The WTTC predicts 5.1% annual growth in tourism’s real contribution to Panama’s GDP through the next ten years. By comparison, Costa Rica’s projected growth rate is 4.0% of GDP.

Environmental concerns, including massive deforestation and the near extinction of dozens of local animal species, has led to an increased shift and promotion of “environmentally friendly” tourism businesses. The government also has the goal of ensuring that the sector will grow in a sustainable manner and contributes to poverty alleviation by increasing employment opportunities and social benefits. With more than five million acres of protected national forest, great biodiversity, and plan to move closer towards sustainability, Panama will only continue to grow as a destination for nature-based tourism.

The most popular tourist destinations in Panama include Panama City, the Panama Canal, Bocas del Toro, Kuna Yala, and the Pacific beaches.

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<sup>2</sup> Friar, William. *Moon Panama*. Ed. Annie M. Blakley. Berkely: Perseus Books Group, 2008.

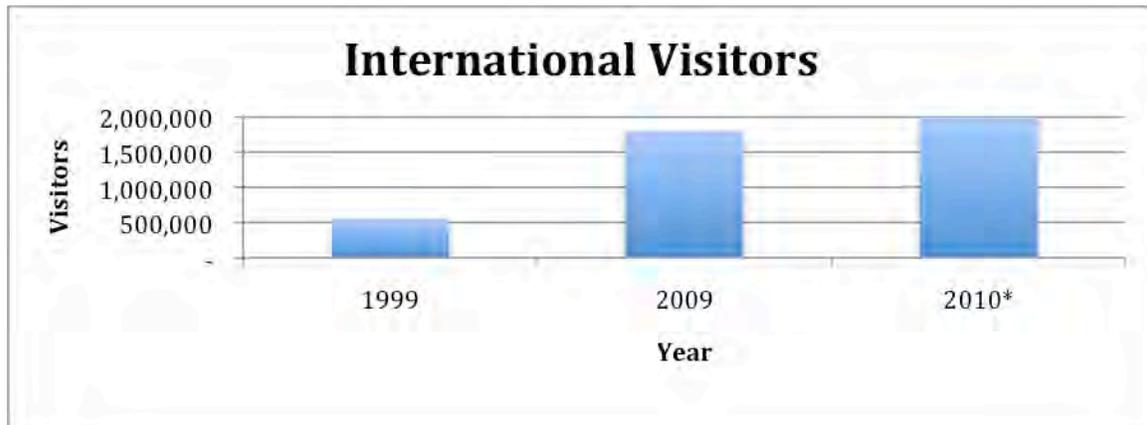
<sup>3</sup> Travel and Tourism (T&T) Competitiveness Report, 2008. World Economic Forum.

<sup>4</sup> World Travel & Tourism Council: [Travel and Tourism Economic Impact: Panama](#). March 2009.

## Market Trends

Panama has the fastest growing tourism sector in Central America. In 1999, 555,026 international visitors arrived in Panama. By the end of 2009, IPAT predicts that number will be 1.8 million. In a decade, the number of people visiting Panama has increased by a stunning 300%. In 2010, IPAT predicts, 2 million foreigners will visit.

Table 1 International Arrivals into Bocas del Toro (\* denote an estimated figure for 2009 and 2010)



Panama is well aware of the increasing importance of tourism in its rapidly expanding GDP (200% growth, 2000-2010).<sup>5</sup> Under the guidance of Ruben Blades, Panama's celebrity-turned-politician Minister of Tourism, the country undertook an extensive marketing campaign with the slogan: "*Panama—the path less traveled.*" Western Europeans, the fastest growing demographic of tourists to Panama, are the primary target of the campaign.<sup>6</sup> However, the numbers disguise an important underlying cause of Panama's explosive growth—the emergence of a cruise ship route through the Canal. In 2007, 235 cruise ships brought 450,000 visitors into Panama City and a handful of other destinations along the Canal for a few hours or (at most) one night. These excursionists account for over 30% of the overall tourists reported by IPAT for that year. By 2010, cruise passengers may account for 35% of total visitors—leading the country on an unsustainable trajectory.

Despite the enormous increase of visitors, it is worth noting that only 70% of those visitors are in-transit, coupled with the fact that 85% of *those* visitors never leave Panama City means that the remaining parts of the country have not experienced significant real growth in terms of tourism. The exceptions are Bocas del Toro and a small number of other coastal regions that draw tourists for their scenic white sand beaches flora and relaxed Caribbean atmospheres. Although no hard statistics are available, anecdotal evidence suggests Bocas is the fastest-growing region outside of Panama City, especially among Americans. What ten years ago was a sleepy backwater is today a thriving getaway for tourists interested in its natural beauty, diverse fauna and flora, and—recently—nightlife.

<sup>5</sup> World Bank. World Bank Development Indicators Database. April 2009.

<sup>6</sup> Agencia AFP. *Telemetro*: 17 March, 2009.

## Competitive Analysis

### **Costa Rica**

Apart from the Caribbean islands, Costa Rica is currently ranked the most competitive country in Latin America. It is one of the original ecotourism destinations and its government has long been known for its commitment to sustainable tourism, preservation of natural resources and tourism marketing, which has led to success within the industry. In recent years, Costa Rica has also been gaining attention for its stand on Carbon Neutral Gas Emissions. Hiking, river rafting, surfing, scuba diving, and snorkeling are popular among tourists. Costa Rica can be used as a success model, off which to develop Bocas del Toro's destination management and promotional strategy.

A significant number of visitors to Bocas del Toro come from Costa Rica; so much in fact that Air Panama and Costa Rican-operated Nature Air have recently begun scheduling direct flights from San Jose to Bocas del Toro's Isla Colón. Although no exact statistics are available, many of these visitors are traveling north to south across Central America. This demographic reflects a large percentage of visitors to Costa Rica in general insofar as they tend to be young professionals on two to four week vacations.

### **Panama City**

Without question, Panama City (including the Canal) is the most popular tourist destination in the country. In 2006, 1.2 million people arrived in Panama—of those, 858,943 arrived by land or air (rather than cruise ship). Of those arrivals, only 125,758 left Panama City to visit other parts of the country. That means that even excluding passengers on cruise ships (who rarely leave the capital), only 14.6 percent of visitors that arrived in Panama City ever saw another part of the country.<sup>7</sup>

### **Chiriquí**

This province in western Panama is located directly south of Bocas del Toro, and just east of Costa Rica. David, the country's second largest city, is located here. The province has several popular beaches including Playa Barqueta, Playa Las Lajas, and Playa Santa Catalina. Additionally, Chiriquí has a picturesque coastline with many quaint fishing villages and relatively undeveloped islands. The coastline is growing in popularity among tourists, although not so quickly as Bocas del Toro. This is due largely to the fact that the Chiriquí coastline is much less accessible than Bocas—the nearest airport is located in David, a few hours drive from the more popular beaches.

One important advantage that Chiriquí has over Bocas is the border crossing at Paso Canoas. This is the busiest route to and from Costa Rica with nearly 125,000 making the crossing along the Inter-American Highway in 2008. The route leads tourists traveling from Costa Rica to Panama's southern Pacific coast rather than north, toward the Caribbean coast and Bocas del Toro.<sup>8</sup>

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<sup>7</sup> McBride, Paul. "The Truth about Panama's Tourism." *Latin Business Chronicle*. 07 January, 2008.

<sup>8</sup> Ehler, Jacob. *Panama Business and Travel S.A.* 07 Feb., 2009.

### ***Pacific Beaches***

Large beaches scatter Panama's southern coast. Some, like Chiriquí's Playa Santa Catalina, draw surfers from across Central America. An advantage that some beaches have over Bocas is their proximity to Panama City, the country's primary tourist destination and major population center.

### ***Within Bocas del Toro***

Bocas del Toro has some niche advantages over its competitors, which can be further developed and then marketed through the BSTA. Unlike Costa Rica, its known for the iconic and colorful Caribbean architecture perched out over the water with spectacular views. Bocas del Toro also has a wealth of cultural heritage opportunities and it is visited by more independent and seasoned travelers as opposed to the mass tourism destinations featuring mega resorts and large cruise ship ports. Bocas town, on Isla Colón, is the most popular destination on the archipelago, partially due to the fact that it hosts the airport and ferry terminal. Overall, its nature-based and cultural products are highly sought after by the growing international market of travelers seeking "authenticity". The local community in Bocas del Toro is highly motivated to work towards remediating the region's environmental challenges in order to develop it into a leading sustainable tourism destination.

### **Segmenting the Target Market**

The end consumers targeted by the BSTA's marketing efforts can be segmented into three main categories. The promotional efforts included within this Marketing Strategy will primarily target these markets in order to increase sales of BSTA services:

**International Gap Year Travelers** – also known as "backpackers", this is one of the largest markets for independent travelers visiting Panama and Bocas del Toro. Often ignored by tourism strategies, the gap year traveler has paved the way for tourism development in most countries due to the fact that they are early adaptors and require less in the form of tourism infrastructure. A "Gap Year" signifies a significant amount of time between a job or formal education where travelers take time off to travel "as long as the money lasts". These trips involve multiple countries over many months. Gap year travelers rely on guidebooks, recommendations from other travelers, local tour operators, and the Internet to plan their travel logistics along the way. With the launch of the Geotourism Information Center (including Internet service for travelers) and a consumer-focused destination web site, the BSTA will gain notable attention with this target group. With the established "backpacker" attractions and accommodation throughout Central America there is a natural draw for more of this market to add Bocas del Toro to their itinerary in order to take part in surfing, adventure tours and relaxation. Focus should be on increasing this target group's length of stay in Bocas del Toro and increasing their daily expenditures through the promotion and sale of authentic experiences in Bocas.

This group is primarily FIT travelers who will book directly at the BSTA Geotourism Information Center or through the website.

**International “Experience Seeker” Travelers** – representing one of the greatest opportunities to increase high spending visitors to Panama, this traveler typically originates from North America or Western Europe and is one of the most sought after visitors in destination marketing. This distinct group is comprised of educated and affluent tourists, primarily baby boomers on 7- to 10-day vacations. This group is interested in “authenticity” during their stay, particularly with regard to culture and ecology. They are willing to spend high dollars for excellent service and authentic experiences—especially outside of cities—that are branded as environmentally friendly or culturally sustainable. This group tends not to bring children on their trip, which allows them greater freedom to travel once in country. Historically these travelers prefer to book through outbound tour operators originating in their host county but there has been a notable increase in independent travel planning from this market.

This segment of travelers will often book through the traditional travel trade, however a growing number of individuals in this group have the potential to book directly at the BSTA Geotourism Information Center or through the website.

**Residential Tourists** – those persons living in Bocas del Toro, mainland Panama and neighboring Costa Rica represent a relatively untapped market for the destination’s tourism industry. Second home developments (such as [Red Frog Beach](#)) and other coastal areas represent one of the fastest growing trends in tourism as individuals from the USA and Europe search for vacation homes in a warm destination. These “residential tourists” are individuals who often work hard and enjoy the opportunity to escape urban cities to explore places such as Bocas del Toro’s natural resources and rich culture. This market will appreciate the amount of tourism information, new trip ideas and tour offerings, and the ease of bookings which will be made available through the Geotourism Information Center.

This group is primarily FIT travelers who will book directly at the BSTA Geotourism Information Center or through the consumer-focused Web site.

Further segmentation of these markets will focus on their specific travel interests. The Bocas del Toro Web site portal will showcase content around these niche travel interests:

- Sun and sand tourism
- Geotourism/sustainable tourism
- Cultural and heritage Tourism
- Soft adventure tourism (surfing, snorkeling, diving, hiking, biking, kayaking)
- Volunteer tourism (“voluntourism”)
- Community-based tourism

These travel interests also represent an opportunity to create custom multi-day tours for travelers through packaging the offerings of multiple suppliers.

## Reaching the Target Market

There are two different ways in which the target market will purchase the products and services of BSTA—through traditional tourism intermediaries (such as tour operators or travel agents, otherwise known as the “travel trade”) and independently through sales desks or through the Internet. These two distribution channels will be reached by the BSTA through the following methods:

- **Sales linkages** will be made with the travel trade (including tour operators and travel agents in Panama, Costa Rica and internationally) to introduce Bocas del Toro (and its product offerings) to travel intermediaries. These linkages will be made through the provision of sales catalogs and familiarization (FAM) trips to allow Bocas del Toro to be marketed to the end consumers preferring to book their vacations with a group or as part of a package through a sales intermediary.
- **Direct bookings** catering to fully independent travelers (FITs) will be possible both internationally (through a consumer-focused Web site) and locally in Bocas (through the Geotourism Information Center). These travelers tend to be more Internet savvy and tend to book tourism services (such as accommodations and tours) independently over the Internet or in person upon arriving at a destination. The BSTA will target the FIT market in the short term while it establishes strong sales channels for long-term sustainability.

## Market Research Survey

In May 2009, 51 travelers departing the Bocas del Toro airport (BOC) participated in a market research survey. While broadly representative of tourists to Bocas, the survey does not necessarily reflect the opinions of visitors departing Bocas by means other than air travel. It should also be noted that the survey took place during the low travel season. The survey revealed the following:

### Target Market and Demographics:

- 96% of respondents were travelling independently;
- 6% will be travelling to or from Puerto Viejo, Costa Rica during their trip;
- 63% of respondents were from the United States (mostly Texas, Florida, and the Atlantic seaboard);
- 27% of respondents were from Western Europe;
- 85% of respondents were between the ages of 18 and 39 years;
- 37% of respondents reported an annual income in excess of \$84,000;
- “Sun and Sea” was ranked most frequently (63%) as an “extremely important” factor contributing to their decision to visit Bocas del Toro, followed by scuba diving/snorkeling (43%), experiencing nature/wildlife (20%), photography (20%), and higher-risk adventure activities such as rock climbing (20%); and
- Web sites were ranked as the second most important motivator to choosing a travel destination (after recommendations from friends, family, or other tourists).

**Length of Stay and Expenditures:**

The market research revealed that the average length of stay in Bocas was 4.2 days. There is an opportunity for the BSTA to increase the length of stay by highlighting some of the lesser-known travel experiences in the region and through packaging. 78% percent of respondents estimated that they spent between \$40 and \$100 per day in Bocas del Toro, which has been considered when designing packages suitable for the visitors.

**Demand for Tourism Information:**

- Over half of respondents reported “fair” or “poor” access to tourism information in Bocas, and only 10% said that access was “very good”. Hotel staff and other tourists were most frequently cited as the most reliable source of information;
- Only two travelers expressed no interest in a prospective Geotourism Information Center; and
- 65% of respondents said that the main service of interest they would like to have from a Geotourism Information Center in Bocas is “a booking agent providing trip planning advice.”

*See Full Results from the Market Research Exit Survey in Annex A*

## SECTION III. MARKETING AND BRANDING STRATEGY

### **Mission**

The Mission of Bocas Sustainable Tourism Alliance is *“to support sustainable tourism development, promote responsible travel that sustains and enhances the geographical character of the place—our environment, culture, aesthetics, heritage, and the well-being of our residents while giving incentives for travelers to understand and protect the local culture and environment they are visiting.”*

### **Objective**

The objective of this Marketing and Branding Strategy is to increase promotion of and visitation to Bocas del Toro, in order to generate increased revenue to sustainable tourism enterprises in the regions, thereby bringing a sustainable form of economic development to the region. The BSTA model and its marketing activities are designed to be financially self-sufficient in order to maintain long-term growth and success.

### **Overview**

The overall goal of the Marketing and Branding Strategy is to stimulate increased tourism expenditures in Bocas del Toro. This will be accomplished through well-researched strategic marketing activities. The Strategy identifies low-cost, yet highly effective and proven campaign activities to promote both the region of Bocas del Toro along with the individual tourism products. A market driven approach is taken in the promotion and branding of Bocas del Toro. Moving forward, the changing market trends must also be observed and used as an indicator when developing new tourism products and when adjusting or re-packaging existing products. There are number ever changing factors influencing market demand, such as product supply, global economy, travel trends, changing target market, public relations and communication innovations, so it is therefore imperative that the BSTA keeps abreast of the global and regional trends in this regards to adjust products and marketing efforts accordingly.

The marketing mix within the Strategy includes:

- Destination Branding and Positioning
- Product & Packaging
- Price
- Promotion
- Public Relations
- Place (Distribution)

### **Destination Branding and Positioning**

Currently Bocas del Toro is being promoted inadequately by a small number of organizations and websites. To date the destination has not officially had a brand developed for it, leaving a significant opportunity for the BSTA to fill that need. Existing online destination marketing efforts for Bocas del Toro include:

- [www.bocas.com](http://www.bocas.com) - the site shows up highest on search engines however it features antiquated technology and is neither visually appealing nor comparable to competing destinations;
- [www.bocasdeloro.com](http://www.bocasdeloro.com) - had limited information and is also features outdated technology;
- [www.atp.gob.pa](http://www.atp.gob.pa) - this official tourism site of Panamanian Tourism Authority (ATP) is in Spanish only and offers limited information; and
- [Lonely Planet's](#) online portal is a popular site for international travelers but provides limited information.

Bocas del Toro new branding strategy takes into consideration that by repositioning the destination to integrate sustainable tourism, nature-based experience and culture, Bocas del Toro also extends its tourism sector focus to be more inclusive in terms of economic and social benefits. Market trends are moving towards experiential tourism in a significant way, and while part of this is the nature-based market segment, there is also significant opportunity to engage visitors in the local authentic cultural activities and products.

Lonely Planet guidebook's description of the Bocas del Toro captures the essence of how the BSTA envisions positioning the destination in respect to natural attractions:

*“Bocas' laid-back Caribbean vibe is enhanced by the archipelago's spectacular natural setting. The islands are covered in dense jungles of vine tangles and forest palms that open up to pristine beaches fringed by reeds and mangroves. Beneath the water, an extensive coral reef ecosystem supports countless species of tropical fish while simultaneously providing some seriously gnarly surf breaks.”*

### Logos and Tagline

Full-color logos used to brand both the Bocas Sustainable Tourism Alliance (BSTA) and the destination of Bocas del Toro were developed through an extensive process involving inputs from the BSTA Stewardship Council as well as the greater Bocas community. The two logos feature key colors, elements, and overall themes, which were recommended by local stakeholders as conveying a strong feel for the region. The destination logo will be used on consumer focused marketing collateral to highlight the region, while the BSTA logo will be used among the tourism industry members in order to show membership in the alliance and support of sustainable tourism initiatives.

The process for developing the logos and tagline began with a workshop in March, 2009 where stakeholders participated in a “branding visioning exercise”. This was followed by surveys conducted via email and in person among local stakeholders during the month of May. This ensured that inputs from a wide variety of people were considered prior to developing the logo concepts.

The branding survey included the following questions:

1. Please write ten words which come to mind when you think of Bocas del Toro:
2. Please write five reasons why someone should visit Bocas del Toro:

3. Which colors do you associate with Bocas del Toro and why?
4. Which images and symbols do you associate with Bocas del Toro? – Under the following subheadings:
  - Natural attractions
  - Animals
  - Plants and flowers
  - Cultural heritage
  - Arts and crafts
  - Local food
  - Activities
  - Other
5. Think of a slogan that describes the experience of being in Bocas del Toro. This slogan will complement the brand.
6. Which type of visitors would you like to see in Bocas del Toro?

The workshop and survey results were aggregated to produce a comprehensive list of symbols, features, colors and words that people associated with Bocas del Toro. Based on the results of these surveys and the workshop several logos were created for both the Alliance and for Bocas del Toro as a destination.

*See Annex B for complete survey and workshop branding results.*

### ***The BSTA Logo***

The BSTA logos were emailed to the Council members, and then modified according to the feedback received. The results were then discussed during a council meeting, and a final logo chosen (below).



*Bocas Sustainable Tourism Alliance logo*

### ***Bocas del Toro Destination Logo***

The destination logos were sent to a Marketing Committee for feedback. This Committee included several of the Geotourism Stewardship Council members, as well as other tourism stakeholders who had responded to the outreach email that included the branding survey above, and invited them to form part of this Committee. Several stakeholders

expressed an interest in participating in this committee, though due to work commitments and extended travel periods, the majority of communications with the marketing committee occurred through email and online.

#### **Bocas del Toro Marketing Committee Members**

- Renée Kimball, *Tranquilo Bay*
- José "Tito" Thomas, *Hotel Bahía*
- Jon Schneiderman, *Bocas Water Sports*
- Mixila Lee, *Asociación de Desarrollo Sostenible de Bocas del Toro (ADESBO)*
- Denis Menesis, *Fundación NATURA*
- Chad Darroch, *Starfleet Diving*
- Giselle Socarraz, *La Gran Muralla*
- Heather Rose, *Rainforest Awakenings*

Once again, following feedback, the logos were modified, shared with the Marketing Committee members and discussed at the Council Meeting. The choice for the destination logo has been narrowed down to two final logos (below).



*Bocas del Toro destination logos*

The tagline or slogan for the destinations is currently in development. A tagline will bring relevance to further enhance the value of the Bocas del Toro destination brand. The final selection of suggestions from the branding questionnaires included the following:

- *An experience without limits*
- *Visit Bocas and you will want to stay*
- *The green way to discover the Caribbean*
- *The islands where sustainable tourism lives*
- *The islands where ecotourism isn't just a word*
- *The islands where nature and people are together*
- *The islands where you can make a difference*

*See all logo designs and additional details about the branding activities in Annex B*

## **Products and Packaging**

The products in Bocas del Toro can be divided into two categories. The destination's products include natural, cultural and heritage assets, while the tourism products and services packaged and sold to consumers (travelers) include a range of accommodations, food and beverage facilities, attractions, tourism amenities, cultural and tour experience providers and related services.

## ***Natural Assets***

Natural resources make up the majority of Bocas del Toro's prime tourism assets. The province is home of an archipelago of six densely forested islands (Colon, Bastimentos, Caranero, San Cristobal, Popa, and Pastores) and the mainland (which includes 95% of the World Heritage site of Parque Internacional La Amistad). The rich wildlife diversity is one of the main attractions for tourists visiting the province. There are excellent opportunities to observe endangered wildlife species—such as **manatees** and **sea turtles**, a rich variety of amphibians (including the poison dart frog), and birds. Over 100 species of mammals can also be observed, including primates such as the howler monkey, white-throated capuchin, night monkey, and caymans. The Bastimentos National Park encompasses one part of the Bastimentos islands and the Zapatillas Caye. This park includes rich mangroves and over 57 different coral species.

## ***Historical and Cultural Attractions***

Bocas del Toro (especially the Changuinola area) used to be home to a number of banana plantations operated by the United Fruit Company. Many buildings in Bocas del Toro reflect the rich history of Bocas del Toro, such as the Hotel Bahia (the former headquarters of the United Fruit Company). While the history of Bocas del Toro could be of interest to many tourists, there is currently no interpretation, signage, or photographs to tell these stories.

Bocas del Toro possesses a rich, ethnic culture that is reflected in its traditions, customs, gastronomy, music, dances and other afro-antillan manifestations. The indigenous culture of the Teribe, Bri-Bri, and Ngobe Bugle remain intact and is still express through clothing and handicrafts. These indigenous groups have a rich knowledge of the native plants and use them for medicinal purposes. Some community-based initiatives have been developed either in the archipelago and the mainland to promote the indigenous Ngobe-Bugle culture. Mesi Jablado located in San Cristobal, Bahia Honda in Bastimentos, Soposo and Wekso located close to Changuinola are perfect examples of initiatives that should be supported to promote cultural products and achieve a diversification of tourist product in the province.

While some community-based tourism organizations exist—their accessibility, linkages to packages, and access to markets leave much room for improvement.

There are many aspects of cultural life in Bocas del Toro that are of interest for tourists—such as local festivals, performing and creative arts, cuisine, and local handicrafts. In Bocas del Toro town, some restaurants/bars provide cultural entertainment in terms of music and dancing, but tend to adjust them to Western tastes, which can diminish their authenticity.

While local artisans exist, opportunities to discover them are very limited. In many cases, the local population is not aware that tourists would like to experience their local culture, and tourists therefore remain unaware of their existence.

### **Accommodations**

Recent figures on Bocas del Toro from the *Sustainable Development Strategy for Bocas del Toro* (June 2008), indicates that there are 105 types of lodgings (hotels, guesthouses, self-catering apartments) at the destination making up a total of 893 rooms. The lodgings include several all-inclusive resorts, catered to the mass tourism market. The largest hotel, Playa Tortuga, accounts for 13% of the overall capacity in terms of rooms. Although there is a wide range in terms of quality, the value-for-money is generally regarded as good by present visitors. 80% of the accommodation facilities are concentrated in Bocas town area and operate with a strong focus on beach tourism. There is a range of restaurants in Bocas town, which offer a variety of cuisines (such as Caribbean, international, Indian, Italian and Thai). Service levels are generally satisfactory, but could benefit from basic customer service training.

There are intentions to develop accommodations facilities with community involvement, especially in Bastimentos islands. For example, la Loma Lodge is helping the community of Bahia Honda enhance their tourism product and infrastructure and Casa Cayuco is supporting community service projects in local indigenous villages. These type of business linkages are important and should be promoted through packages to better link these communities with the market.

### **Tours**

The most popular tours in the area are all-day snorkeling trips, which give visitors a taste of the rich marine life in the area. The most popular tour goes to Dolphin Bay, Cayo Crawl, Red Frog Beach, and Hospital Point. Surf, sailing, and diving are the most popular sport activities that can be practiced in the archipelago of Bocas del Toro. Bocas del Toro has also become a popular surf destination for Panama.

### **Other Tourism Services**

Successful tourism destinations rely on a diverse team of support services that compliment the primary tours and accommodations. In Bocas del Toro, the following enterprises and activities are integral parts of the travelers experience: restaurants, transportation such as regional airlines, water taxis, ground transportation, Artisans and craft outlets, and cultural performing art groups. In addition, and special events, Festivals, (such as the annual chocolate contest) rituals, and ceremonies can be considered a product of Bocas del Toro and this sector is being organized by BSTA to sell more experiences and opportunities to travelers.

### **Tourism Packaging**

Tourism packaging facilitates the booking and purchase of products and services from multiple providers. Packaging also conducts destination and logistical research on behalf of travelers—making it easier and more likely for them to book a vacation. In addition, tourism packaging combines the various elements that make a destination unique, such as

community and biodiversity, and allows for targeted marketing opportunities. In Bocas del Toro packaging is imperative in order to optimize promotion, due to the nature of the products, therefore packaging is a key activity offered by the BSTA.

### **Pricing**

Pricing on packages developed by BSTA has been and will continue to be carefully researched to ensure they remain competitive with the market. Products sold through the Geotourism Information Center will have a rack rate set by the individual BSTA members. A modest commission (15% on tour reservations and 10% on hotel reservations) will be taken from all sales transactions through the Information Center and the Web site in order to offset operations costs (which will also be covered through BSTA membership fees and merchandise sales).

One of the roles of the BSTA is to link international tour operators with BSTA members. Wholesale prices for all products promoted through the BSTA will be subject to the various Tour Operator contract conditions and will be agreed upon by BSTA members before sales agreements are entered into on the members' behalf.

### **Promotion**

The overall promotional components of the Discover Bocas del Toro branding strategy will include the following promotional methods to build brand recognition and attract prospective travelers to the region:

#### ***Geotourism Information Center***

The Geotourism Information Center will be located on the main street of Isla Colon and will be managed and operated by the Bocas Sustainable Tourism Alliance (BSTA). The Center will provide a welcoming environment for travelers to congregate, use the Internet, purchase branded merchandise and local handicrafts, learn about available tourism products and services through activity and accommodation guides containing attractive sales sheets from each BSTA member and tour package offered. The booking desk will be staffed with a knowledgeable representative who will give information and directions, as well as handle tour and hotel reservations. Signage in the windows, on the outside of the building and on the street using A-frame sidewalk signs (also known as 'sandwich boards'), will advertise the services of the Center in order to attract visitors inside.



### **Online**

The travel industry accounts for the largest category of products and services sold over the Internet. According to a recent study by Jupiter Research the online travel market is expected to continue its strong growth and account for 34% of all travel spending in

2010. While the travel industry is experiencing a growth in online bookings, the Internet remains one of the greatest sources of research for travelers.

The Internet provides the opportunity for developing nations to correct imbalances in the tourism value chain where a significant percentage of tourism profits are captured by firms based outside the country being visited. The challenge for developing countries is to not only put in place the technology for e-tourism, but also to develop a strategy that engages the public and private sectors to work in collaboration to promote the country, while effectively processing transactions and delivering a quality tourism product to the online travel planner.

While a growing number of destination management organizations (DMOs) in developing countries have developed an online presence in the last few years, only a small share have so far been able to offer a fully fledged services web portal in the form of a destination management services (DMS) that would propose effective booking and transaction facilities<sup>1</sup>. A DMS is defined as ‘an IT infrastructure used by a destination organization for the collection, storage, manipulation and distribution of information in all its forms, and for the transaction of reservations and other commercial activities’.<sup>9</sup>

The centerpiece of the promotional strategy is the comprehensive consumer-focused DMS and travel Web site ([www.discoverbocasdeltoro.com](http://www.discoverbocasdeltoro.com)). This site is currently serving to provide information to current and potential members of the BSTA and will grow into a portal that will include BSTA member information and consumer information. An online map will be used to highlight accommodations and attractions throughout Bocas del Toro region. The site will also feature complete descriptions of all Bocas del Toro package tours and itineraries with a shopping cart option to book directly online. Due to the types of products being offered through the BSTA, the Web site is intended to act as the enterprises’ extended brochure, with comprehensive information and photos not only about the individual products/itineraries, but also about travel logistics, safety, and other travel-related issues regarding Bocas del Toro tours.

*See sitemap and sample pages of the consumer Web site in Annex C*

### **Electronic Marketing**

Electronic marketing or e-marketing is one of the most effective means of promoting the BSTA Web site. Search Engine Optimization (SEO), search engine registration, online advertising (Pay Per Click online ads: Google Ad words and Yahoo Sponsored search), electronic fliers, forum posting, affinity group promotion and distribution on travel portals will be used on an ongoing basis to build brand awareness with prospective consumers and will encourage them to visit the Web site to make a booking or research a trip to Bocas del Toro. Key niche online travel guides include [www.lonelyplanet.com](http://www.lonelyplanet.com), [www.i-explore.com](http://www.i-explore.com), [www.gorp.com](http://www.gorp.com) and [www.away.com](http://www.away.com). Review of the e-marketing initiatives should be conducted quarterly in order to ensure the most optimal use of resources in reaching the most current travel and Internet marketing outlets.

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<sup>9</sup> ICT and Tourism for Development - Background Paper by the UNCTAD secretariat. United Nations Conference on Trade and Development September 20, 2005



### ***Business Cards***

Business Cards will be provided at the Geotourism Information Center to prospective clients and to regional and international travel trade, as a means to support the cultivation of business relations and provide personal contact information for the BSTA sales manager.

### ***Posters***

Attractive posters will feature appealing images of Bocas del Toro attractions and encourage travelers to visit the Geotourism Information Center to book a trip. They will be posted within the Bocas Information Center, as well as all other information booths, airport, bus stations, etc in strategic locations within Panama and Costa Rica.

### ***Merchandise***

A modest selection of merchandise such as hats, t-shirts, water bottles, rain ponchos, beach towels, postcards will be embossed with the Bocas del Toro logo and sold at the Geotourism Information Center to create recognition of the Bocas del Toro brand. Selling refillable BSTA water bottles is not only a revenue generator, but it can also be a sustainable tourism initiative. The Geotourism Information Center can feature a filtered water cooler and refill outlet; travelers can purchase the water bottle then refill them onsite to help reduce the number of plastic bottles going into the landfill. There are also a large number of surfers in Bocas and as stickers are popular item for placing on surfboards. In addition to selling these items for revenue, the branded items can be given to Tour Operators, airport information booth and other relevant key industry contacts in the region to build marketing relationships.



### ***Travel Trade Sales Manual***

A comprehensive travel sales manual is being developed, consisting of sales sheets from each BSTA member to outline (wholesale) and rack rates along with tour package or hotel details and other pertinent reservation information. They will also feature information about the destination such as flight time and connections that will help to familiarize the tour operators and travel agents with the products. The Sales Manual will be distributed to regional and international tour operators, travel trade and information centers in order to facilitate a channel for distributing the BSTA tourism packages and products.

### ***La Ruta Amistad Green Passport Campaign***

One potential promotional concept to explore is a ‘Green Passport’ campaign, which would feature a promotional document including easy tips on how to travel responsibly and to support sustainable tourism. The campaign would encourage travelers coming through Costa Rica and la Parque Internacional la Amistad and Bocas del Toro to extend their stay in Bocas del Toro by featuring natural and cultural highlights of the region within the passport. The small format and attractive promotional tool would create regional travel trade partnerships to increase visitation and revenue to BSTA members.

## **Public Relations**

Public Relations plays a key role in promoting Bocas del Toro in a positive light, as a leading sustainable tourism destination. Areas of activity include the following:

### ***Liaising with Media Representatives***

BSTA will be a contact liaison for the media through its media outreach function. Activities include communicating with media contacts at the Panama Tourism Board and other relevant organizations such as APTSO and CAMTUR generating targeted news stories, responding to media enquiries promptly and efficiently, and sending press releases to media contacts covering special events, new activities, research findings, and other newsworthy items.

### ***Image Library***

The BSTA will build and maintain a library of collateral resources including professional quality still and video for use in destination promotion. These will be used in marketing and will be made available to media and the travel trade upon request.

### ***Press Releases***

Press Releases will be used by the BSTA when disseminating consumer-focused news to international travel media and travel trade. This communication tool will inform them of new products, trends, festivals and sustainable tourism achievements. A minimum of four press releases per year should be sent in order to keep travel trade and journalists engaged.

### ***Familiarization (FAM) Trips***

Familiarization (Fam) Tours are trips in which complimentary or low-cost trip packages are organized to showcase a destination and its products to media and travel trade representatives. Fixed departure Fam Tours as well as individual trips based upon request will be facilitated through the BSTA, in order to engage targeted media and travel trade representatives to write editorials or generate sales for the BSTA and its members.

*See Familiarization (Fam) Tour Guidelines in Annex F*

### ***Sustainable Tourism Awards***

Sustainable tourism awards are excellent tools which help to both motivate the industry to keep competitive in sustainable tourism practices and to recognize individuals and organizations for their innovations. On an annual basis, the BSTA can partner with a sponsor, create awards criteria and identify an unbiased judging committee made up of international sustainable tourism experts from organizations including Rainforest Alliance, Sustainable Travel International and Solimar International. The awards will honor chosen members for leading sustainable tourism activities in a ceremony where they will be presented with a trophy, which is possibly made from a local wood carver.

### ***Place (Distribution)***

The BSTA will work diligently to reach to the following distribution channels in selling the destination and its products:

### ***Marketing Collateral***

Placement of BSTA promotion collateral (posters, postcards and other signage) will be in the following locations: Geotourism Information Center in Bocas Town, in brochure racks around Panama including airports, bus stops, water taxi terminals, etc. Posters and brochures will also be distributed in Costa Rica as well as in and around la Amistad Park. Location includes: the Panama/Costa Rica border (Paseo CanoA and Sixiaola) as well as Puerto Viejo at ATEC and through the hotels.

### ***Travel Trade***

A comprehensive campaign will take place to distribute the Travel Trade Sales Manuals to targeted tour operators and travel agents in North America, Europe, Panama and Costa Rica. A strong working relationship will be built with these trade partners in order to facilitate future booking of travel services with BSTA members. NET rates and updated information will be sent to the trade on a regular basis to ensure they keep the destination in mind when booking travel for their clients.

## Implementation Milestones

MILESTONE	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Design Logos for the destination and the BSTA and obtain approval							
Acquire high quality photos of Bocas del Toro							
Recruit members to join the BSTA and collect content for sales sheets and Web site							
Collect general content for the consumer-focused web site							
Launch Consumer-Focused Section of the Discover Bocas Del Toro Website							
Perform Electronic Marketing & Social Networking Activities							
Develop & Disseminate Promotional Collateral							
Geotourism Information Center Grand Opening (anticipated date: July 23, 2009)							
Develop & Order Branded Merchandise							
Press Releases Sent Quarterly							
Develop and Launch FAM Trip							
Plan Sustainable Awards program w/ Sponsors							

## **SECTION IV. FINANCIALS**

The following section details the BSTA marketing strategy costs, followed by a complete set of updated financial statements and projections for the Bocas Sustainable Tourism Alliance (these financial statements were originally prepared with the DMO business plan submitted in February 2009). The financials include projections of costs for three years, and are presented in US Dollars. The following major assumptions were made to complete the financial projections for the BSTA:

### ***Revenues***

- 40% of tourism businesses in Bocas del Toro (including hotels, tour operators, restaurants, and community-based tourism organizations) will join as members of the DMC in Year 1;
- The Geotourism Information Center will begin collecting revenue from membership fees and merchandise sales in July, and will begin collecting revenue from tour bookings in October.
- 20% of 100,000 visitors (20,000 people) travelling to Bocas del Toro each year will stop by the Geotourism Information Center;
  - 2% of annual visitors (1,550 people) will utilize the booking service for 1 tour and another 2% of annual visitors (1,550) will utilize the booking service for hotels;
- 65% of annual visitors to Bocas del Toro arrive during the high season and 35% arrive during the low season;
- The only merchandise available for purchase in the Geotourism Information Center is AAMVECONA recycled purses, branded stickers, and branded waterbottles.
  - 1% of visitors coming into the Geotourism Information Center (200 people) will purchase a AAMVECONA Recycled Purse;
  - 2% of visitors coming into the Geotourism Information Center (400 people) will purchase a branded sticker;
  - 2% of visitors coming into the Geotourism Information Center (400 people) will purchase a water bottle;
- Membership, bookings, and merchandise sales will grow at a rate of 10% each year;
- 100% of DMC members will renew their memberships in Year 2.

### ***Expenses***

- The DMC will be legally registered in Panama as a Corporation Limited and obtain a tourist license from the Panamanian Tourism Authority in order to sell tours;
- The DMC will also establish itself as a non-for-profit organization;
- A 10% tax (applied by the Panamanian Tourism Authority) will be applied to the sale of tours and hotels;
- A 5% ITBM tax will be applied to the sale of merchandise;
- Fixed and variable costs will increase at a rate of 5% each year;
- One full-time staff member (the BSTA Coordinator) will be the only paid employee from July through November. In December, an additional staff member (Sales/Reservation Coordinator) will be hired for a combined salary expense of \$1,500 per month.

<b>MARKETING BUDGET</b>					
Item	Units (over 3 years)	Unit Cost	Annual Costs		
			Year 1 (July '09 - June '10)	Year 2 (July '10 - June '11)	Year 3 (July '11 - June '12)
Web site development, maintenance, and hosting			\$3,000	\$1,000	\$1,000
Poster and visitor center signage design and printing			\$1,000	\$400	\$400
Brochure, Postcard and Business Card Design			\$400	\$0	\$0
Brochure, Postcard and Business Card Production			\$1,800	\$1,500	\$1,500
Electronic Advertising (PPC + Annual Fees)			\$1,500	\$1,500	\$1,500
Print Advertising in targeted local publications	6	\$200	\$400	\$400	\$400
Fliers for Special Events and Activities	3	\$200	\$200	\$200	\$200
Electronic Flier Distribution	36	\$20	\$240	\$240	\$240
Sustainable Tourism Awards (Operated on a cost-recovery basis through sponsorship)			\$0	\$0	\$0
Printing and mailing Sales Catalogues	100	\$5	\$500	\$500	\$500
Miscellaneous Sales Costs	3	\$750	\$750	\$750	\$750
<b>Annual Marketing Costs</b>			<b>\$9,790</b>	<b>\$6,490</b>	<b>\$6,490</b>

<b>MERCHANDISE COSTS</b>					
Item	Units (over 3 years)	Unit Cost	Annual Costs		
			Year 1 (July '09 - June '10)	Year 2 (July '10 - June '11)	Year 3 (July '11 - June '12)
Recycled Purses	600	\$25	\$5,000	\$5,000	\$5,000
Promotional Stickers ( <a href="http://www.customizedstickers.com/window-stickers.php">http://www.customizedstickers.com/window-stickers.php</a> )	1200	\$0.375	\$150	\$150	\$150
Promotional Water Bottles ( <a href="http://www.branders.com">www.branders.com</a> )	1200	\$3.24	\$1,296	\$1,296	\$1,296
<b>Annual Costs</b>			<b>\$6,446</b>	<b>\$6,446</b>	<b>\$6,446</b>

**PROFIT AND LOSS MODEL**  
**BOCAS SUSTAINABLE TOURISM ALLIANCE**  
**PROJECTED SCENARIO**

	YEAR ONE												Notes / Assumptions	
	2009						2010							
	High Season	Low Season	Low Season	Low Season	Low Season	High Season	High Season	High Season	High Season	Low Season	Low Season	High Season		
TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June		
<b>Key Inputs</b>														
<b>NUMBER OF NEW DMC MEMBERS</b>														
Hotel (1-20 Rooms)	32	4	4	4	3	3	3	3	2	2	2	1	1	Based on 40% of 80 small hotels joining during year 1
Hotel (over 20 Rooms)	8	2	1	1	1	1	1	1					-	Based on 40% of 20 large hotels joining during year 1
Restaurants	16	2	2	2	2	1	1	1	1	1	1	1	1	Based on 40% of 40 restaurants joining during year 1
Tour Operators	6	2	1	1	1	1								Based on 40% of 15 tour operators joining during year 1
Community-Based Tourism Orgs	2	1		1										Based on 40% of 6 CBTOs joining during year 1
<b>NUMBER OF ANNUAL VISITORS</b>	100000	10,833	5,833	5,833	5,833	5,833	10,833	10,833	10,833	10,833	5,833	5,833	10,833	Based on 65% of annual arrivals during the high season and 35% during the low season
<b>NUMBER OF VISITORS TO INFO CENTER</b>	20000	2,167	1,167	1,167	1,167	1,167	2,167	2,167	2,167	2,167	1,167	1,167	2,167	Based on 20% of total visitors to Bocas stopping by the information center
<b>NUMBER OF MERCHANDISE SOLD</b>														
AAMVECONA Recycled Purse	200	22	12	12	12	12	22	22	22	22	12	12	22	Based on purchases by 1% of visitors coming into info center
Stickers	400	43	23	23	23	23	43	43	43	43	23	23	43	Based on purchases by 2% of visitors coming into info center
Water Bottles	400	43	23	23	23	23	43	43	43	43	23	23	43	Based on purchases by 2% of visitors coming into info center
<b>NUMBER OF BOOKINGS</b>														
Number of tours booked	1550				117	117	217	217	217	217	117	117	217	Based on selling 1 tour to 2% of travelers to Bocas
Number of hotel rooms booked	1550				117	117	217	217	217	217	117	117	217	Based on selling 1 hotel night to 2% of travelers to Bocas
<b>REVENUE</b>														
<b>NET SALES</b>														
	TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Notes / Assumptions
<b>Membership Fees</b>														
Hotel (1-20 Rooms)	\$ 6,400	\$ 800	\$ 800	\$ 800	\$ 600	\$ 600	\$ 600	\$ 600	\$ 400	\$ 400	\$ 400	\$ 200	\$ 200	\$200 annual membership fee
Hotel (over 20 Rooms)	\$ 2,400	\$ 600	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$300 annual membership fee
Restaurants	\$ 1,600	\$ 200	\$ 200	\$ 200	\$ 200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$100 annual membership fee
Tour Operators	\$ 1,200	\$ 400	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$200 annual membership fee
Community-Based Tourism Orgs	\$ 100	\$ 50	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50 annual membership fee
<b>Commission Fees</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Tour Bookings	\$ 9,300	\$ -	\$ -	\$ -	\$ 700	\$ 700	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 700	\$ 700	\$ 1,300	Assumes average tour cost of \$40 per person and a 15% commission rate
Hotel Bookings	\$ 11,625	\$ -	\$ -	\$ -	\$ 875	\$ 875	\$ 1,625	\$ 1,625	\$ 1,625	\$ 1,625	\$ 875	\$ 875	\$ 1,625	Assumes average hotel cost of \$75 per night and a 10% commission rate
<b>Merchandise Sales</b>														
AAMVECONA Recycled Purse	\$ 16,000	\$ 1,733	\$ 933	\$ 933	\$ 933	\$ 933	\$ 1,733	\$ 1,733	\$ 1,733	\$ 1,733	\$ 933	\$ 933	\$ 1,733	Assumes retail price of \$40
Stickers	\$ 1,800	\$ 195	\$ 105	\$ 105	\$ 105	\$ 105	\$ 195	\$ 195	\$ 195	\$ 195	\$ 105	\$ 105	\$ 195	Assumes retail price of \$2
Water Bottles	\$ 4,800	\$ 520	\$ 280	\$ 280	\$ 280	\$ 280	\$ 520	\$ 520	\$ 520	\$ 520	\$ 280	\$ 280	\$ 520	Assumes retail price of \$8 (with free water fill-ups at the info center)
<b>Total Revenue</b>	\$ 55,225	\$ 4,498	\$ 2,818	\$ 2,868	\$ 4,193	\$ 4,093	\$ 6,373	\$ 6,373	\$ 5,873	\$ 5,873	\$ 3,393	\$ 3,193	\$ 5,673	Combined membership, commission & merchandise sales
<b>EXPENSES</b>														
<b>FIXED COSTS</b>														
	TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Notes / Assumptions
Salary Expenses	\$ 15,000	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 900/month for Manager (wage and benefits)+ \$600/month for sale person (wage and benefits)
Accountant/Bookeeping Expense	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$100/month for local accountant
Local Travel Expenses	\$ 1,200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$100/month in boat/taxi expenses for local travel
Phone / Internet	\$ 1,680	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$100/month internet connection 512speed and \$40 phone expense
Marketing and Web site Maintenance	\$ 6,490	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	Refer to detailed marketing budget
Merchandise Expenses	\$ 6,446	\$ 3,223						\$ 3,223						Based on the purchase of 400 stickers, 400 water bottles, and 200 Recycled purses each year (see detailed marketing budget)
Water for water bottles	\$ 900	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	Based on \$5 per gallon and a usage of 15 gallons per month
Rent	\$ 7,380	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$615/month rent of Calle Tercera office location
Basic Office Supplies	\$ 1,200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$100/month for general office supplies
Depreciation (from fixed assets)	\$ 804	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	Direct from fixed assets sheet
Gas / Electricity	\$ 960	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$80/month for gas and/or electricity expense
<b>Total Fixed Costs</b>	\$ 42,760	\$ 5,841	\$ 2,618	\$ 2,618	\$ 2,618	\$ 2,618	\$ 3,318	\$ 6,541	\$ 3,318	\$ 3,318	\$ 3,318	\$ 3,318	\$ 3,318	
<b>Net Profit/Loss</b>	\$ 12,466	\$ (1,342)	\$ 201	\$ 251	\$ 1,576	\$ 1,476	\$ 3,056	\$ (167)	\$ 2,556	\$ 2,556	\$ 76	\$ (124)	\$ 2,356	Net profit after fixed costs
<b>Net Profit Margin</b>	23%	-30%	7%	9%	38%	36%	48%	-3%	44%	44%	2%	-4%	42%	Net profit margin after fixed costs

# Statement of Cash Flows

BOCAS SUSTAINABLE TOURISM ALLIANCE

	YEAR ONE												Year 1 Total
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	
<b>BEGINNING CASH BALANCE</b>	\$ -	\$ (2,082)	\$ (467)	\$ 1,199	\$ 4,032	\$ 6,765	\$ 10,887	\$ 10,919	\$ 13,675	\$ 16,431	\$ 16,898	\$ 16,550	\$ -
<b>CASH RECEIPTS</b>													
Membership Fees	\$ 2,050	\$ 1,500	\$ 1,550	\$ 1,300	\$ 1,200	\$ 1,000	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 300	\$ 300	\$ 11,700
Booking Service	\$ -	\$ -	\$ -	\$ 1,575	\$ 1,575	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	\$ 1,575	\$ 1,575	\$ 2,925	\$ 20,925
Merchandise Sales	\$ 2,448	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318	\$ 2,448	\$ 2,448	\$ 2,448	\$ 2,448	\$ 1,318	\$ 1,318	\$ 2,448	\$ 22,600
<b>Total Cash Available</b>	\$ 4,498	\$ 736	\$ 2,401	\$ 5,392	\$ 8,125	\$ 13,138	\$ 17,260	\$ 16,793	\$ 19,548	\$ 19,824	\$ 20,091	\$ 22,223	\$ 55,225
<b>YEAR 1 CASH PAYMENTS</b>													
<b>Initial Start Up Costs</b>													
SA Registration Fees and Taxes	\$ 979												\$ 979
NGO Registration Fees	\$ 1,500												\$ 1,500
Insurance Costs	\$ 300												\$ 300
Office Equipment (refer to detailed budget)	\$ 8,020												\$ 8,020
Additional Marketing Costs (refer to detailed budget)	\$ 3,300												\$ 3,300
<b>Total Start Up Costs</b>	\$ 14,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,099
<b>Variable Costs</b>													
<b>Total Variable Costs</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fixed Costs (Annual)</b>													
Salary Expenses	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 15,000
Accountant/Bookkeeping Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 700
Local Travel Expenses	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Phone / Internet	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 1,680
Marketing and Web site Maintenance	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 6,490
Merchandise	\$ 3,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,446
Water for water bottles	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 900
Rent	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 7,380
Office Supplies	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Depreciation (from fixed assets)	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 804
Gas / Electricity	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 960
<b>Total Fixed Costs</b>	\$ 5,841	\$ 2,618	\$ 2,618	\$ 2,618	\$ 2,618	\$ 3,318	\$ 6,541	\$ 3,318	\$ 3,318	\$ 3,318	\$ 3,318	\$ 3,318	\$ 42,760
<b>Other Costs</b>													
Panamanian Tourism Authority Tax (10%)	\$ -	\$ -	\$ -	\$ 158	\$ 158	\$ 293	\$ 293	\$ 293	\$ 293	\$ 158	\$ 158	\$ 293	\$ 2,093
ITMB Tax (5%)	\$ 122	\$ 66	\$ 66	\$ 66	\$ 66	\$ 122	\$ 122	\$ 122	\$ 122	\$ 66	\$ 66	\$ 122	\$ 1,130
<b>Total Other Costs</b>	\$ 122	\$ 66	\$ 66	\$ 223	\$ 223	\$ 415	\$ 415	\$ 415	\$ 415	\$ 223	\$ 223	\$ 415	\$ 3,223
<b>TOTAL CASH PAID OUT</b>	\$ 20,062	\$ 2,684	\$ 2,684	\$ 2,841	\$ 2,841	\$ 3,733	\$ 6,956	\$ 3,733	\$ 3,733	\$ 3,541	\$ 3,541	\$ 3,733	\$ 60,081
<b>CASH BALANCE</b>	\$ (15,563)	\$ (1,948)	\$ (282)	\$ 2,551	\$ 5,284	\$ 9,406	\$ 10,304	\$ 13,060	\$ 15,816	\$ 16,283	\$ 16,550	\$ 18,490	\$ (4,856)
<b>Sponsorships</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fundraising Events</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>USAID-CCAW Marketing Materials Funding</b>	\$ 10,000					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
<b>USAID-CCAW Office Set-up Funding</b>	\$ 2,000					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
<b>USAID-CCAW DMO Staff Funding</b>	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,196
<b>USAID-CCAW Rent Funding</b>	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ -	\$ -	\$ 6,150
<b>ENDING CASH BALANCE</b>	\$ (2,082)	\$ (467)	\$ 1,199	\$ 4,032	\$ 6,765	\$ 10,887	\$ 10,919	\$ 13,675	\$ 16,431	\$ 16,898	\$ 16,550	\$ 18,490	\$ 18,490

# Income Statement

BOCAS SUSTAINABLE TOURISM ALLIANCE

	YEAR ONE												Year 1 Total
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	
<b>REVENUE</b>													
<b>NET SALES</b>													
Membership Fees	\$ 2,050	\$ 1,500	\$ 1,550	\$ 1,300	\$ 1,200	\$ 1,000	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 300	\$ 300	\$ 11,700
Commissions	\$ -	\$ -	\$ -	\$ 1,575	\$ 1,575	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	\$ 1,575	\$ 1,575	\$ 2,925	\$ 20,925
Merchandise Sales	\$ 2,448	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318	\$ 2,448	\$ 2,448	\$ 2,448	\$ 2,448	\$ 1,318	\$ 1,318	\$ 2,448	\$ 22,600
<b>Net Sales</b>	<b>\$ 4,498</b>	<b>\$ 2,818</b>	<b>\$ 2,868</b>	<b>\$ 4,193</b>	<b>\$ 4,093</b>	<b>\$ 6,373</b>	<b>\$ 6,373</b>	<b>\$ 5,873</b>	<b>\$ 5,873</b>	<b>\$ 3,393</b>	<b>\$ 3,193</b>	<b>\$ 5,673</b>	<b>\$ 55,225</b>
<b>VARIABLE COSTS (COGS)</b>													
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Variable Costs</b>	<b>\$ -</b>												
<b>GROSS PROFIT</b>													
<b>Gross Profit</b>	<b>\$ 4,498</b>	<b>\$ 2,818</b>	<b>\$ 2,868</b>	<b>\$ 4,193</b>	<b>\$ 4,093</b>	<b>\$ 6,373</b>	<b>\$ 6,373</b>	<b>\$ 5,873</b>	<b>\$ 5,873</b>	<b>\$ 3,393</b>	<b>\$ 3,193</b>	<b>\$ 5,673</b>	<b>\$ 55,225</b>
<b>EXPENSES</b>													
<b>FIXED COSTS (ANNUAL)</b>													
Salary Expenses	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 15,000
Accountant/Bookkeeping Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 700
Local Travel Expenses	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Phone / Internet	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 1,680
Marketing and Web site Maintenance	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 6,490
Merchandise	\$ 3,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,446
Rent	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 615	\$ 7,380
Office Supplies	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Depreciation (from fixed assets)	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67	\$ 804
Gas / Electricity	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 960
<b>Total Fixed Costs</b>	<b>\$ 5,841</b>	<b>\$ 2,618</b>	<b>\$ 2,618</b>	<b>\$ 2,618</b>	<b>\$ 2,618</b>	<b>\$ 3,318</b>	<b>\$ 6,541</b>	<b>\$ 3,318</b>	<b>\$ 42,760</b>				
<b>OPERATING PROFIT</b>													
	\$ (1,342)	\$ 201	\$ 251	\$ 1,576	\$ 1,476	\$ 3,056	\$ (167)	\$ 2,556	\$ 2,556	\$ 76	\$ (124)	\$ 2,356	\$ 12,466
<b>OTHER COSTS</b>													
<b>NET PROFIT BEFORE TAXES</b>													
	\$ (1,342)	\$ 201	\$ 251	\$ 1,418	\$ 1,318	\$ 2,763	\$ (460)	\$ 2,263	\$ 2,263	\$ (82)	\$ (282)	\$ 2,063	\$ 12,466
<b>TAXES</b>													
Panamanian Tourism Authority Tax (10%)	\$ -	\$ -	\$ -	\$ 158	\$ 158	\$ 293	\$ 293	\$ 293	\$ 293	\$ 158	\$ 158	\$ 293	\$ 2,093
ITBM Tax (5%)	\$ 122	\$ 66	\$ 66	\$ 66	\$ 66	\$ 122	\$ 122	\$ 122	\$ 122	\$ 66	\$ 66	\$ 122	\$ 1,130
<b>NET PROFIT AFTER TAXES</b>													
	\$ (1,465)	\$ 135	\$ 185	\$ 1,195	\$ 1,095	\$ 2,348	\$ (875)	\$ 1,848	\$ 1,848	\$ (305)	\$ (505)	\$ 1,648	\$ 9,243
<b>NET PROFIT MARGIN</b>													
													17%

## Five-Year Income Projection

### BOCAS SUSTAINABLE TOURISM ALLIANCE

Based on 10% annual increase in sales volume and  
5% annual increase in fixed & variable costs

<b>REVENUE</b>	
<b>NET SALES</b>	
Membership Fees	
Tour Sales	
Merchandise Sales	
	<b>Net Sales</b>
<b>VARIABLE COSTS (COGS)</b>	
	<b>Total Variable Costs</b>
<b>GROSS PROFIT</b>	
	<b>Gross Profit</b>
<b>EXPENSES</b>	
<b>FIXED COSTS (ANNUAL)</b>	
Salary Expenses	
Accountant/Bookeeping Expense	
Local Travel Expenses	
Phone / Internet	
Marketing and Web site Maintenance	
Merchandise	
Rent	
Office Supplies	
Depreciation (from fixed assets)	
Gas / Electricity	
	<b>Total Fixed Costs</b>
<b>OPERATING PROFIT</b>	
<b>TAXES</b>	
Panamanian Tourism Authority Tax (10%)	
ITBM Tax (5%)	
<b>NET PROFIT AFTER TAXES</b>	
<b>NET PROFIT MARGIN</b>	

	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total
\$	11,700	\$ 12,870	\$ 14,157	\$ 15,573	\$ 17,130
\$	20,925	\$ 23,018	\$ 25,319	\$ 27,851	\$ 30,636
\$	22,600	\$ 24,860	\$ 27,346	\$ 30,081	\$ 33,089
\$	<b>55,225</b>	\$ <b>60,748</b>	\$ <b>66,822</b>	\$ <b>73,504</b>	\$ <b>80,855</b>
\$	-	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -
\$	<b>55,225</b>	\$ <b>60,748</b>	\$ <b>66,822</b>	\$ <b>73,504</b>	\$ <b>80,855</b>
\$	15,000	\$ 15,750	\$ 16,538	\$ 17,364	\$ 18,233
\$	700	\$ 735	\$ 772	\$ 810	\$ 851
\$	1,200	\$ 1,260	\$ 1,323	\$ 1,389	\$ 1,459
\$	1,680	\$ 1,764	\$ 1,852	\$ 1,945	\$ 2,042
\$	6,490	\$ 6,815	\$ 7,155	\$ 7,513	\$ 7,889
\$	6,446	\$ 6,768	\$ 7,107	\$ 7,462	\$ 7,835
\$	7,380	\$ 7,749	\$ 8,136	\$ 8,543	\$ 8,970
\$	1,200	\$ 1,260	\$ 1,323	\$ 1,389	\$ 1,459
\$	804	\$ 844	\$ 886	\$ 930	\$ 977
\$	960	\$ 1,008	\$ 1,058	\$ 1,111	\$ 1,167
\$	<b>41,860</b>	\$ <b>43,952</b>	\$ <b>46,150</b>	\$ <b>48,458</b>	\$ <b>50,880</b>
\$	<b>13,366</b>	\$ <b>16,795</b>	\$ <b>20,672</b>	\$ <b>25,047</b>	\$ <b>29,974</b>
\$	2,093	\$ 2,302	\$ 2,532	\$ 2,785	\$ 3,064
\$	1,130	\$ 1,243	\$ 1,367	\$ 1,504	\$ 1,654
\$	<b>10,143</b>	\$ <b>13,250</b>	\$ <b>16,773</b>	\$ <b>20,758</b>	\$ <b>25,256</b>
	<b>18%</b>	<b>22%</b>	<b>25%</b>	<b>28%</b>	<b>31%</b>