

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



DIPLOMA THESIS

**Business Plan for a Company Providing  
Custom Adventure Tours**

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## DIPLOMA THESIS ASSIGNMENT

Bc. Tereza Kalinová

Economics and Management

Thesis title

**Business Plan for a Company Providing Custom Adventure Tours**

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### Objectives of thesis

The main objective of this diploma thesis is to create a business plan for starting up a small enterprise – a company providing custom tours.

To achieve the main objective is necessary to define particular objectives:

- describe the company and determine the purpose of the business,
- environmental analysis: STEP analysis,
- industry analysis: Porter's 5 forces model,
- competitor analysis,
- market research,
- SWOT analysis,
- creating a business strategy including suggestions for a marketing plan, an organizational plan, an operational plan, and a financial appraisal.

At the end, the objective is an assessment of suggested strategies and future recommendations for the investigated company.

### Methodology

This diploma thesis is divided in two parts, a literature overview and the creation of the business plan for the company providing custom adventure tours. In the literature overview there are used secondary data thus this part is written through reading and processing recommended literature.

The second part, the creation of the business plan includes more objectives and many different methodologies. For each particular objectives there are used different methodologies.

The SLEPT analysis is based on past and current development and there is also evolved future development which can influence the investigated company. For the industry analysis the Porter's 5 forces model is used. The competitor analysis is processed by the Internet research. There is used a questionnaire for the market research. On that base the SWOT analysis is created.

**The proposed extent of the thesis**

Approximately 60-70 pages

**Keywords**

business plan, SWOT analysis, market research, small enterprise, tour operator, tourism

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**Recommended information sources**

CREGO, Edwin T., SCHIFFRIN, Peter D., KAUSS, James C. How To Write A Business Plan. US: American Management Association, 1995. ISBN 978-07-6121-428-1

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## **Declaration**

I declare that I have worked on my diploma thesis titled "Business Plan for a Company Providing Custom Adventure Tours" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any third person.

Prague, 27th November, 2015

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Kalinová Tereza

## **Acknowledgement**

I would like to thank my supervisor Richard Selby, Ph.D. for his support and advice during my work on the thesis. My special thanks belong to all who helped me with writing the thesis and who participated in the market analysis.

# **Business Plan for a Company Providing Custom Adventure Tours**

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## **Obchodní plán pro společnost poskytující dobrodružné zájezdy na míru**

### **Summary**

The diploma thesis deals with an issue of founding a new company providing custom adventure tours in the form of itineraries, called independent tours. Thus, the main objective is to create a business plan to start running a small business.

The first section, the literature overview provides definitions of an enterprise and other related concepts. There is a summary of the Czech legal regulations regarding a company's foundation. The last part of the literature overview concerns the issues that involve creating a business plan and exploring the structure and the content of particular parts of a business plan.

The theoretical part is followed by the second part, the own research. In this section, there is an introduction to the business and the strategic analysis, which explores forces in macro and micro environments, and help to understand opinions and habits of potential customers. On the basis of the author's own contribution and the strategic analysis, there is suggested a business strategy, a marketing, an organizational, an operation, and a financial plan.

**Keywords:** business plan, small enterprise, PEST analysis, tourism, market analysis, SWOT analysis, business strategy, marketing plan, financial plan

## **Souhrn**

Diplomová práce se zabývá problematikou založení nové společnosti poskytující dobrodružné zájezdy na míru ve formě itinerářů, které jsou pojmenované jako nezávislé zájezdy. Tudíž hlavním cílem diplomové práce je vytvoření obchodního plánu pro založení malého podniku.

První část, literární rešerše zahrnuje definici podniku a ostatních souvisejících pojmů. K dispozici je shrnutí českých právních předpisů, které se týkají založení společnosti. Poslední část se zabývá problematikou vytvoření obchodního plánu a prozkoumání struktury a obsahu jednotlivých částí obchodního plánu.

Po teoretické části následuje druhá část, vlastní výzkum. V této části je představena společnost, vytvořena strategická analýza, která zkoumá síly v makro a mikro prostředí a pomáhá porozumět názorům a zvykům potenciálních zákazníků. Na základě vlastních příspěvků autora a strategické analýzy je navržena obchodní strategie, marketingový, organizační, procesní a finanční plán.

***Klíčová slova:*** obchodní plán, malé podnikání, PEST analýza, cestovní ruch, analýza trhu, SWOT analýza, obchodní strategie, marketingový plán, finanční plán

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# 1 Introduction

Small businesses represent the significant segment of the national economy. They fulfil social, economic, and demand function as well as creating new vacancies. I would like to specially pick up their flexibility and ability to adapt themselves to changing conditions of external environments and customers' needs.

Regarding tourism industry, despite the economic crisis, political disorder, wars, terroristic attacks, natural disasters, medial threats in different parts of the world, tourism service has been growing. It belongs to the largest and fast-growing industries in the world. Tourism is one of the most significant industries where job opportunities have been arising. Beside unemployment, it influences other fields as GDP, a balance of payments, a state budget, a municipal budget, and investment activities. On the other hand, for tourism businesses it represents the high competitive field to enter and these companies should adapt to up-to-date market.

The diploma thesis was written for the author's own purpose. The author wants to connect passion to travel, fulfil the desire to share her travelling experiences with others and reach her own carrier self-realization. The carrier self-realization contains creating an own business, continually adapting, learning and updating author's skills; and being independent.

The business plan helps to understand current forces in macro and micro environment, to reveal opinions and habits of potential customers, and to create a complete business plan which is important for the future owner as a road map is for a traveller.

## **2 Objectives and Methodology**

### **2.1 Objectives**

The main objective of the thesis is to create a business plan to start running a small business, for a company providing custom adventure tours in the form of itineraries.

To achieve the main objective, it is necessary to define particular objectives which have to be fulfilled. These partial objectives are included in the section Own Research and are following:

- to describe the company, its product, and purpose of the business;
- to analyze the tourism industry, external macro and micro environments, the competitor analysis;
- to execute a market research;
- to summarize results from strategic analyses into a SWOT analysis;
- to suggest a business strategy, a marketing, an organizational, an operational, and a financial plan.

After creating the business plan, the objective is to suggest recommendations for the investigated company.

To achieve the main objective, the literature overview is needed. The partial objective for the theoretical part is to identify an enterprise, especially a small enterprise, then to make a summary of the Czech legal regulations regarding running a business. The last partial objective is to explore the structure and the content of particular parts of a business plan.

### **2.2 Methodology**

The diploma thesis is divided into two main parts, the literature overview and the own research including the business plan.

In the literature overview, secondary data is used, thus this part is written through studying, reading and processing recommended sources. The sources mainly include literature about enterprises and writing a business plan. Regarding the section about the Czech legal system, this part was created by reading carefully and by understanding the law of the Czech Republic.

The second part, the own research includes more objectives and for each objective, a different methodology is used.

The first is strategic analyses, comprising the exploration of the tourism industry, the environmental analysis, and industry analysis are made by the exploration of forces influencing the tourism industry. There are mainly used the statistical data and outputs from other researches. The environmental analysis uses the PEST analysis which investigates political and legal, economic, social and demographic, and technological factors influencing the tourism industry. In the industry analysis, the Porter's five forces model is used to examine the micro environment of the investigated company.

The competitor analysis is made by choosing the closest competitors. They are described and their portfolios, channels as websites or even mobile applications, and social media are explored.

In the market research, objectives of the market research are set, then three main characteristics for the market segmentation are explored. The market research is made by an anonymous questionnaire which is spread mainly via social media and among acquaintances.

The SWOT analysis summarizes gathered information from the analyses described above.

The business strategy and plans like the marketing, the organizational, the operational, and financial plan, are based on the findings from the strategic analysis and created by the author's own contribution and ideas.

In order to create a quality business plan, it is necessary to set three main research questions which are following:

1. What is the legal definition of starting running a business in the Czech Republic?
2. What are the forces in macro and micro environments influencing companies in tourism industry?
3. What are people's preferences and opinions about travelling?

## 3 Literature Overview

### 3.1 Enterprises

According to the European Union, an enterprise is “*any entity engaged in an economic activity, irrespective of its legal form*”. The self-employed, family firms, partnerships and associations regularly participated in an economic activity are considered as enterprises (European Commission, 2015, p. 12).

#### 3.1.1 Smaller Businesses

There are many definitions of a small enterprise. One of the first descriptions came up by the Bolton Reported. Bolton described two approaches which characterize a small enterprise. The first one is a **qualitative** or an economic approach which is concentrated on variety of smaller enterprises related to a larger enterprise. This approach includes three criteria: independence, a simple management structure, and a relative small share of the market (Carter, Jones-Evans, 2006, p. 8-9). There is another type of qualitative definition; it includes indicators as businessman personality, the type of leadership, a market place, an enterprise culture, and an organization structure. In smaller kinds of enterprises, a businessman gets involved to all the activities that are necessary for a firm. There is an integrity among an entrepreneur, an investor, and an executive director. A whole firm is mostly owned by one person, partners or a family. Smaller businesses have an individual position on the market and in the most of the cases they meet gaps on the market. An enterprise culture is characterized as preferring personal or closer relationships between owners, employers and among all physical identities included in a firm. An organization structure is clear and well arranged; it includes two or three levels of leadership (Srповá, 2011, p. 7-8).

According to Bolton, the second approach is more **quantitative**. The range was again focused on the diversity of smaller enterprises. Because of uniformity in measuring assets, turnover, profitability or employment across all sectors is complicated, Bolton suggested heterogeneous measures to mirror sectoral heterogeneity which is depicted in the table no. 1, on the other page (Carter, Jones-Evans, 2006, p. 8-9).

Table no. 1: **The Bolton Report's (1971) Quantitative Definitions of Smaller Enterprises**

| <b>Sector</b>                 | <b>Definition</b>                                  |
|-------------------------------|--|
| <b>Manufacturing</b>          | 200 employees or less                              |
| <b>Construction</b>           | 25 employees or less                               |
| <b>Mining and quarrying</b>   | 25 employees or less                               |
| <b>Retailing</b>              | Turnover of £50,000 or less                        |
| <b>Miscellaneous Services</b> | Turnover of £50,000 or less                        |
| <b>Motor Trades</b>           | Turnover of £100,000 or less                       |
| <b>Wholesale trades</b>       | Turnover of £200,000 or less                       |
| <b>Road Transport</b>         | Five vehicles or less                              |
| <b>Catering</b>               | All excluding multiples and brewery-managed houses |

Source: own processing, Carter and Jones-Evans, 2006

Even a more uniform definition has been embraced by the European Union. According to the EU, there are three types of smaller enterprises: micro, small and medium-sized those are determined by employee, turnover, or balance sheet. The thresholds are specified in the Table 2 (European Commission, 2015, p. 5-14).

Table no. 2: **The Thresholds by the European Union (2005)**

| <b>Enterprise Category</b> | <b>Headcount: Annual Work Unit (AWU)</b> | <b>Annual Turnover</b> | <b>Annual Balance sheet total</b> |
|----------------------------|--|------------------------|-----------------------------------|
| <b>Medium-sized</b>        | < 250                                    | ≤ €50 million          | ≤ €43 million                     |
| <b>Small</b>               | < 50                                     | ≤ €10 million          | ≤ €10 million                     |
| <b>Micro</b>               | <10                                      | ≤ €2 million           | ≤ €2 million                      |

Source: own processing, The European Commission, 2015

### **3.1.2 Importance of small businesses**

From the macroeconomic point of view, the smaller businesses fulfil social, economic, and demand function as well as the creation of new vacancies.

In the Czech Republic, a right to conduct a business is a fundamental factor of Czech social system and it is fulfilled by small and middle enterprises conduction. **Social**

**function** is defined in supporting small and distant regions – ensuring purchasing of inhabitants, creating vacancies there and thus fulfils social-political function.

Protection of a private ownership, production freedom, household consumption freedom and economic competition are factors that belong to principles of market economy. An economic competition is directly created by smaller enterprises and it means that **economy** is dependent on these types of businesses.

Small businesses play a key role in satisfying customer needs, needs of investment component producers, and as suppliers of larger enterprises. That means smaller businesses are important in **B2C as well as in B2B markets**. Small and middle businesses allow larger enterprises to have more differentiate production, produce more specific products and thus be specialized on smaller markets. Smaller firms are able to solve more distinctive technical problems so they are significant in machinery maintenance and production field. In B2C, these businesses can deal with demand changes better than larger firms thanks to their flexibility, creativity, and an entrepreneur's engaging. In B2B, there is an opposite situation because these businesses are directly connected to larger firms.

The next function is creating **new work positions**. Small and middle enterprises create over 99 % of all European businesses and employ at least 70 % of all employees from the European Union. Speaking about micro firms, they account for 85 % of small and middle businesses and employ around 30 % of all employees. Nowadays, customers have changed their preferences and requirements. They prefer fashionable and individually produced goods which small and medium firms offer (Srpová, 2011, p. 8-10).

## 3.2 Czech Legal Regulation

Since 1<sup>st</sup> January 2014, there is the re-codification of the New Civil Law<sup>1</sup> in the Czech Republic. Act no. 89/2012 sets a definition of an entrepreneur:

*“Whoever performs independently on their own account and responsibility of trade or employment in a similar manner with the intent to do so consistently for profit, is considered with regard to this business for entrepreneurs.” (§420, 89/2012 Coll.)*

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<sup>1</sup> The full text of a the New Civil Law is possible to read online, e.g. on a website of [businesscenter.cz](http://businesscenter.cz) (placed in references).

Each entrepreneur has to be recorded in the business register. An entrepreneur has two options how to run a business, under his/her name as a sole trader or under a created name as a commercial company (partnership).

### **3.2.1 Act no. 90/2012, on commercial corporations**

The investigated company will run a business under a name as a trade company and that is the reason why there is used the Act no. 90/2012 Coll., on commercial corporations. According to the law, commercial corporations are understood as commercial companies (hereinafter referred to as “companies”) and cooperatives.

Companies can be divided into:

- a general commercial company (in Czech: veřejná obchodní společnost, v.o.s.);
- a limited partnership (komanditní společnost, k.s.);
- a limited liability company (společnost s ručením omezeným, s.r.o.);
- a joint stock company (akciová společnost, a.s.);
- a European company (Evropská společnost); and
- a European economic interest grouping (Evropské hospodářské zájmové sdružení).

Cooperatives include: cooperatives and an European Cooperative Society.

For capital companies as limited liability companies and joint stock companies is typical to participate by investing some amount of money, to separate properties of partners and a company, and there is a lower risk for partners to stand surety for company’s liabilities. Capital companies can be found only by one founder compared with other companies.

European companies, European economic interest groupings and European cooperative societies are conformed to European Union laws and legal regulations and are suitable for companies who operate in whole EU.

### **3.2.2 Limited Liability Company**

The studied company will run as a limited liability company. What are the requirements and conditions?

A limited liability company belongs to capital companies and it is one of the most used one and favourite for micro and small entrepreneurs. A company is found by signing a partnership agreement and registration to the trade register (Businessinfo.cz 2015).



Partners stand surety for debts together and indifferently according to the level of their shares. The minimum amount of capital originally invested is one Czech crown according to the New Civil Law. However, the level of investment depends on founders.

The highest body of a limited liability company is a shareholders' meeting which is convened by an executive director. All partners have the right to participate. The scope of authority includes decisions about a change of a partnership agreement, about a change of a level of capital originally invested, a selection and recall of executive directors, decisions about company's liquidation etc. A statutory body is each executive director. A control body is a supervisory board if it is established (Act no. 90/2012).

### **3.2.3 Founding of a Limited Liability Company**

- 1) The first step is a partnership agreement formation which is regulated by the Act on commercial corporations. The agreement contains:
  - a. a name of a company,
  - b. commercial objects of a company,
  - c. names and addresses of partners,
  - d. definition of shares of each partners and rights and duties connected to these shares,
  - e. a level of capital originally invested on each share,
  - f. a level of registered capital and number of executive directors.

The agreement also determines capital originally invested of partners and period of time until the deposit have to be paid.

- 2) The next step is to gain a trade licence (for more details described below).
- 3) After a registration, partners have to pay their investments.
- 4) The last duty is to make a motion to register to the commercial register. The act has to be made until less than six months counted since a partnership agreement was signed (Act no. 90/2012).

### 3.2.4 Gaining a Trade License

Gaining a trade license is mainly connected to enterprises of natural persons. However, also legal persons need to have trade licenses.

**Act No. 455/1991 (The Trade Licensing Act)** defines rules for gaining a trade license certificate. To have this certificate, natural as well as legal persons have to fulfil these requirements:

- a full legal capacity and
- a clean record.

There are two basic types of trades, a declared and licensed trade. Declared trades are divided into:

- **craft trades:** a requirement is to have a certain special qualification – finishing some level of education of the special qualification, e.g. butchery, brewing, and malting, watch making;
- **regulated trades:** a special qualification is adapted according a special law regulation, it includes a consulting regarding a trade content, e.g. geological works, tanning salons, mountain guide activities; and
- **free trades:** no special requirements, e.g. fish farming, forestry and hunting, real estate activities etc.

To conduct a **licensed trade**, an entrepreneur needs to obtain a state permission which is a licence document. Requirements include a special qualification and in some cases there is needed to fulfil other conditions. As examples can be mentioned production and processing fermentative alcohols, road motor vehicles, inland water vehicle, conducting a travel agency or a tour operator.

Firstly, it is important to study legal requirements to know if the investigated company should operate as a tour operator. The law regarding tour operators and travel agencies define the word “tour” in the legal meaning. It is a combination at least of two elements of travelling (e.g. transportation and accommodation). There is seen that the company will not operate as a tour operator and thus it fall into the free trades (159/1999 Sb.).

### **3.3 Business Plan**

A business plan should be a concrete statement of an entrepreneur intention, his/her business strategy and a tool for his/her realization in everyday organization practise (Červený, 2014, p. 3).

Whether a businessman or a business manager needs to raise capital or figure out a clear focus for your company, a business plan is a key for the small business owners as a road map is to a traveller (Covello, Hazelgren, 1998).

There is suitable to emphasize that the business itself should be a set of management decisions about what a company will be doing and where will go to ensure success in the future. The basic form should involve four questions:

- what products or services it will deliver,
- where it will compete,
- why the customer should do business with the company, and
- how it will organize and reengineer itself to accomplish its goals (Crego, Schiffrin, Kauss, 1995, p. 2).

#### **3.3.1 Purpose of Business Plan**

Results from business plans are very contributive. A businessman will know his/her business and environment better and will be more confident that his/her business will grow. With a good-quality business plan, an entrepreneur will have a higher chance to gain a financial support from bankers or investors. Sometimes, a creation of a business plan can be a determinative factor if a firm fails or successes. An owner is also more prepared to react on changing environment that is a great advantage (Covello, Hazelgren, 1998).

Pinson connects all advantages from a well written business plan into two main benefits plus one if an enterprise works internationally. The first function is a business plan serves as a guide for your entrepreneurship that a businessman will follow as a business will go. A business plan will enable to have tools to analyze and implement changes that bring a plan profitable. The second benefit is providing documentation for financing because a lender wants to know if an entrepreneur is able to maintain cash flow and repay the loan. If a business works internationally, a business plan reflects an evaluation of a

business in a foreign market place and gives information how a business can compete in a global economy.

There is suitable to remember a quotation: *“The business that fails to plan plans to fail.”* That means a business is dependent on planning because business failure is equal to lack of planning (Pinson, 2005, p. 2).

### **3.3.2 Types of Business Plan according to Utilization**

There are some kinds of business plans that can be divided according to purposes and motives into three types:

1. for already existing company or for a new conducted product or business,
2. for gaining a new partners, and
3. for finding a financial support (banks, investors).

In the first group, a business plan is developed to realize a new business and that is really important to plan it. A business plan is created by required analyzes and supported plans for implementation that enable to control how a business plan is fulfilled.

The second category involves mergers of two companies with a purpose to conduct stronger company thus to have a better position in a market, gain more customers, have an access to new distributive channels, sources, know-how etc.

The last kind of business plans is developed to gain necessary finance, loans. Banks proceeds equally as in processing of other business loans. That means applicants have to bring some other required documents, except a business plan (Červený, 2014, p. 8-9).

### **3.3.3 Before writing a business plan**

Before writing a business plan, an author or potential owner/partners should ask themselves. Blackwell suggests only **two main questions**:

- 1) What is a genuine objective of a business?
- 2) Why is your product or service better than others? What is your competitive advantage?

The first question can be divided into two parts: financial reward and personal attitude. Owners must choose their minimum profit, e.g. for month, minimum profit which they want to achieve. Partners' or owners' attitude can include many reasons as being

independent and not being limited by organization structure, feeling useful, or simply leading your own business as they want. Partners or an owner must have a clear mind about what they want to achieve and about their sources, both mental and financial. Mental sources depict temperament and abilities as well as getting to know yourself. In small business, financial sources are mostly created by own saved money or support from family and friends. Another part can be constituted by loan or investment by investors, bankers, and other financial sources.

The second question is concentrated on a product: Is your product or service:

- anything new?
- improved version of anything what already exist?
- cheaper than competition?
- more reliable?
- faster supplied to local inhabitants (Blackwell, 1993)?

McLaughlin recommends more systematic method, **five W's**: who, what, why, where and when. It is suitable to have a clear idea what an entrepreneur wants to write about. Five W's are summarized in Table no. 3 (McLaughlin, 1992, p. 3-5).

Table no. 3: **Five Ws**

|               |   |
|---------------|---|
| <b>Who?</b>   | Who are you?  |
| <b>What?</b>  | What is your purpose of being?<br>What are your products or services?<br>What markets are you going to penetrate?<br>What market share do you expect to capture?<br>What profit margins do you expect to achieve?<br>What time period will these accomplishments are achieved in? |
| <b>Why?</b>   | Why are you going to be?  |
| <b>Where?</b> | Where are you going to sell your products or services?<br>Locally? Regionally? Nationally? Worldwide?   |
| <b>When?</b>  | When are you going to launch?<br>Next week? One, two, or three weeks after you receive financing?<br>After you receive clearance from government agencies?  |

Source: Own processing, McLaughlin, 1992

### 3.4 Structure and Contents of a Business Plan

Each business plan is quite different and it depends on issues as the nature of its business, its size, or the intended uses of the plan. However, all these issues can be connected into five major business strategies as the figure no. 1 shows:

1. **market strategy:** focused on products and services, who will buy it – the target customers, and marketing questions: product and service pricing, advertising and promotion, sales, and distribution;
2. **production or service strategy:** the process and technology used to produce and deliver the company’s products or services such as materials, equipments, and facilities;
3. **research and development strategy:** what critical areas must be developed, maintained, or expanded to sustain a competitive advantage and what are the investments for that;
4. **organization and management strategy:** functions that must be performed, who will perform them, organization of functions, management of the organization’s processes and practices, staffing requirements, and procedures for guiding, motivating, and controlling the overall operation of the company;
5. **financial strategy** (Crego, 1995, p. 6).

Figure no. 1: **Strategies Included in a Business Plan**



Source: Own Processing, Crego, Schiffrin, and Kauss, 1995

The formal structure of a business plan, e.g. for banks and investors, can be:

- 1) a title page,
- 2) an executive summary,
- 3) a company description,
- 4) strategic analyses,
- 5) a business strategy,
- 6) a marketing plan,
- 7) an organizational plan,
- 8) a production plan,
- 9) a financial appraisal, and
- 10) appendix (Koráb, Řežňáková, Peterka, 2007).

### **3.4.1 Title Page**

The first page of a business plan includes mainly a business name and its logo. There is also introduced the name of a business plan and the name of an author, an owner, or partners. It is recommended to make a statement that contains information in the document which is privileged and is a subject of a trade secret (Srpková, 2011).

On the other first pages, there is written the content and a list of appendixes. This part can also involve introduction where it is possible to define objectives of the business plan or contact information for business plan consultation (Koráb, Řežňáková, Peterka, 2007).

### **3.4.2 Executive Summary**

This part is seen as the most important one because it is the first section to read so it has to capture readers and has to be seen as a credible and reliable document (Friend, Zehle, 2004, p. 15). It should not be longer than 2 pages and should include:

- founders or a crucial team who will run a business,
- vision, mission, and objectives,
- description of products and services,
- a market and market opportunities,
- emphasis on company's strengths
- a strategy and sources of sustainable competitive advantage, and
- a summary of financial forecast (Koráb, Řežňáková, Peterka, 2007).

### 3.4.3 Company Description

There is described the investigated company, its current and past development or situation. The basic information about company includes:

- a name of the company, a place of business, date and place of founding a business, who finds it and their contacts;
- a business subject;
- legal relations inside the firm, division of shares;
- medium-term and long-term objectives;
- a legal form; and
- a place of operation (Wupperfeld, 2003).

#### *Product*

The other part involves a description of the offered product or service. The entrepreneur has to be able to present product or service clearly, show what the competitive advantage is and what utilities this product or service brings to customers (Srpková, 2011).

#### *Vision and Mission*

This section is important for an already established company as well as for a new firm. At the beginning, a new business is based on an entrepreneurial idea and vision plays a key role to show a desired future. It is seen as a big picture of the enterprise's direction that is expected to be achieved. It represents direction of the business.

Mission defines who a firm is and where it is going. The mission statement clarifies how the vision will be achieved.

Objectives involve specific quantified goals and according to them the business plan and strategy is able to be measured. Objectives should be **SMART**:

- **Specific**: well-defined and clearly stated,
- **Measurable**: quantifiable,
- **Achievable**: within the stated time frame,
- **Relevant**: supporting achievement of the mission and contributing to realize the vision,
- **Time bound** (Alter, 2000; Friend, Zehle, 2004).

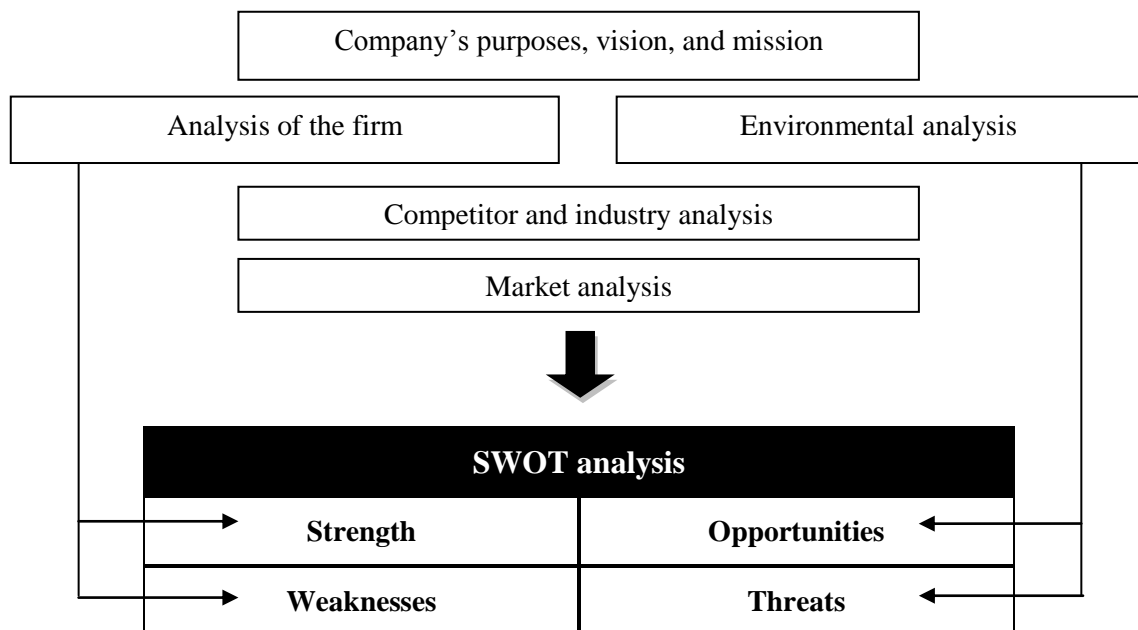


### 3.4.4 Strategic Analysis

Friend and Zehle call this part as **strategic review** which explores business's customers, suppliers, and competitors. There is also a mapping of the wider environment regarding the business category such as political, economic, social, and technological changes.

The most important of the strategic planning process is how to make the most of business resources, internal factors, given the environment, external factors. A lot of analyses are included into this section, they help to set objectives and generate alternative strategic options (Friend, Zehle, 2004). The better overview of this part is suggested in the figure no. 2.

Figure no. 2: **The Strategic Review and Strategic Planning Process**



Source: own processing, Friend and Zehle, 2004

#### 3.4.4.1 Environmental Analysis

Each business is connected to many forces; it does not work alone without other influences. Analysing the environment investigates the factors and predicts how they affect the environment in which the business works. Environmental factors can be divided into two groups: micro and macro. As micro factors can be seen flooding, creation of a new road or rail, local business decision as level of taxes. Macro factors are on the macro level,

there can be included level of exchange rates, interest rates, and inflation (Friend, Zehle, 2004, p. 31-37).

### **PEST analysis**

PEST analysis is focused to predict future development of external environment. The title PEST is created by five fields that are analyzed:

- **P**olitical factors,
- **E**conomic (macroeconomic) factors,
- **S**ocial and demographic factors,
- **T**echnological factors.

PEST, STEP and SLEPT analyses work on the same principle but PEST unites legal factors into political factors.

This analysis should be based on the past development and current situation and on that foundation a prediction for the future development of factors is found (Červený, 2014,).

#### ***Political Factors***

Political determinants contain legislation, government policy of domestic and/or foreign countries. Legal system is determined by political situation in the given country, in the case of the Czech Republic, the EU plays very significant role too (Červený, 2014).

There can be analyzed government stability, regulation of foreign trade, tax politics, monopoly legislation (Tichá, Hron, 2014), wars, embargo, civil unrest, natural disaster, shifts in education system, minimum wages, social doses and so on (Červený, 2014).

#### ***Economic Factors***

The situation of the business is affected by current and future economic development. These determinants involve:

- economic growth of a whole country;
- political situation and its influence on economy: the right or left wing;
- economic politics: regarding future shifts in level of taxes, business support, or solving unemployment;

- monetary and fiscal politics, level of inflation, balance of payments, deficit, etc (Červený, 2014, p. 63-66).

### ***Social and Demographic Factors***

Social and demographic determinants appear or change over many years. However, in the last few years there have been seen faster changes due to improvements in communication, growth of employee mobility among countries and others.

As examples there can be mentioned:

- population growth: this factor influences the size of the potential market for a product or service; age structure;
- rural to urban migration: there can be included even international migration, the determinant affects a business sales and distribution strategy;
- social and cultural shifts: the position of women in society, attitudes toward work and leisure (Friend, Zehle, 2004, p. 38), value scales and people attitudes;
- life style and its shifts (Červený, 2014, p. 58).

### ***Technological Factors***

Nowadays, technological factors are the one with the fastest shifts. It regards to development of production resources, materials, processes, and know-how (Tichá, Hron, 2014, p. 72-73). Subjects of analysis are:

- new technologies which a firm uses to develop, produce and distribute its products;
- new information and communication technologies that improve communication with suppliers, customers, and among employers; the Internet development (Červený, 2014, p. 68-69).

#### **3.4.4.2 Analysis of the Firm**

This part is necessary only for an already existing company. The key of the analysis is to identify its resources and investigate how a firm allocates its resources and thus gain competitive advantage. A firm should allocate its resources effectively which leads to a greater return on capital employed. The analysis explores:

- **resources:** “What do we have that competitors do not have and cannot replicate?” VRIO analysis can be used. It is based on the analysis if resources are Valuable, Rare, Imitable and whether the Organisation is taking advantage of the resource.

- **organizing of resources:** if a company allocates its resources optimally, it creates a competitive advantage greater than other firms have.
- **resource audit:** it identifies the resources available to a business. It is considering its operational, human, organizational, and financial resources owing that a company is able to gain competitive advantage (Friend, Zehle, 2004, 41-49).

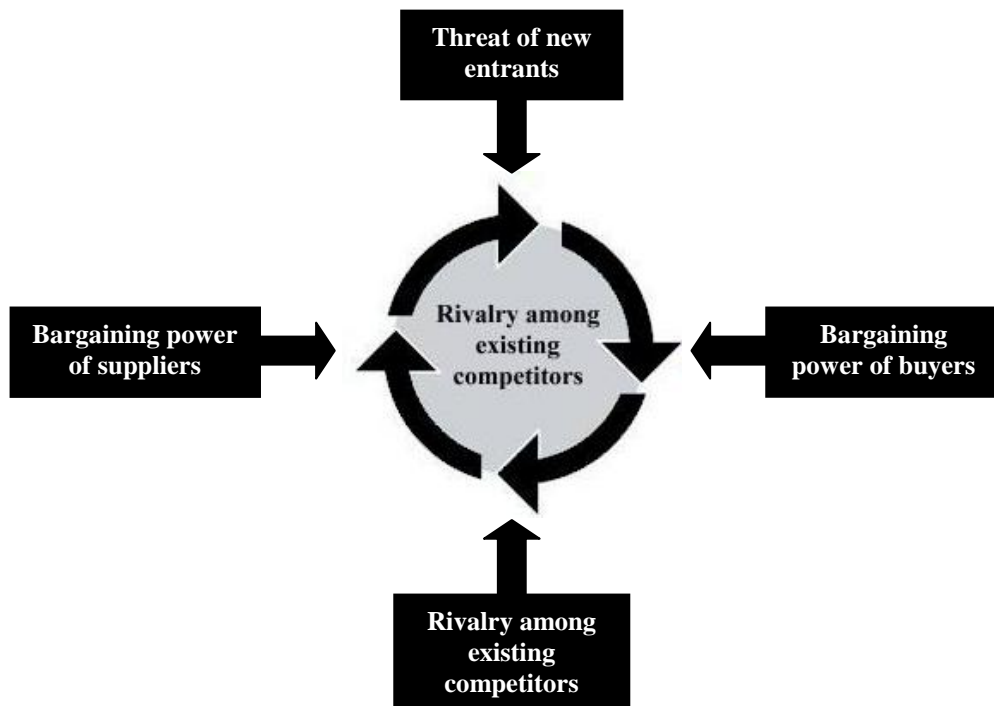
### 3.4.4.3 Industry and Competitor Analysis

Meaning of this analysis is to evaluate the most significant competitors inside the industry and find out their activities, business intention, strategic objectives, and strategy which can endanger or favour the specific firm in future (Červený, 2014).

#### Industry Analysis

Analysis regarding economic attractiveness helps firms to decide whether enter or not enter an industry. The analysis should include elements like a size of a market, competition among competitors, a rate of market growth, a number of companies inside industry, customers, an entrance and an exit of an industry, profitability etc. (Tichá, Hron, 2014, p. 77-79). the Porter's 5 forces model is depicted in the figure no. 3.

Figure no. 3: **Porter's 5 Forces Model**



Source: own processing, Friend and Zehle, 2004

The 5 forces model determines what the competition power is and how to protect the firm against it.

### ***Threat of new entrants***

The level of seriousness depends on the entrance barriers into the industry and behaviour of other companies on the entrance of the new firm.

### ***Bargaining power of suppliers***

Suppliers can demonstrate their power by increasing prices or decreasing quality of their products.

### ***Bargaining power of buyers***

The next force that can influence industry is in the hand of buyers. Buyers are able to manipulate when they buy a great amount of products. The product is standardized and non-differentiated, or it is important for customer, buyer's profit is low, etc.

### ***Threat of substitute products***

Substitute products threaten when they use better technology innovation thus if leads to higher satisfaction of products; and when they are produced in an industry where profits are higher.

### ***Rivalry among existing competitors***

Rivality is higher with the high amount of competition firms, products or services are not differentiated, entrance barriers are great, rivalries have different goals, do not agree on the same way of competition and thus they have a conflict (Tichá, Hron, 2014, p. 79-83).

## **Competitor Analysis**

The answers on these questions should be revealed:

- What are the main competitive forces?
- Who are competitors and what are their competitive abilities?

To be more precise, the analysis is based on those elements: current strategy or positioning, strengths, weaknesses, opportunities, threats, and possible changes in strategy.

This analysis is less detailed than the analysis of the own firm. However, it helps to understand future movements of the closest competitors. This analysis should contain the

list of the most significant competitors, how they present yourself and how communicate with customers (Friend, Zehle, 2004, p. 63).

#### **3.4.4.4 Market Analysis**

The crucial task of a business plan is gaining real customers. It is necessary to think about what we can sell to whom and who is interested in buying our products and/or services. Customers who are interested in the purchase create a *potential market*.

These potential customers must be able to buy the product or service. There should be a way how customers find out about the product or service, have an access to them and would be able to pay for them. That means a company has to have an *accessible market*.

A *target market* creates the subset of the accessible market. The target market is created by the customers that the company can acquire for purchase of the product or service. It is recommended to describe these customers, i.e. to determine profiles of future customers and perform their segmentation (Koráb, Řežňáková, Peterka, 2007).

#### **Market Segmentation**

Friend defines a market segment as: “*a sufficiently large group of buyers with a differentiated set of needs and preferences that can be targeted with a differentiated marketing mix*” (Friend, Zehle, 2004, p. 100).

Market segmentation is very important because an individual customer has different needs. It helps to organize customers into groups of similar types such as needs and behaviour (Barrow, Barrow, Brown, 2008).

The most proper tool to identify market segments is primary a market research. A market research is in a questionnaire form inclusive the demographics, questions regarding product characteristics and their relative importance, brand preferences, usage patterns and willingness to buy, as well as attitudinal and lifestyle questions.

To make the research, it is important to understand that segmentation is not only dividing a specific market into groups such as by age because age is not a suitable factor for the understanding of buyer's behaviour. There are more suitable **methods**:

- geographic segmentation: a different geographic location has a different needs, it is connected with other variables as income, ethnicity, household size;
- demographic segmentation: is based on life-stage analysis, gender, age, income and social class;

- psychographic segmentation includes differences according to lifestyle, personal values and attitudes
- behavioural segmentation: works with customers' knowledge of a product, purchase pattern and frequency, benefits, product's return or change, loyalty etc.

Segmentation can be based only on one variable; however, it is better and useful to use two or more variables. Such analysis is called multivariate analysis (Friend, Zehle, 2004).

An entrepreneur should be able to estimate the size of each segment. The output of customers' analysis should be the estimation of the accessible market (Koráb, Řežňáková, Peterka, 2007).

#### 3.4.4.5 SWOT analysis

SWOT analysis matches the firm's internal Strengths to its Weaknesses. On the other hand, it compares market Opportunities (results from analyses including shifts in the political, economic, social, and technological environment; likewise industry forces) to Threats (Coate, Patricia, 2007, p. 168).

The purpose of SWOT analysis is to achieve the optimum condition between organisation's resources and the environment thus to obtain sustainable competitive advantage. The figure no. 4 depicts the SWOT analysis.

Figure no. 4: **SWOT Analysis**

|                 | <b>POSITIVE</b> | <b>NEGATIVE</b> |
|-----------------|-----------------|-----------------|
| <b>INTERNAL</b> | Strengths       | Weaknesses      |
| <b>EXTERNAL</b> | Opportunities   | Threats         |

Source: Own processing, Friend and Zehle, 2004

Strengths and weaknesses are connected to analyses of firm's environment. However, results have to take opportunities and threats into consideration. It is about relevance. Opportunities and threats characterize the changing external environment where the firm operates (Friend, Zehle, 2004, p. 85-87).

### **3.4.5 Business Strategy**

After all strategic analyses, internal and external environment is well known that there is a requirement to create a suggestion of business strategy.

Tichá suggests strategies by using **SWOT matrix**:

- 1) WO strategy - "seeking": (combination of Weaknesses and Opportunities): overcoming weaknesses by exploiting opportunities,
- 2) SO strategy – "exploiting": exploiting strengths in favour of opportunities,
- 3) WT strategy – "avoiding": minimization of weaknesses and avoiding threats,
- 4) ST strategy – "confrontation": exploiting strengths to turning away threats (Tichá, Hron, 2014, p. 118-119).

Červený also holds the opinion that each strategy should be based on results from SWOT analysis. A well-formed strategy should reduce all weaknesses and eliminate found threats; on the other hand it should exploit strengths and opportunities. To create a complex strategy, the following steps are recommended:

- 1) identified weaknesses and threats have to be reduced and should be proposed strategies how to reduce them; regarding strengths and opportunities, there should be found strategies how to fully use them;
- 2) these suggestions should tally with conditions of SMART;
- 3) these strategic objectives are classified according to specification (Červený, 2014).

### **3.4.6 Marketing Plan**

A fundamental part of a business plan is a marketing plan which arises from the market analysis and includes a marketing strategy effort (Friend, Zehle, 2004, p. 99). Used analysis gives an entrepreneur answers to these questions: what we can sell to whom, when, in what quantities and price, given the level of promotion, sales, and distribution effort (Crego, Schiffrin, Kauss, 1995, p. 5-8).



Customer needs, attitudes and behaviour must be analysed in relation to segmentation the market. On that basis, the targeting of particular segments with segment-specific marketing mix flows.

### **Market Targeting**

A company can target one or more segments and there is recommended to adjust the marketing mix to particular segments. The marketing mix, 4Ps includes:

- **Product:** quality, design, features, quantity, variations, packaging, brand, service;
- **Price:** discounts, credit terms, repeat purchase, payment method;
- **Promotion** (marketing communication): advertising, sales promotion, direct marketing, coupons, joint promotion, public relations; and
- **Place:** geography, opening times, retailers, channels, delivery (Friend, Zehle, 2004, p. 100).

4Ps is the classic marketing mix, nowadays; the 7Ps mix is more used. It additionally involves **Process**, **Planning**, and **People** (Červený, 2014).

A company does not sell only the product but it sells all elements of marketing mix, it can be called the “offer”. The offer represents the value of the product and should satisfy customer needs (Friend, Zehle, 2004).

The marketing plan should be created for the present time or near future and it should also describe development of offered products or services or an expansion to other markets (Koráb, Řežňáková, Peterka, 2007).

### **3.4.7 Organizational Plan**

Organizational plan includes a form of an ownership, detailed information regarding management and other workers, their education or professional knowledge. There is clearly defined superiority and inferiority which is depicted in organizational diagram (Koráb, Řežňáková, Peterka, 2007).

### **3.4.8 Operational Plan**

The operational plan shows how the business is structured, which and how resources are used to achieve strategic objectives (Friend, Zehle, 2004). There is recorded a whole production process which involves procedures, manufacturing equipments,

production, facilities and distribution as well as information about suppliers and subcontractors. For companies which are concentrated on services, this part is specialized on purchase of products and services or a description of services provided to clients (Koráb, Řežňáková, Peterka, 2007).

### **3.4.9 Financial Plan**

This part of a business plan includes numerical formulation or quantification. It is one of the key factors to find out if the business is feasible also from the economic point of view (Srpová, 2011).

According to Červený, a financial plan should contain:

- profit plan and break-even point,
- preliminary income statement,
- investment plan,
- preliminary balance sheet and cash flow.

However, this structure is needed for banks or investors. If a firm belongs to a small enterprise, it is enough if a financial plan includes only expected turnover, costs and profits (Červený, 2014).

For a start-up company, the financial appraisal has to include wherewithal related to founding a firm such as a long-term properties' purchase, financial costs of operational activities until the firm obtains the first profit – it can involve expenditures for a rent, salaries, energy, material etc (Srpová, 2011).

One of the first steps is a cost calculation of a product and a quantification of profit from that product. From that information, it is possible to create a preliminary income statement. It is needed to prepare a selling plan and calculate a **break-even point**. The break-even point is the point when a business starts making a profit.

### **3.4.10 Appendix**

The appendix of a business plan is used for adding any other supplementary documents. As appendix can be used photos, contracts, statements of business register licences, permits, certificates, marketing materials, detailed market studies etc (Landau, 2015).

## 4 Own Research – Business Plan

This whole chapter represents the main core of the diploma thesis because the main researches and plans of the business plan are included here.

The first part includes the introduction of the investigated company. It is briefly described, its legal form, its name, its product, vision and mission.

The next part is the strategic analysis. It includes the researches to explore external environment. There are analyses as the PEST analysis, a description of the tourism industry, the Porter's five forces model, the competitor analysis, and the market analysis. All information is summarized into the SWOT analysis.

The other part involves the marketing, the organizational, the operational, and the financial plan. These plans are created on the strategic analysis's base and are seen as a guide to the future development of the company.

### 4.1 Business Introduction

The investigated company will operate as a commercial corporation: a limited liability company and it will operate under the free trade license.

The name of the company is *birdWings* and the logo is created to epitomize the main sense of the business, it is displayed in the figure no. 5.

Figure no. 5: **The Logo of the Investigated Company**



Source: the logo is created by a contracted graphic designer<sup>2</sup>

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<sup>2</sup> The portfolio of suggested logos is attached to the diploma thesis, the supplement no. 1.

Birds are generally positive creatures and symbolize the connection between the sky and the land. Thus the name should evoke the feeling of freedom and independence, being alive, desires to travel according to dreams, and to easy reach all places all around the world. The motto: “*to make your life adventure*” symbolizes that a customer gains an attractive experience, mainly an active, adventure and sport experience. *BirdWings* wants to be seen as this description and evokes those feelings.

### ***Product***

*BirdWings* offers custom adventure tours in the form of itineraries, named independent tours. These tours are intended for individuals and small groups. Offered itineraries include active, sport, or adventure tours. Products can be understood as a holiday where the main purpose is an active utilization in nature. *BirdWings* helps their customers to plan special travel experience with their own twist and customization.

It is planned that the portfolio of *birdWings* includes outdoor adventures, sport activities, trips to international and domestic locations. The first suggestion of the portfolio contains itineraries focused on:

- river trips: rafting, canoeing, kayaking;
- winter sports: skiing, cross-country skiing, dog sledding;
- walking: mountain hiking, via ferrata, point-to-point trips;
- cycling;
- other water sports: surfing, sailing; and
- other special tours.

Tours will have moreover a multisport form which means that one tour combines different kinds of sport, e.g. hiking and rafting in Austria.

### ***Distributional Channels***

Channels, where the product will be sold, are represented by a website: [www.birdwings.com](http://www.birdwings.com), and a mobile application called *BirdWings*. The mobile application will be created for mobile operating systems iOS and Android, and will use their distribution channels App Store and Google Play.

### ***Target Customers***

The potential market is created by the people who like active and adventure holidays, prefer individual travelling without using tour operators (hereinafter used the abbreviation “TOs”) or travel agencies (hereinafter used the abbreviation “TAs”);. These people plan their holidays by using the Internet, mobile applications, blogs etc. *BirdWings* will target people mainly from the Czech Republic (hereinafter used the abbreviation “*the CR*”); however, the products will be in Czech as well as in English language, there is a plan to extend the market to inhabitants from the middle Europe.

It is important to mention that *birdWings* is connected to a blog<sup>3</sup> **Nature Lover**, [www.nature-lover.org](http://www.nature-lover.org). The blog is meant to make up a community that represents potential customers who are interested in spending their free time actively. There are mainly articles about active trips in the CR as well as abroad, about worldwide travelling, culture differences, environmental protection and other similar topics.

Deeper information about the product is included in the part: 4.4 Marketing Plan.

### ***Vision and Mission***

The **vision** is that *birdWings* extends the travel offer and possibilities primary to Czech population and also population from the middle Europe. It will improve their standard of living by connecting nature, visiting the incredible nature places, being a part of the natural environment, enjoying their free time actively, and thus gaining a new adventure experience and lifelong memories. *BirdWings* wants to make travellers from customers rather than only visitors.

Regarding **mission statement**, *birdWings* will achieve a reputation of quality by offering impeccable complex itineraries. Clients create the main focus of the company, so meeting their wants and needs is our direction. The profile will be generated by matching the customers’ desires and wants through offering custom tour itineraries.

To create the final form of the business and the product was achieved by using results from subsequent strategic analyses.

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<sup>3</sup> the definition of the term “blog” = a personal online journal that is frequently updated and intended for general public consumption

## 4.2 Strategic Analysis

This chapter is focused on an appraisal of external environment. Firstly, the analysis of forces influencing tourism industry is made – the PEST analysis. This analysis helps to map the broad environment including political and legal, economic, social and demographic, and technological factors.

Then there is a brief description of the tourism industry. Following it comes the industry analysis. This analysis is completed by using the Porter’s Five Forces Model which explores threats and powers regarding the company. This model facilitates to understand the closer external environment and its structure.

Another part involves the market analysis which is important for investigation of the main segments. It explores travelling habits, preferences of travelling and active tours. The market analysis helps to understand potential customers and gathered information is helpful for creating the marketing plan.

All information gained from the strategic analysis is summarized into the SWOT analysis that is divided into four parts: strengths, weaknesses, opportunities, and threats.

### 4.2.1 Tourism Industry

Tourism industry belongs to the largest and fastest-growing industries in the world. It has experienced a continued growth over the decades (UNWTO, 2015). Tourism is one of the most significant industries where job opportunities have been arising. Beside unemployment, it influences other fields as GDP, a balance of payments, a state budget, a municipal budget, and investment activities (Eurovision, 2007).

International tourist arrivals and earnings from the international tourism have been increasing globally, as it is displayed in the table no. 4. In the year 2014, 53 % of arrivals were created by leisure, recreation and holidays in the year 2014 (UNWTO, 2015).

Table no. 4: **Development of International Tourist Arrivals Worldwide**

| <b>Year</b>                                     | <b>1950</b> | <b>1980</b> | <b>1995</b> | <b>2014</b> |
|---|-------------|-------------|-------------|-------------|
| <b>International tourist arrivals (million)</b> | 25          | 278         | 1995        | 1133        |
| <b>Earnings (billion US\$)</b>                  | 2           | 104         | 415         | 1245        |

Source: own processing, UNWTO, 2015

Regarding the CR, the last accessible statistics are reported from the year 2013. In 2013, there are reported 11.3 million long trips for leisure and recreation purposes, from those 7.1 million domestic and 4.2 abroad trips. The most popular domestic regions are the Central Bohemia, the South Bohemia, and Liberec regions. Regarding outbound trips, Czechs mostly prefer to travel to Croatia, Italy and Slovakia. The total number of shorter trips, that represents less than 3 overnight stays, reached 18.3 million. From that, there were 17.2 million domestic and 1.1 million abroad trips. The development of outbound and domestic trips has been moreover stable or slightly decreased in some years. (MMR and CzechTurism, 2014)

In 2013, the share of tourism on the overall GDP was just under 3 %, more precisely 234 billion CZK. Inbound tourism generated 140 billion CZK. Domestic and outbound tourism generated 94 billion CZK. Until the year 2009, the share of tourism had a growing tendency and since 2009, it has been stable. The revenue from tourism has been increasing but other industries have been developing faster (CZSO, 2015). Czech tourism creates 4.51 % of the overall employment in the CR. In total, 231,000 people work in tourism. 3.5 % of the overall collections of taxes are generated in tourism, it represents 14,155 million CZK. The last economic indicator is seen the share of the total state budget revenues which is 6.5 %. This data confirms that tourism industry is very significant for the future development of the Czech economy (MMR and CzechTurism, 2014).

#### **4.2.2 Macro Environmental (PEST) Analysis**

To analyze the macro environment, the PEST analysis is needed. Different factors are analyzed such as political and legal, economic, social and demographic, and the last one, technological factors.

##### ***Political and Legal Factors***

In the case of tourism, political situation is very important not only inside the CR but mainly inside travelled countries. Companies that operate mainly in outbound tourism, have all the time to monitor political situation of the countries which they have in their portfolio. They have to keep their customers safe and avoid any kinds of risks. Czech Ministry of Foreign Affairs informs about all the risks in foreign countries, recommends or even forbids which countries to travel into (MZV ČR, 2014).

At that time, the greatest threat leads from **refugees**. This problem started with the Syrian war in 2011, Syrians were pushed by civil war and terror, and now thousands of Syrian refugees have travelled to Europe which has increased the fear of European inhabitants. Under the biggest pressures are Greece, Austria, and Hungary (BBC NEWS, 10/9/2015). According to BBC news, Czechs are afraid of Muslim religion. The main reason is that due to previous communism Czechs are not used to having too many foreigners inside the CR (Cameron, BBC NEWS, 22/9/2015). This political situation can cause a significant threat companies in tourism because Czechs are afraid to travel to countries where refugees' routs lead to their final destination.

Other endangered situation is still in **Ukraine**, especially in the east and south of Ukraine and in the Autonomous Republic of Crimea. Ministry of Foreign Affairs warns even to enter Crimea. There are demonstrations against government, protests and clashes with police (MZV ČR, 2015).

Also Czech government influences the political situation, especially of tourist industry, by its decisions, laws, and regulations. Czech government also decides about memberships in politico-economic cooperations. Good example can be the **Schengen Agreement**. The CR joined it on 21st December 2007 and there was cancelled a control on border crossing among member states.

Regarding legal factors, as it is written in Literature Overview, the main law regulations regarding tourism industry are:

- the Act No. 159/1999, about some conditions of entrepreneurship and performance of activities in the field of tourism industry and about change of the Act No. 40/1964;
- the Civil Code;
- the Act no. 455/1991, the trade licensing act.

The CR is a member of the European Union since 2004. Since that time, the Czech legislation is influenced by the legislation of the EU. One of the principal regulations regarding tourism is Directive 90/314/EHS, on package travel and holiday tours in the domestic legislation of EC Member States. The Act no. 159/1999 proceeds from that Directive. Next important one is the regulation of the European Parliament and the Council of the European Union no. 2006/2004, on cooperation between national authorities responsible for the enforcement of consumer protection laws (the regulation on consumer



protection cooperation), and the directive of the European Parliament and the Council of the European Union no. 2006/123/ES, on services in the internal market (MMR, 2009).

### ***Economic Factors***

One of the most decisive indicators is undoubtedly the gross domestic product (**GDP**). According to the table no. 5, the GDP in last 6 years has had positive impact and a growing tendency as in the case of the total GDP so GDP per inhabitant. In the first quarter of the year 2015, the rising tendency remained and GDP growth by 4.2 %. The same was in the second quarter when the GDP rose by 4.4 % (CZSO 29/05/2015 and 28/08/2015). The development of the GDP in current prices is depicted in the table no. 5. GDP in the CR can be seen as a positive opportunity.

Table no. 5: **GDP in Current Prices in the Czech Republic in the period 2009 – 2014**  
(in Czech Crowns)

| <b>Year</b>              | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>GDP (in billions)</b> | 3,921.8     | 3,953.7     | 4,022.5     | 4,041.6     | 4,077.1     | 4,260.9     |
| <b>GDP/inhabitant</b>    | 373,810     | 375,921     | 383,218     | 384,575     | 387,900     | 404,843     |

Source: own processing, CSU, 01/10/2015

The next economic indicator is an **unemployment rate**. It can negatively influence the demand for travelling abroad. If the unemployment rate grows, inhabitants who are afraid of losing their job are more likely to save money mainly on leisure time activities. In last few years, the unemployment rate is quite stable. Between the years 2009 and 2013, the rate was in the range of 6.7 and 7.3 %. In the year 2014 it was even lower, 6.1 %. The more distinctive indicator is a long-term unemployment rate which fluctuated between 2 and 3 % in years 2009 to 2014 (CZSO, 01/10/2015). It is not possible to determine the unemployment rate as a threat more likely it has a neutral to positive impact.

**Inflation** rate belongs to economic factors that influence the external environment. If there is high and unstable inflation, it harms economy very significantly. Lower inflation rate enables inhabitants to spend more money on non-necessary products and leisure time activities. It has direct as well as indirect negative impact on companies. Nowadays, to maintain the inflation rate lower is an objective of central banks in developed countries. This objective was fulfilled in the last years and the inflation rate was between 1 and

1.9 %. However, in the year 2014, the inflation rate was 0.4 % which is too low for wealthy growth of consumer prices.

Companies in tourism industry are running their business in international environments therefore the **exchange rate** has to be analyzed. Nowadays, the exchange rate EUR/CZK is near to 27 CZK/EUR. Since the year 2013, it has been only over 27 CZK/EUR. However, in the year 2013, the Czech Central Bank did an intervention because the exchange rate had been under 26 CZK/EUR (Kurzycz, 2015). This intervention can be described as negative for outbound tourism companies because foreign products like travelling abroad are more expensive for Czech population. For inbound tourism it is more positive because spending time in the CR is cheaper. According to last news, there is no sure expectation that the currency can be stronger (Hřebíčková, 2015).

It is important to mention that the world economic crisis which mainly influenced the Czech economy in the year 2008 and 2009 had a great impact on the economy. However, according to analysed data from the Czech Statistical Office there is seen that Czech economy struggled with these complications quite well. And the result is that the economy of the CR has been stable and in some indicators as GDP, employment rate, and inflation, or even has been having growing character. In total, it can be assessed as the positive factor and healthy environment to start running a business.

### ***Social and Demographic Factors***

**Number of inhabitants** is one of the main demographic factors. Why is it important? With the increasing population, the potential market of a product can be larger and a firm can have more customers. According to the table no. 6, there is seen the increasing tendency which can signify the opportunity for newly-emerged companies.

Table no. 6: **Population Development in the years 2009 to 2014**

| <b>Year</b> | <b>Population</b> |
|-------------|-------------------|
| <b>2009</b> | 10 506 813        |
| <b>2010</b> | 10 532 770        |
| <b>2011</b> | 10 505 445        |
| <b>2012</b> | 10 516 125        |
| <b>2013</b> | 10 512 419        |
| <b>2014</b> | 10 538 275        |

Source: own processing, CSU, 30/06/2015

Regarding **age and gender structure of population**, the highest share of Czech population creates around 35 to 40 years old inhabitants. Between 35 and 20, there is the second largest share of whole population. The crisis age is under 20 years old because the age tree has the slightest parts there. After the market research and so specification of the potential market, it will be possible to decide if the age structure belongs to threats or opportunities. (SZU, 31/12/2013).

The main social factor is a **living standard** of Czech population. It can be assessed by the income of Czech households. The income situation has been improving. The last analysis shows that the average gross wage increased by 3.4 % and the real gross wage by 2.7 % in the second quarter 2015 in comparison to the same period of time in the year 2014 (CZSO, 04/09/2015). Not only the average gross wage has increased, also the number of employees and the number of self-employed. These indicators have had a positive impact on the household income in 2014 which led into higher consumption expenditure (CZSO, 2014). That means a great opportunity not only for companies providing leisure activities.

For tourism industry is important **how often Czech inhabitants travel**. According to Visa Europe research, 78 % of Czech population between the years 18-64 travelled abroad in last 3 years at least once. 41 % of travellers visited foreign cities. A third part of them took a backpack and went to an expedition and quarter went to the mountains during the winter time. 24 % spent their holiday in foreign camp and a fifth experienced some adventure. One third travelled abroad more times during a year. This could mean an advantage for *birdWings*. On the other hand, Czechs prefer traditional and tested countries as Italy, Croatia, Greece, Germany, and Spain. Statistics show that Czechs are looking for already experienced destination. (Parlamentní Listy, 2015).

Regarding using **technology in purchases**, shopping via mobiles or tablets has been increasing. In the last 3 years, mobile purchases increased by 40 % each year. The speed is three times faster than for online purchases via computers which reached on average 13 % each year (Žižková, 20/11/2015).

### ***Technological Factors***

Nowadays, the greatest opportunity is seen in the Internet. The Internet means a perfect place for communication with customers, to develop, produce and sell products; it offers a lot of marketing tools.

**Online purchase** is being more and more significant in tourism. It is seen as a global trend. In the CR, three quarters of all purchases in tourism is created by personal contact at offices or by call centres. A quarter is represented by online purchases. Each year, the online purchase has been moving from offices to the Internet (TTG, 19/02/2013). Online purchase has many advantages. A client has time to find a perfect vacation, think about period of time, activities, and even can pay online. Regarding Czech TOs, there are not many TOs offering the payment gateway which can be an important opportunity for them. However, this trend is not accepted by all target groups, especially middle and older age, family with children, these groups use the Internet but they do not trust them at all. For these groups, the personal or phone contact is more suitable and trustworthy. Nevertheless, for “Generation Z” that was growing up with the Internet, online paying is a natural thing (TTG, 12/08/2014).

The Internet enables to use **social media** as marketing tools. The most used media that can be used for marketing are Facebook, YouTube, Instagram, Twitter, Google+, Pinterest, Tumblr, and LinkedIn. The main purpose of using social media is not to offer and sell products; it mainly serves to raise public awareness of a company or offered products which can lead to purchases in the future. Social media helps to understand what potential customers want or who they perceive products (Kučerová, 2014).

The Internet development brings with itself not only opportunities but also threats. The Internet enables accessibility to many resources. People can find information about everything across the whole world. That means they can plan their own vacation by themselves. Nowadays, the direction of technology developments is heading **mobile applications**. People mostly download them for free and their utilization is filling the needs of the users. One of the most used is Booking.com which is a web page as well as a mobile application. Its functions are for booking an accommodation around the whole world. Mobile applications regarding tourism offer mainly navigations and maps. There can be mentioned Sygic, SmartMaps, Waze, Mapy HERE and Maps With Me. The next endangering mobile application is Trip Advisor that has also a web page. It can monitor users' location and thus offers them tourist attraction, accommodation, restaurants, shopping centres and other opportunities for leisure activities. However, this application is only in English and a user has to have the Internet connection which can be a problem abroad (Chroust, 2014).

### 4.2.3 Micro Environment - Industry Analysis (Porter's 5 Forces Model)

To evaluate where the power lies in the business situation, it is suitable to use the Porter's 5 forces model. This method helps to understand both the strength of a current competitive position, and the strength of a position where is considering moving into.

Regarding that type of business, the range of powers in a business situation is quite broad. Firstly, it is important to determine who is direct and indirect (offering substitute products) competitors:

- **direct competitors:** TOs who offer custom adventure tours for individuals and book guides; other competitors are not known because the product came up from the new idea and from the mentioned analyses, and the exact product (adventure custom tours in the form of itineraries) does not exist yet;
- **substitute products:** TOs, travelling blogs, websites giving travel advices regarding active holidays focused on outbound and domestic tourism, and mobile travelling applications.

#### *1. Threat of New Entrants*

Tourism industry is a very attractive industry to enter. There is a threat of new entrants regarding the direct competitors, TOs offering custom tours for individuals. Despite the difficulties of becoming a TO, mainly legislative conditions, there are many TOs entering the market each year. However, the main products of TOs are tours including transportation and accommodation.

If there is a same company as *birdWings*, there are low entrants' barriers for that company. These barriers are seen mainly in the personality of a founder. A founder should have the desire to explore new places, travel and live actively.

#### *2. Bargaining Power of Suppliers*

*BirdWings* will operate as a virtual company. It means that the main supplier will be IT companies which will deliver a complex solution of the project. In the CR, there are a lot of IT companies which provide their services for a quite low price. That fact decreases their bargaining power. On the other hand, the problem can be an IT company which provides a cheap service but the quality is not on the expected level. There are needed to negotiate conditions of development, operation, and realization of the whole

project. It is important to choose a quality IT company which can realize the whole project under the reasonable conditions. This step is very important because it prevents inconsistency in the whole project as well as problems which can arise from amateur solutions.

### ***3. Bargaining Power of Buyers***

Bargaining power of buyers is significant because potential customers can easily switch to custom tours of TOs or other substitute products described above. However, if buyers want to travel independently, prefer individual travelling and do not want to spend many hours by planning their holidays, products of *birdWings* are the perfect options because it offers a complex solution of tours and on the other hand, the individual travelling style will be maintained.

### ***4. Threat of Substitute Products***

Threat of substitute products is seen as the most significant one. If people want to travel independently, they have many options how to plan their holiday. Nowadays, almost all information is contained on the Internet. There are many travelling blogs, website advising where to go and what to do there, mobile applications facilitating the individual travelling etc. Potential customers can really easily switch what they want to use. On the other hand, gained information is not complex and travellers spend a lot of time by planning their holidays.

### ***5. Rivalry among Existing Competitors***

*BirdWings* will provide custom adventure tours in the form of itineraries. The main portfolio will be created by tours with activities as hiking including via ferrata, cycling, skiing, rafting, sailing, surfing etc.

The existing competitors are seen in TOs who offer adventure custom tours but this kind of product is not the main one for TOs. Because of that reason the rivalry of TOs is assessed as quite low.

The other rivalry is represented by book guides which are focused on spending holidays actively. They are seen as competitors; however, these book guides cover only a specific part of *birdWings* portfolio, e.g. book guides are specialized mainly on hiking but

not on the whole portfolio of *birdWings*. Products of *BirdWings* are also all the time actualized up to date changes, and the value is seen in the technology solution.

#### **4.2.4 Competitor Analysis**

As it was already mentioned, there is not a company with the exactly same product. However, there were chosen the most significant competitors for *birdWings*. One is a TO Adventura which offers custom adventure tours as a side product. The next was chosen TripAdvisor which is the largest travel site. And the last one is Friquito, the mobile applications that provide a travel and photography guides.

The methodology for this analysis includes a brief description of a company, an exploration of the portfolio, and then there is an investigation of its website – appearance and orientation there, and social media.

##### ***Adventura (tour operator)***

This TO gained the award by the TTG Travel Awards as the best TO for culture, sightseeing and adventure travelling in 2014 (TTG, 19/02/2015). It was found in 1990 and nowadays it takes pride in 359 tours into 113 countries all around the world.

It offers tours as excursion tours, walking, hiking, also via ferrata, cycling, rafting and other boating activities, and skiing tours. All tours are perfectly described and enriched by professional photos. There is also an offer of special tours as first minute, last minute, tours with national geographic, photo expedition, gastronomic experience, vacation with children etc. However, a few of them do not have any contents. CK Adventura also offers custom tours specialized not only in adventure utilization but also sightseeing, exotic, and other special tours.

Adventura has a professional and well-looked webpage. It is well arranged and a customer is able to find everything very easily. Design of that page contain inspiring and beautiful photos, the look of the page is modern and very attractive. Adventura has also a profile on Facebook which is actualized and there is a new post every day. Adventura owns a mobile application where it is possible to book a tour. This TO has created a three kind of catalogues specialized on excursion tours, hiking, and cycling. All catalogues have a perfect design and are well arranged. Other activities of that TO are an offer of guide courses, projection and narration of countries, competition for customers and others.

This TO offers the best quality service and the award they received is totally deserved. It is the biggest threat among TOs because of its huge portfolio, long time of running the business, a lot of experience, and satisfied customers.

### ***TripAdvisor (travel site)***

The next near competitor is TripAdvisor, it is the world's largest travel community. It was founded in the year 2000. TripAdvisor uses as the website [www.tripadvisor.cz](http://www.tripadvisor.cz) (for Czech), and a mobile application named tripadvisor. On these channels there is the possibility of finding recommendations about travelling, sightseeing, other attractions, evaluation of restaurants and it is also available to book accommodations and flights. TripAdvisor offers a wide variety of travel choices and planning features with seamless links to booking tools that check hundreds of websites to find great hotel prices.

The website and the mobile app works on the same base. A customer can choose where he/she is going and what he/she is looking for (hotels, holiday rentals, things to do, restaurants, and flights). Regarding things to do, a customer can see particular contributions which are assessed by travellers, a traveller can add their own experience, what to do there, and photos. On the other hand, there are only recommendations without exact description how to do that. For example, *birdWings* offers the detailed itinerary (what to do there, how to get there, exact description of tours, where to eat, etc.) regarding active holidays in nature and TripAdvisor contains information about the place and travellers express their opinions and write their experiences about the trip. Regarding restaurants, TripAdvisor assesses many restaurants and gives them an award. It is very highly-developed concept.

Concerning the design and orientation on the website and in the mobile app, everything is assessed on the highest quality level. TripAdvisor uses only one social media and it is Facebook. There are more pages of TripAdvisor: the main page, the app cities I've visited, the page TripAdvisor Rentals, and TripAdvisor City Guides. All pages are actualized with more posts every day.

TripAdvisor represents one of the biggest threats from substitute products; however, as it was mentioned, the offered products are more complementary than only competitive.



### ***Fripito (mobile application)***

Fripito is a virtual a photo guide with offline maps. I have chosen Fripito because it works with a similar principle as *birdWings* will do. However, the products are different, and *birdWings* will use also the website for selling its products.

Fripito is a start-up project. It delivers photo guides for hundreds of destinations around the world offering not only information about accommodation, food and transport, but mainly tips on where to find interesting spots, local light conditions, recommended equipment and camera settings for a fraction of the price of printed tourist guides.

Fripito sells their products via the mobile application. It is very easy to orientate in the mobile app. When a potential customer opens this application, it is easy to find a photo tour. It is also possible to use a world map. The tours are perfectly described and a potential customer knows what information is inside the package. The mobile application has modern design and contains inspirational photos. That company has also a simple website (<http://fripito.com/>) where there is basic information about the product, founders, its intention etc. Fripito uses social media as Facebook, Twitter, Google Plus, Youtube, Pinterest, and Instagram. Facebook is actualized, there is every day at least one post.

As it was written, Fripito offers a different product but still can be a threat in the form of a substitute product.

### **4.2.5 Market Analysis**

The market analysis is necessary for creating a business plan. Gathered information helps to find out opinions and habits regarding travelling, and especially information about preferences for active holidays.

Firstly, there are described objectives of the market analysis and set three main characteristics for market segmentation. For the market research, an anonymous questionnaire was used. It was created and fulfilled on the webpage <https://www.vyplnto.cz/>. The questionnaire was spread mainly via social media and among acquaintances. The full questionnaire is attached to this thesis, the supplement no. 2.

## **Objectives**

The main objective of the analysis is to explore who is interested in adventure tours – according to age, gender, education, and income group. For this part is necessary to create identification questions that are included at the beginning of the questionnaire.

The next part is focused on what people do and what they prefer, their wants and needs, regarding their vacation. Because *birdWings* represents a combination of TOs and individual travelling (advices from the Internet, blogs, other travelling communities, book guides), the partial objective is to find out how people use TOs or TAs. The main indicators are:

- how often people use services of TOs and TAs,
- how many people plan their holiday by themselves,
- why they travel and why do not travel with TOs or TAs

The next partial objective is to explore other preferences in holidays, what people want and expect from their vacation, the size of the group they prefer travelling with, and what content of holiday they prefer.

The last partial objective is to discover preferences of those who like active, sport, or adventure tours. That part of the analysis concerns questions focused on what activities they like doing on holiday, which is the typical length of their holiday, the average financial expenditure for an active vacation, how often and where they travel.

## **Market Segmentation**

One of the main purposes of the market analysis is the market segmentation. As it is written in the section: 4.1 Business Introduction – target segment, the potential market is created by people who like active and adventure holidays and prefer individual travelling without using TOs or TAs. This section goes deeper because it is important to divide the potential segment into more parts which can help to adapt the marketing plan. To explore and fulfil that purpose there are created three groups of people (segments) who are analyzed. These three characteristics are:

1. *younger than 25 years old, students, income smaller than 10 thousands CZK,*
2. *26 – 35 years old, employed or self-employed, income higher than 21 thousands CZK, and*
3. *36 years old and older, employed or self-employed.*

These three segments represent the main point of interest. Firstly, there is important to find out how many of them are interested in active holidays, these respondents are further described and analyzed. Their preferences are found regarding travelling, especially active travelling.

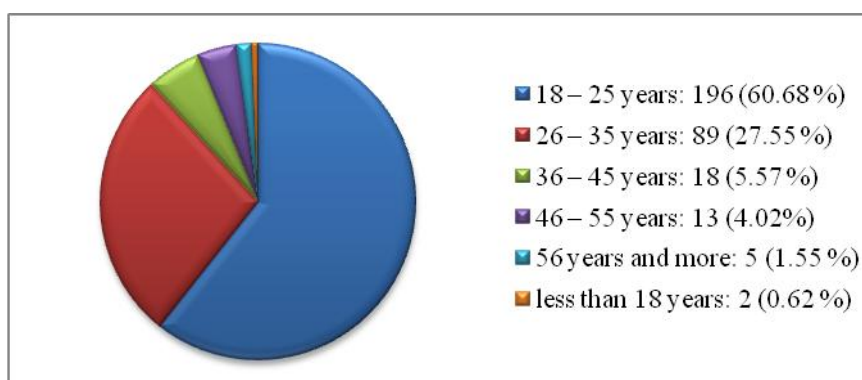
## Results of the Analysis

### *Respondents' Analysis according to Identification Characteristics*

The first part is focused on identification characteristics of respondents. The questionnaire was completed by 323 respondents, from that 236 (73.07 %) are female and 87 (26.93 %) male.

**Age** is one of the main characteristics. Shares of age groups are depicted in the graph no. 1. Most of respondents, 60.68 %, belong to the group 18 – 25 years old. The reason is that the questionnaire was propagated mainly on social media and among acquaintances. The next large group is created by respondents between the years 26 – 35. For *birdWings*, the main segment is represented by the age of 18 – 35 years old. As is written on the website of Adventure Travel New, the fastest-growing demographic is millennials. These young travellers create the second biggest market, after baby boom (Shapiro, 05/10/2015). The objective of *BirdWings* should be win them over and thus set up a strong base for future business. However, in the questionnaire all age group are covered, even though by different scales.

Graph no. 1: Respondents' Age

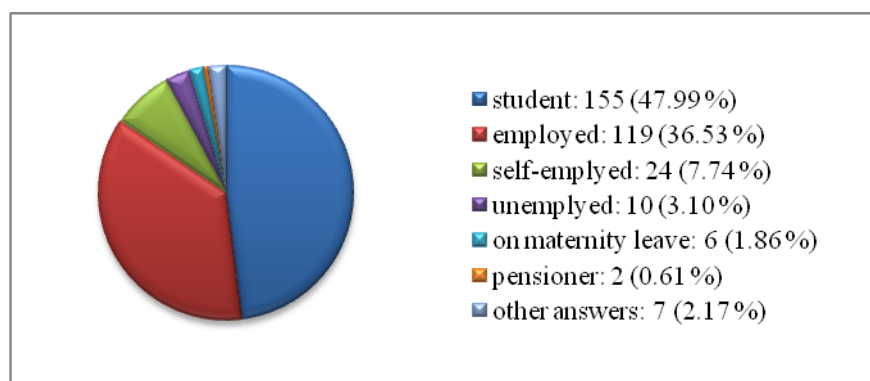


Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

In the questionnaire, there are three questions to record social and economic situations of respondents. The first is focused on **social status**. Almost half of respondents

are students (47.99 %) and the next numerous group is created by employed respondents (36.53 %). The rest 10 % is divided among self-employed, unemployed, women/men on maternity leave, pensioners, and other as e.g. respondents who study and work at the same time or study and are self-employed. The shares are depicted in the graph no. 2.

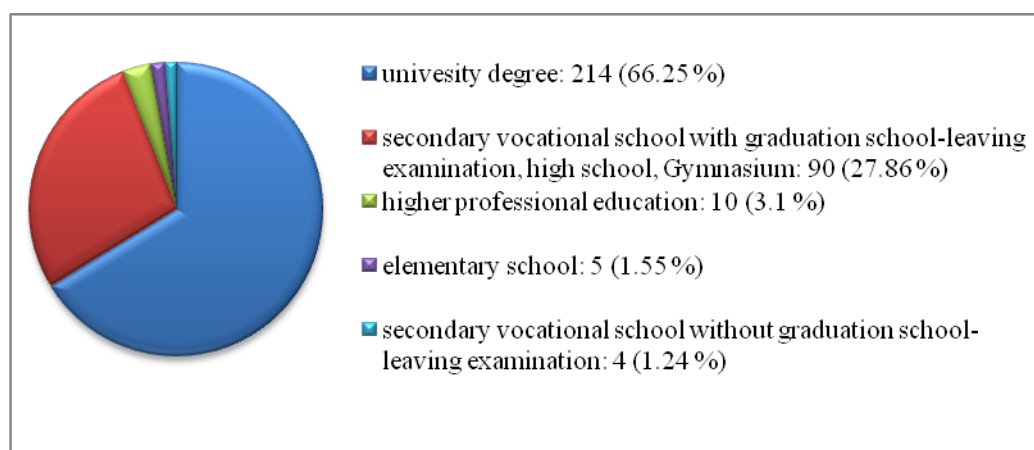
Graph no. 2: **Respondent's Social Status**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

The next indicator is respondents' **education levels**. As it can be seen in the graph no. 3, the biggest part is formed by the university degree (66.25 %). 90 respondents (27.86 %) that finished the secondary level with school-leaving exam are on the second place. Other education levels create only a small part in the questionnaire.

Graph no. 3: **Respondents' Education Level**

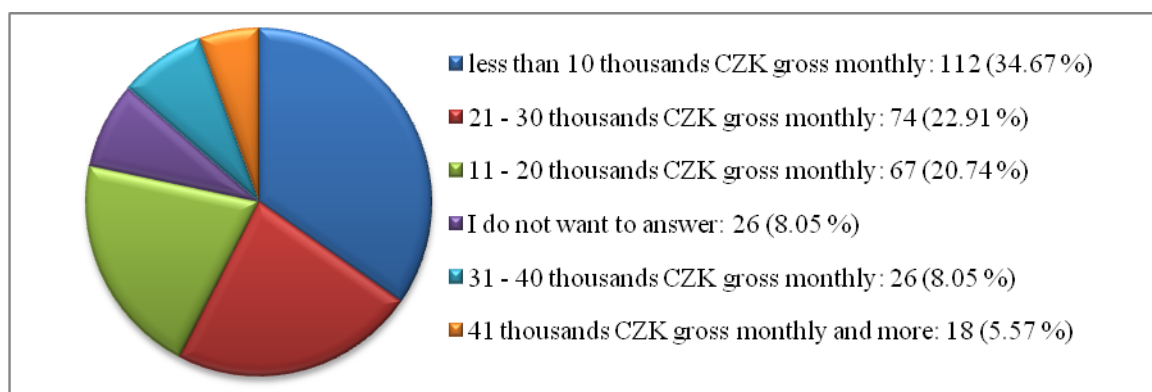


Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

The last indicator of economic conditions of respondents is their **income**. Respondents who belong to the biggest piece (34.67 %) have the monthly income smaller

than 10 thousands CZK. The reason is that many students are involved into this questionnaire and students mostly have only part-time jobs. The next almost the same parts are created by the income group of 21 – 30 thousands CZK and 11 – 20 thousands CZK gross monthly income. 26 respondents in total did not want to answer this question because this question belongs to the sensitive ones. The last two smaller groups include income higher than 31 thousands CZK gross monthly. The graph no. 4 shows the division of respondents' income.

Graph no. 4: **Income Groups**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

### ***Respondents' Analysis according to their Preferences regarding Travelling***

This part is concentrated on preferences regarding travelling as individual travelling, or using TOs and TAs.

The first question was asked to know **how respondents plan, organize or choose their holiday**. Respondents were able to choose more answers (maximum 3 answers) or wrote their own answer.

The important result is that 247 respondents plan their holiday by themselves.

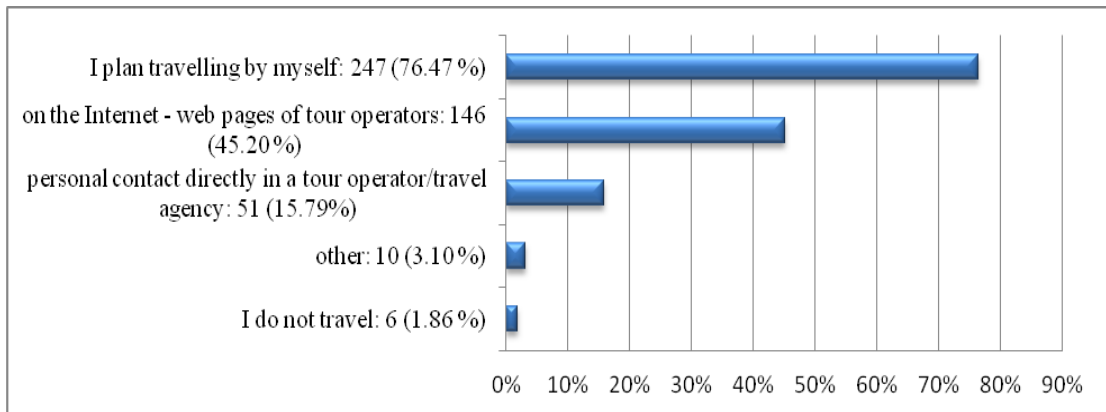
Another fact is that more people choose their tours on the Internet rather than by personally visiting a TO or TA. The difference is quite significant, at all there are 146 answers saying respondents choose their holiday on the Internet, and 51 answers that respondents prefer to go to a TO or a TA personally.

Respondents who wrote their own opinions mostly belong to the group: I plan travelling by myself. Answers include recommendation from friends, the website [www.cestujlevne.com](http://www.cestujlevne.com), other webpages focused on travelling and even discount portals.

Only 6 respondents marked that they do not travel.

Graphically, the results are depicted in the graph no. 5.

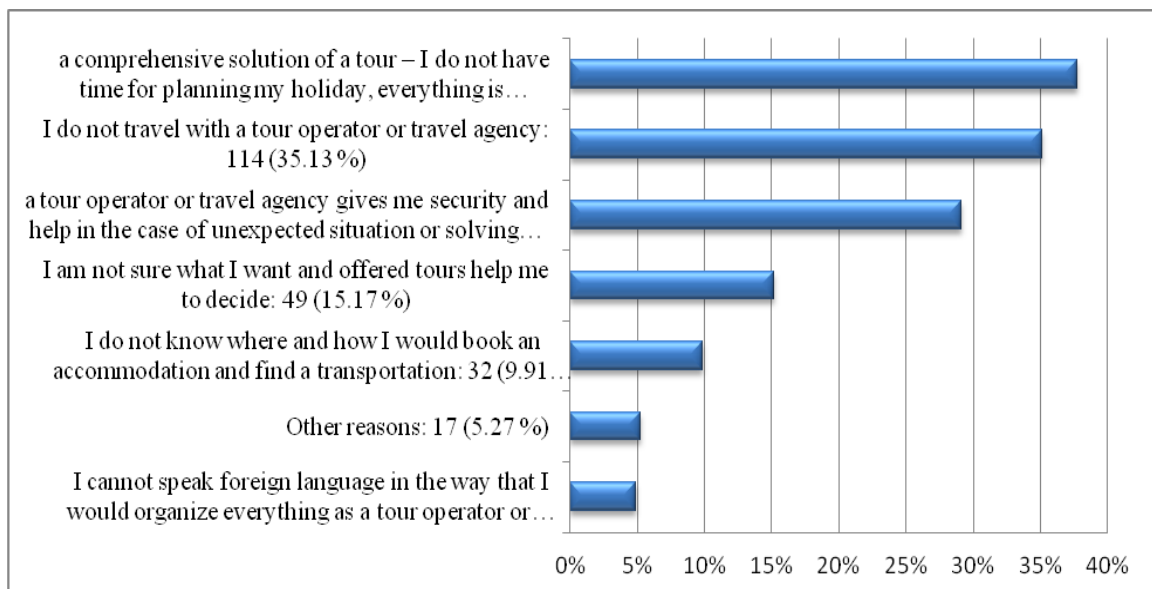
**Graph no. 5: Ways to Plan, Organize or Choose Holidays**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

The next question was asked to discover **why respondents use services of TOs or TAs**. Respondents were allowed to choose more answers or write their own opinions. The results are graphically displayed in the graph no. 6.

**Graph no. 6: Reasons to Travel with a Tour Operator or a Travel Agency**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

122 respondents (37.77 %) chose that TOs or TAs offer a comprehensive solution of a tour because they do not have time for planning their holidays, everything is organized by a TO or TA. The next answer includes an approaching amount of respondents, 114

respondents answer that they never use services of TOs or TAs. Regarding security, 94 respondents travel with TOs and TAs because they give them security and help them in the case they have an unexpected situation or for solving a problem.

The next one does not have too many respondents like the first three. There are 49 answers showing that these respondents are not sure about what they want to do on holiday and offered tours help them to decide. Another smaller amount of answers, 32 respondents do not know where and how they would book an accommodation and find transportation. Only 16 respondents responded that they cannot speak a foreign language in the way that allows them to organize everything as a TO can do.

Some respondents (17) wrote their own answer. There is written, they use TOs or TAs if they go on a vacation by sea. Other respondents buy tours in the last minute because these tours are cheaper and more favourable.

Another point of interest was to find out **with who respondents travel**. Most of the respondents prefer travelling individually, with a partner or a family. It is 68.42 %, 221 respondents. Another significant part of respondents, 98 respondents (30.34 %) are in favour of travelling in a small group, less than 10 members. Other two groups do not create a significant share. Only 3 respondents like travelling in a group where there are between 10 – 20 members and only 1 respondent prefer a large group with more than 20 members.

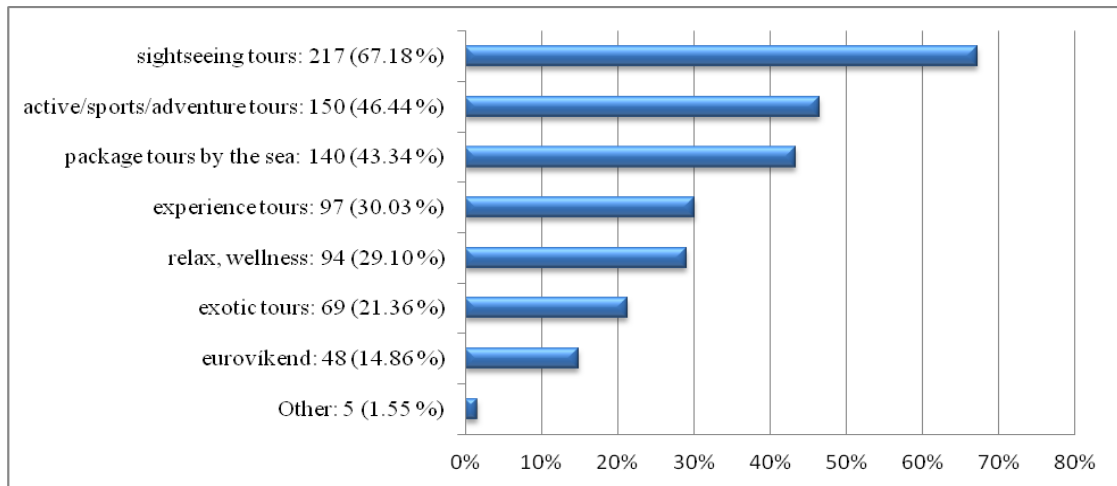
The next question was asked to know **which tours respondents are interested in**. Respondents were allowed to choose more than one tour but maximum 3 answers.

The higher amount of answers belong to sightseeing tours, in total 217 respondents. Startlingly, the second most favourite tours are active/sports/adventure tours. 150 respondents (46.44 %). Almost the same amount of respondents (140) like the package tours by the sea. Next popular tours are experience tours (these kinds of tours can belong to portfolio of *birdWings*) and relax and wellness. Both were marked by around 30 % of respondents. 69 respondents like exotic tours and 48 respondents go to some cities for a weekend or an extended weekend (euoweekends).

Some respondents wrote also their own answers. In total, there are three quite interesting opinions. These are language tours, gastronomy tours, and religious tours. For *birdWings*, these tours will not be offered. However, the active tours can be enriched by spiritual context like meditation or yoga, e.g. in mountains.

There is the graph no. 7 to see the shares graphically.

Graph no. 7: **Favourite Tours**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

Now it was needed to divide respondents who are interested in active or adventure tours and these who are not interested. So there was made that query:

*“This questionnaire is focused on active, sports or adventure tours (hereinafter referred to as “active tours”). It is understood as holiday where the main purpose is sport utilization in nature as hiking, cycling, skiing, rafting, sailing etc. These kinds of tours can be also according to your ideas and dreams. Easily, it can be defined as an active recreation, travelling and sport relaxation in one package/tour. Are you interested in these kinds of tours?”*

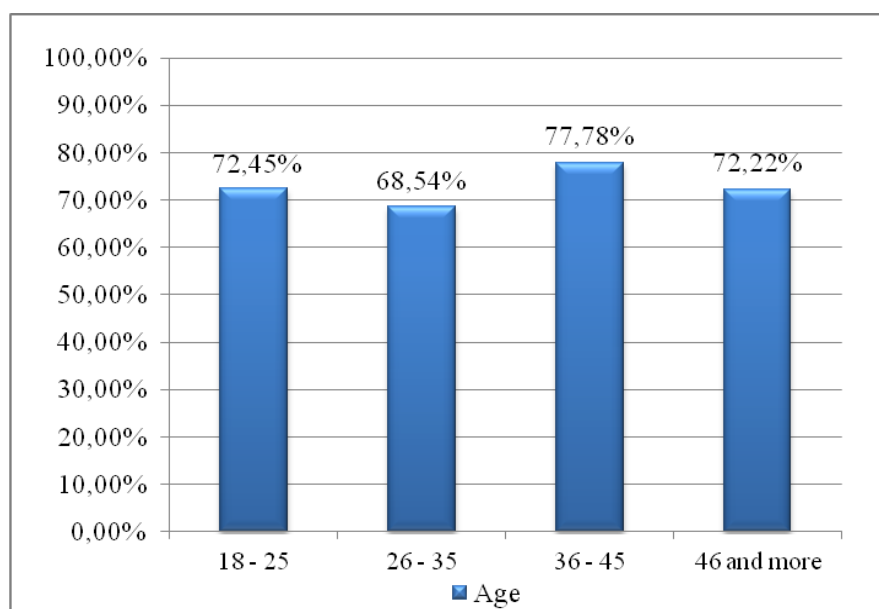
Those who chose that they are interested continued to other questions regarding active holidays. This part was filled in by 228 respondents (70.59 %). These who answered that are not interested were redirected to the last question. The total number of respondents that are not interested is 95 respondents (29.41 %).

For market segmentation is useful to divide the interest according to demographics. It is needed to point out that both age groups, 36 – 45 and 46 and more, have fewer respondents than other first groups. Each group has 18 respondents but also this data is significant.



In the graph no. 8, there is seen that shares are quite similar which indicates that people from almost all age groups are interested in offered tours by the same proportion. However, it is important to adapt marketing strategy to different age groups.

Graph no. 8: **Interest of Custom Adventure Tours according to Demographics**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

### ***Respondents' Analysis according to their Preferences regarding Active Holidays***

As first it was important to find out **which activities respondents like doing**. They were able to choose more activities or bring a new idea.

Respondents are mostly interested in skiing, cross-country skiing, hiking or mountain hiking, and cycling. These kinds of activities are easier to plan by themselves, rather than e.g. surfing and sailing.

Regarding other activities as water sports like canoeing, rafting, and kayaking, 92 respondents are interested in them.

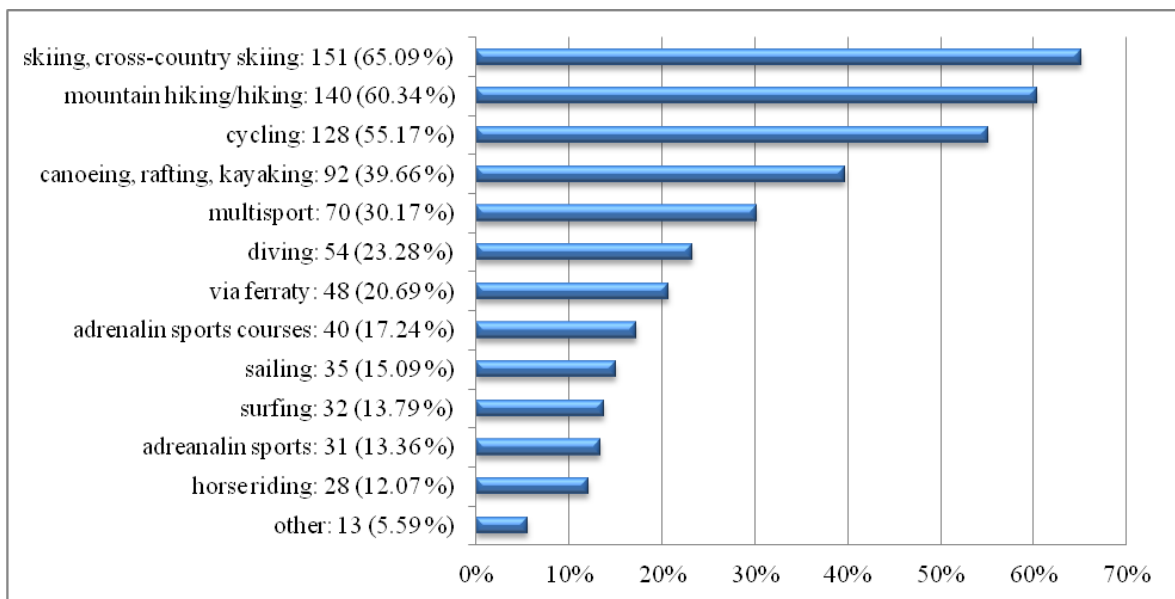
Respondents also like the combination of different sports, e.g. rafting and mountain hiking in a tour, in total 70 respondents marked that option.

Less amount of respondents are interested in more specific kinds of sports like diving (54), via ferrata (48), adrenalin sports courses (40), sailing (35), surfing (32), adrenalin sports (31) and horse riding (28). Still it does not mean that these kinds of tours

could not be planned. If they are planned well and interestingly, it can attract many customers too.

Some respondents shared their opinions. Other respondents' activities include ski alpinism, climbing, in-line skating, fitness activities, zumba, aerobic, dance, swimming, volleyball, and tennis. These activities are interesting and *birdWings* should consider to include some of them. The graph no. 9 shows the results.

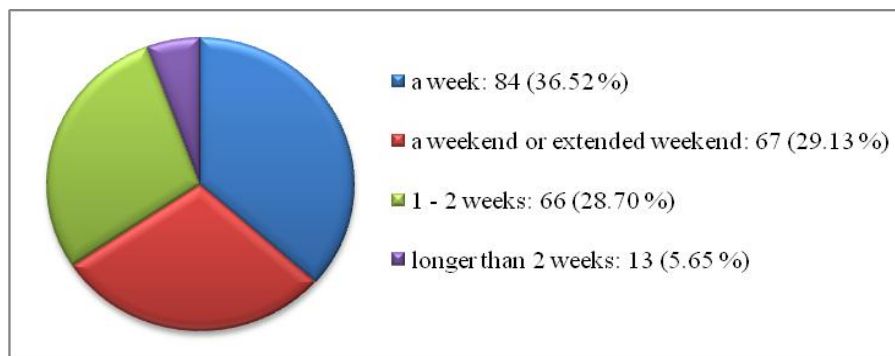
Graph no. 9: **Favourite Activities on Active Holidays**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

The next part of the analysis is focused on other characteristics of active tours. The first one is the **favourite length** of active holidays. Results are depicted in the graph no. 10.

Graph no. 10: **Length of Active Holidays**

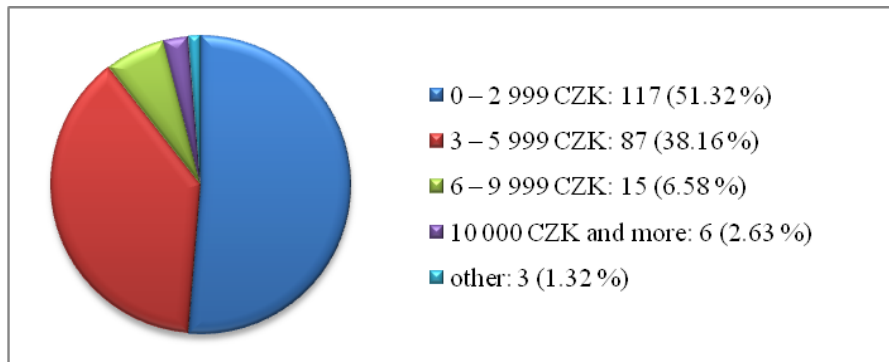


Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

Other two questions concern **expenditures** for active holidays. The first economic indicator is expenditure for a weekend or extended weekend per person. It can be seen in the graph no. 11 that more than half of respondents spend less than 3 000 CZK per person. The favourite amount of expenditure is also between 3 and 5 999 CZK per person.

Respondents, who choose the possibility to write their own answer, mentioned that they do not know or they cannot estimate that.

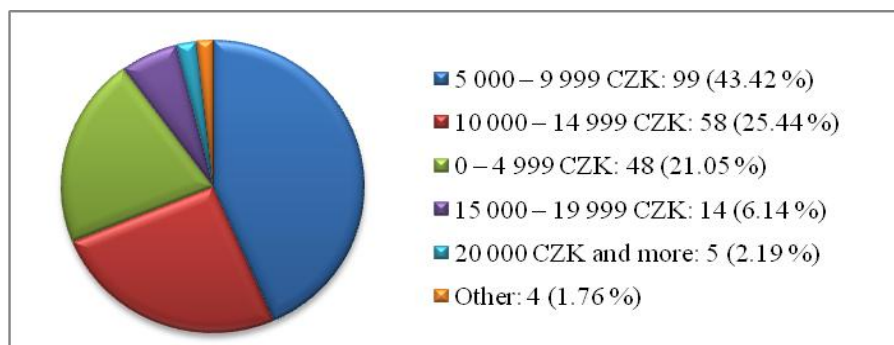
Graph no. 11: **Expenditure for a Weekend or Extended Weekend per Person**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

The next economic indicator, that was analyzed, was the expenditure for a week per person. Most of the respondents, in total 43.42 %, spend between 5 000 and 9 999 CZK per their active week. The other parts creates very similiar shares, 25.44 % respondents spend between 10 000 and 14 999 CZK per an active week and 21.05 % less than 5 000 CZK. Other answers are the same as in the previous question and thus respondents do not know or are not able to estimate that. Results are summarized in the graph no. 12.

Graph no. 12: **Expenditure for a Week per Person**

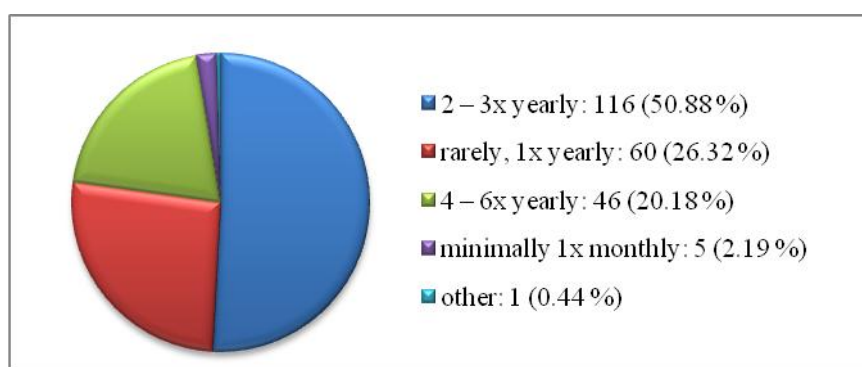


Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

These indicators can help to choose prices for products but they should be taken with a reserve because expenditures for skiing abroad are significantly higher than hiking in the CR.

Then there was analyzed how often respondents go on active holidays as it is displayed in the graph no. 13.

Graph no. 13: **How often Respondents Go on Active Holidays**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

Half of the respondents go on an active holiday 2 or 3 times per year. These respondents seem to be regulary active and *birdWings* should take care about them because if they really like the tour they joined, they will buy other itineraries. It is important to use marketing tools to capture these customers and keep in touch with them.

Another group is created by the respondents who travel quite rarely, 1 time in a year. In total, this share is created by 26 % respondents. These respondents are not seen as loyal customers because they can easily switch to competitors.

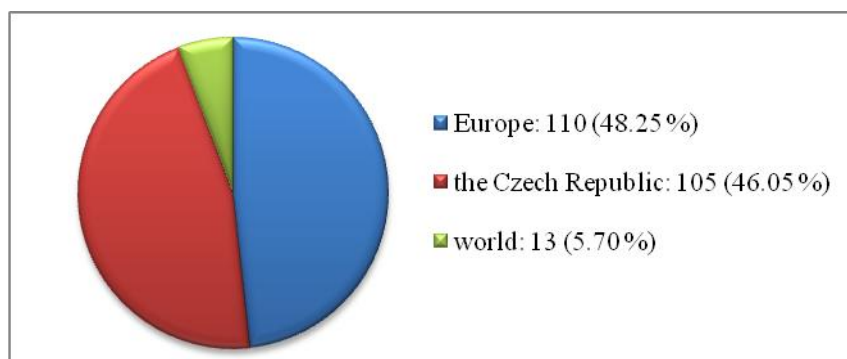
The third biggest share is created by the respondents who go on an active holidays 4 to 6 times per year. There are 46 respondents that enjoy that travelling often. These respondents can be seen as loyal customers too because they can travel more times and thus could use products from *birdWings* more often.

Only five respondents travel minimally once per month and one respondent has never been on an active tour.

The next question was asked to know **where respondents mostly spend their active holidays**. This is an important question to ask for *birdWings* because it is planned for the first time to operate on European market and after few years to broader the market and enter Asian, American, or African market. However, for now it is important to know

where respondents prefer to do an active holiday. As there is seen in the graph no. 14, respondents prefer to travel to Europe the most and inside the CR. Only 13 respondents spend their active holiday outside of Europe.

Graph no. 14: **Where Respondents mostly Spend their Active Holidays**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

The last question belongs to the second part: **Respondents' Analysis according to their preferences regarding travelling**. All respondents were supposed to fill it in and were able to choose more reasons.

The question was asked to find out **the reasons why respondents do not choose a certain tour of TOs or TAs**. *BirdWings* wants to know these gaps to run a business on a different principle to attract or win these customers.

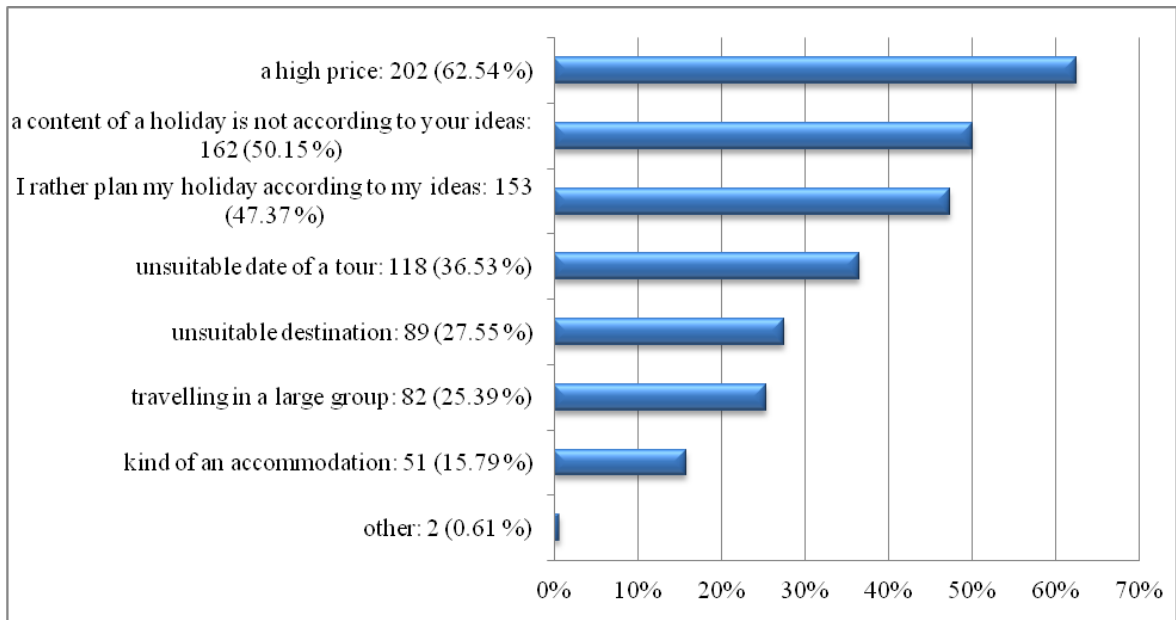
A high price of tours was marked as the most significant reason why respondents do not choose a tour. Other very significant reasons are that the content of a tour is not according to respondents' ideas. *BirdWings* can easily avoid that problem because it offers custom tours in the form of itineraries, and thus potential customers can adjust their tours.

Another significant reason is that respondents rather plan their holiday according to their ideas. That means they prefer to travel without TOs. In total, 153 respondents chose that reason.

Respondents also do not choose a certain tour because of these reasons: unsuitable date of a tour, unsuitable destination, travelling in a large group, a kind of an accommodation. Also these reasons *BirdWings* can easily eschew.

Results are displayed in the graph no. 15.

Graph no. 15: **Why Respondents do not Choose a Certain Tour**



Source: own processing, <https://www.preference-v-cestovani.vyplnto.cz/>

## Potential Market

In that phase, it is important to identify who is interested in adventure tours. The questionnaire contained the core question where were described active tours and directly asked if the respondents are interested in that product. This group of respondents can be characterized as potential customers or a potential market which is needed to identify.

There are in total 228 respondents, from that amount 160 are women (70.18 %) and 68 are men (29.82 %). As was already written before, the main segment is created by people in the age 18 to 35 years old. The potential market, according to this analysis, is created mainly by the age group between 18 and 25 years old, in total 142 respondents (62.68 %), and 26 – 35 years old, there are 61 respondents (26.75 %). The rest is made up by 25 respondents. One of them is younger than 18 years old and the others are older than 36 years old.

There is seen that the potential market is presented by young people and the marketing should be adapted to that young group. Nowadays, this age group is highly dependent on using the Internet and smartphones. The marketing plan has to go in this

direction to capture these potential customers. However, it is important to monitor the needs and wants of all age groups.

Regarding social status, the potential customers are students or employed people. They create in total 85.09 % of respondents. Another smaller share belongs to self-employed respondents: 17 (7.46 %). The next smaller parts are represented by unemployed respondents and women on maternity leave. These two groups do not belong to the main target market because of smaller financial resources.

Potential customers have to have a certain level of financial resources to put these resources to travelling or their free time. Regarding students, there is no expectation that they have high financial incomes. However, they still travel a lot. Also they have time to plan their holidays and are more adventure and independent.

Concerning education level, potential customers are with university degrees. Total amount of respondents with university degree is created by 157 respondents (68.86 %). The next significant share pertains to people who have a secondary vocational school with graduation school-leaving examination, high school, or Gymnasium. In total, it is 25.44 % (58 respondents). Other groups with lower educational level are deputized by few respondents, only 13 respondents.

It can be estimated that people who have university degree more likely sit in the office and want to balance their life-style. It follows that they prefer more active holidays than people working manually (lower educational degree). People working manually want to rest and relax more on holidays and thus balance their life-style too. To confirm that statement it is important to look how the data changed before the selection of people who are interested in these tours. The percentage shares are smaller than before for all educational degree, except for the university degree where the share increases by 2.61 %.

As was already mentioned the economic situation of respondents is important. However, active tours could not be such expensive. In comparison with other tours such as exotic tour, wellness holiday, package tours by the sea, or sightseeing tours; active tours provided in Europe are seen as the cheaper one. However, it depends on factors like kind of accommodation, transportation, and eating. If there is an example of a tour where respondents camp, cook by themselves, and travel by car or bus, it is seen as saving money in comparison to other more luxury tours.

The last identification characteristic is how the economic situation of the potential customers looks. The biggest share belongs to the income group which is lower than 10 thousands CZK per month. However, the share is smaller than before the selection. The next significant shares belong to income group: 11 – 20 thousands CZK/month and 21 – 30 thousands CZK/month. Another share is the group with income between 31 – 40 thousand CZK, the share is smaller – 10.53 % but higher, by 2.48 % than before the selection. 5.26 % respondents have income higher than 41 thousands CZK.

*BirdWings* will offer cheaper and also more luxury itineraries and it is up to a customer what price he/she is able to pay. Individual tours can be adapted to different customers and it is the strength of *birdWings*. It can include more customers and have a broad portfolio which is according to the customers' economic situation, wants and needs.

## **Evaluation of Market Segmentation**

### ***1. segment: 18 – 25 years old, students, income smaller than 10 thousands CZK***

The first segment is represented by the regular students who have probably only part-time job so their income is smaller than 10 thousands CZK. It is good to mention that this group normally does not have high expenditure on living as e.g. paying a rent, and moreover they can still be supported by their parents. Despite the fact that they have smaller income there is an interest to find out if this segment travels, and if so find out their preferences.

This group is comprised by 104 respondents. For the marketing strategy, it is important to find out how this group of respondents plan their holidays. 70 % plan holidays by themselves. However, 58 % use the websites of TOs or TAs to choose their holidays. That is significant finding because it means that *birdWings* can attract this segment online and poach customers from TOs. *BirdWings* should focus its energy on online marketing.

Only 23 % never uses TOs. That finding is also quite surprising finding because there was an expectation that more young people travel without TOs.

The next startling finding is that this segment prefers firstly sightseeing tours (64.42 %), then package tours by the sea (50 %), and after that active tours (43.27 %). The order is different than for all respondents. The expectation was that young people would prefer more active tours in comparison to all age groups.



72 % marked that they are interested in described tours (the core question). Regarding kinds of activities, this segment prefers hiking and mountain hiking, skiing and cross-country skiing, cycling, canoeing, rafting, kayaking, and multisport. However, also other sports attract this segment quite significantly. This segment prefers going on an active holiday for a week or a weekend and an extended weekend. For the weekend they are mostly able to pay 0 – 2999 CZK (63 %) and 3 – 5999 CZK (32 %), for the week the costs are 5 – 9999 CZK (53 %), 0 – 4 999 CZK (24 %), and 10 – 14 999 CZK (17 %). The majority goes on an active holiday 2 or 3 times per year and prefer Europe (52 %).

***2. segment: 26 – 35 years old, employed or self-employed, income higher than 21 thousands CZK***

The second segment represents a group of respondents who already work or run a business. 59 respondents belong to this segment. In this segment, more respondents than in the first segment plan their holiday by themselves. In total, the percentage is 83 %. Other significant part, 41 % choose their holiday on the Internet – websites of TOs or TAs. There is also possible to concentrate more on online marketing. 37 % do not use services of TOs or TAs. This share is larger in this segment than in the first segment.

This segment prefers the same order of tours. On the first place there are sightseeing tours (74.58 %), package tours by the sea (44 %), and active tours (37.29 %).

Regarding the core question, 69.49 % said that they are interested in described active tours. Respondents prefer skiing and cross-country skiing, hiking and mountain hiking, cycling, diving, multisport, canoeing, rafting, or kayaking, and via ferrata. The length of their active holiday is divided quite equally: 1 – 2 weeks (36 %), a week (33 %), and a weekend or an extended weekend (24 %). They mostly spend 0 – 2999 CZK (49 %) or 3 – 5 999 CZK (41 %) per a weekend, and 10 – 14 999 CZK (39 %), 0 – 4 999 CZK (24 %), and 5 – 999 (24 %) per a week. Respondents belonging to that segment join more the active tours, 51 % goes 2 – 3 times per year and 24 % 4 – 6 times per year which is really significant finding. Most of them prefer Europe but they also like the CR.

***3. segment: 36 years old and older, employed or self-employed***

There are 36 respondents older than 36 years. However, it is important to focus on economically active population that means this segment does not involve retirees, women on maternity leave and students in this analysis. This segment is represented by 32

respondents which is not seen as the perfect sample but these data are still significant and allows to find relevant results.

The division how respondents choose their holiday are almost the same as in the first two segments. 69 % prefer planning their holiday by themselves, 41 % use websites of TOs and TAs, and 29 % of respondents go to branches of TOs or TAs. 25 % never use services of TOs or TAs.

Quite surprising is that this segment, which includes older respondents than the other segments, has this order of preferred tours: sightseeing tours (62.5 %), active or adventure tours (59.38 %), and package tours by the sea (46.88 %). This segment prefers the largest share of an active or adventure tour in comparison to other segments.

Regarding the core question, 23 respondents (72 %) said that they are interested in.

A little different order is also seen in activities which respondents like doing on an active holidays. The most favourite are skiing, cross-country skiing, cycling, and hiking/mountain hiking. Other activities are represented by smaller shares. After all, the most preferred activities are the same for all segments. There is also an evidence that in each segment, there is between 10 – 20 % of the respondents who are interested in less common activities as via ferrata, diving, surfing, and sailing.

For this segment, the length is divided quite equally for all options. Respondents from that segment are able to pay 3 – 5 999 CZK and 0 – 2 999 CZK per a weekend or an extended weekend. Regarding a week of an active holiday, most of them pay 5 – 9 999 CZK and then 10 – 14 999 CZK. These respondents represent the potential market after which the company has to take care because they go on active holiday more times in a year, mostly 2 – 3 times (52 %) and 4 – 6 times (30 %). This segment prefers only to spend their active holiday in Europe (52 %) and in the CR (48 %).

#### **4.2.6 SWOT Analysis**

The SWOT analysis includes all significant findings from the strategic analysis. These findings are divided into four sections: strengths, weaknesses, opportunities, and threats. On the next page, there is depicted the figure no. 6, the SWOT analysis with the most important results.

Figure no. 6: SWOT Analysis

| STRENGTHS   | WEAKNESSES  |
|---|---|
| <ul style="list-style-type: none"> <li>• a potential to extend to international markets</li> <li>• there is not the same product at the market</li> <li>• not supporting massive travelling, providing custom tours for individuals</li> <li>• a future founder has many friends who are interested in these kind of activities:               <ul style="list-style-type: none"> <li>+ tour planners</li> <li>+ the graphic designer and IT support</li> </ul> </li> <li>• a future founder already knows many tours</li> <li>• creating a community - the blog</li> <li>• the product corresponds with demands of the market</li> <li>• 2 distribution channels – a combination of a classic e-shop and a modern mobile app</li> <li>• the product saves people’s time who plan their holidays individually</li> </ul>  | <ul style="list-style-type: none"> <li>• no experience with running a business</li> <li>• running a business in a highly competitive industry (tourism) where is hard to break through as an individual</li> <li>• lack of experience with IT projects</li> <li>• not such a broad offer of tours for the first years</li> <li>• at present, <i>birdWings</i> does not have planners</li> <li>• absence of a business partner, with who to start a business</li> <li>• lack of capital for massive expansion</li> </ul> |
| OPPORTUNITIES   | THREATS   |
| <ul style="list-style-type: none"> <li>• the significant share of people who like travelling actively</li> <li>• individual travelling is applied by the significant share of people</li> <li>• favourable economic conditions</li> <li>• growing purchasing power</li> <li>• technology development:               <ul style="list-style-type: none"> <li>- online purchases are more common</li> <li>- mobile apps are becoming a common part of people’s life and the share of smartphones is increasing at the market</li> </ul> </li> <li>• an easy access and possibility to communicate with customers thanks to the Internet, blogs, marketing and social media</li> <li>• the target group is the second numerous age group</li> <li>• all reasons why respondents do not choose certain tours found in the market analysis</li> <li>• poach customers from TOs and TAs</li> </ul> | <ul style="list-style-type: none"> <li>• high competitions: TOs, TAs, book guides, travelling websites and blogs</li> <li>• possible to share the products of <i>birdWings</i> illegally</li> <li>• waiting the whole year to start running a business</li> <li>• fears of travelling due to refugees and terroristic threats</li> <li>• not finding enough planners of tours</li> <li>• an IT company will not deliver the quality product</li> <li>• it is possible to easily copy the whole concept</li> </ul>       |

Source: Own processing

The strategic analysis was focused on exploring external macro and micro environments regarding the industry and the business. Most of macro environment findings are suitable for running the business, with the exception of the fear of refugees and terroristic threats. The tourism industry is also overcrowded by TOs and TAs, and other travelling companies and platforms. The main positive aspect is seen in technology development. Using mobile phones belongs to the common life of people and even shopping via mobile phones has been increasing significantly in last few years. The strength of *birdWings* is in using two distribution channels which means to capture also customers who are not familiar yet with using mobile applications.

*BirdWings* will offer another option for those who travel actively, without using TOs and TAs and at the same time to travel individually. *BirdWings* avoids dissatisfaction of customers of TOs and TAs which is seen in a high price, the content is not according to customers' ideas, and unsuitable date.

Other strengths, weaknesses, opportunities, and threats are concluded in the SWOT analysis.

### **4.3 Business Strategy**

The future founder plans that the business will start running in one year. The first year will be devoted to create a community, planning tours, and looking for other planners. Thus the business strategy involves the future founder own plan for the first year. After *birdWings* will become an official registered company the business strategy will be introduced.

This whole part arose as a strategy follows from results of the SWOT analysis.

#### **4.3.1 Business Strategy for the First Year**

This part introduces the future founder own plan for the first year. The plan is quite specific because *birdWings* will officially start running the business in one year. The first year includes these activities:

1. creating the community,
2. looking for tour planners, and
3. planning own tours.

The **business objectives** for the first year:

1. to have 5,000 followers on the blog Nature Lover,
2. to find 5 active tour planners - each planner should be able to create at least 6 before launching;
3. the future founder creates 15 complete tours before launching.

### ***Community***

Community will be set up by creating the blog **Nature Lover** that includes enthusiastic travellers who are interested in active holidays. The blog will be focused on active travelling, differences in culture, adventure, sport or active travelling, nature, and environment protection. The blog will face the future founder's life or a view of her life and experiences; it will be made up as the storytelling blog which shows that the author is authentic, that she is the flow. It is possible to build a strong following.

The blog will be made up by the website [www.wordpress.com](http://www.wordpress.com). It is possible to create a blog or other different types of websites. The important is that the creator has to buy a domain. Nature Lover will use the domain [www.nature-lover.org](http://www.nature-lover.org) which costs \$18/year.

The blog will contain articles of already joined trips that include photos and videos. There are some examples of possible themes of articles:

- South Korea: Reach the highest peak, Magic of Jeju Island, Mountains around Seoul, Korean culture and food;
- Pure nature in Switzerland: Beauties around Lucerne: Pilatus, Rigi, English Garden, Whole day trip to Swiss waterfalls;
- Tatra mountains and thermal spa
- Active trips in the Czech Republic: one day trips, weekend or week trips
- cycling and hiking in Czech mountains
- Cinque Terre as an active holiday
- Meditate in Nature
- Picking up mushrooms? No, picking up rubbish!

The future founder has travelled to countries as Switzerland, South Korea, Ireland, Slovenia, Austria, France, Italy, Slovakia, Poland, Croatia, Spain, Germany etc. The main

purpose of visited destination was always the nature, active utilization, sport activities, and the aim was to enjoy nature creations and beauties.

At the same time, a profile on Facebook will be created, which will be connected to the blog. This blog and the Facebook profile will be created as a hobby and should contribute improving who to spend free time actively. The purpose regarding *birdWings* is the creation of a friendly community whose members spend their free time by an active way. It means that this community will represent the potential market.

It is also important to interact with other bloggers who are interested in travelling, spending time actively, sports, protection environment etc. Due to web it is also possible to interact with other followers; they can comment articles or send an email.

During the first year, she will introduce the company *birdWings*. There will be written about that idea, why she will be running a business like that, about her passion and motivation to do that.

### ***Looking for Tour Planners and Other Members***

This step is very important. The future founder has already met a lot of people who travel like that and has a verbal agreement with some of them to take part in the business. However, there is still needed to find more planners and people involved.

There are many ways how to find these kind of people. The future founder can look for them on the Internet, use social media as Facebook, Twitter, Instagram, Youtube, blogs. Another way is to visit travelling discussions where travellers speak about their experience.

### ***Planning Future Founder's Own Tours***

The whole first year, the future founder will travel, test and plan adventure and active tours. She has already joined and experienced many places and made a lot of friends all around the world. Also these people can participate in the project because information from local people is very valuable and appreciated.

## **4.3.2 Business Strategy for the Registered Company**

The business strategy is based on the recommendation mentioned in the Literature Overview. The business strategy should arise from the SWOT analysis. This means it

should be focused on reducing weaknesses and threats, and on the other hand on fully using strengths and opportunities.

There are set the main **strategic activities**:

1. to sign a contract with an IT company to have a complete IT support (at the beginning of running the business)
2. to sign a contract with the graphic designer who is already agreed (at the beginning of running the business),
3. to plan other tours, and
4. to look for other planners

The company will be found on the 2.1.2017 and the launching is planned in April 2017. In the first three months, the realization of the website and the mobile app will be under the way. In April 2017, the website and the mobile app will be ready to run with 50 complete tours.

### **IT support**

For the project, the IT support is crucial. It is important to discuss and negotiate conditions of development, operation and realization of the whole idea with an IT company. The company should deliver the complete solution under reasonable conditions. The complete solution is composed by distributional channels: the website and the mobile app that should be interconnected.

### ***Website***

The website will have a modern design which captures customers by adding inspirational photos and motivational videos about offered tours, nature and cross-culture beauties.

The main purpose of the website will be selling process. There will be offered tours and a possibility to interactively create tours. More information regarding selling process and how it works is described in the section 4.4.2 Marketing Mix.

The website will contain information about the founder, her life story and motivation to run a business like this; other information about the company as the purpose of it, vision and mission, about its members as travellers, and tour planners. There will be also links to the blog Nature Lover, other social media as Facebook and Twitter.

Another additional tool will be the section for references. References will be focused on the company as well as each tour. References help to see the product from a different side and represent the feedback for *birdWings*, and there the chance of improvement leads.

### ***Mobile Application***

Mobile application use has been growing and the company should not forget to use this distribution channel to use. The most significant benefit is that all providing information is right at people's fingertips.

The mobile app will be called **birdWings**. It will serve as a selling tool. A user can create a specific tour by interactive way. It will be base on the same principle as on the website. The mobile app helps to stay closer to customers. One possible way is made up by notifications which can get the company closer to customers. Notifications remind users' tours, new created tours or other changes. Another engaging tool in the mobile app can be the possibility to message *birdWings*; it can be in a help desk form too.

When a user downloads the application, firstly there will be an informative and entertaining video about using the app – how it works. It should help to strengthen the experience with the app.

Other strength of using the mobile app is the rating system for the mobile application. It works as a feedback and thus *birdWings* can improve the mobile application, offered tours, design etc. High rating improves *birdWings*' promotion and awareness.

On the company's website, there will be created a section for the mobile app with description, why to use it and how. Also other social media will inform about this possibility.

Other components of the business strategy are marketing, organizational, operational and financial plans which are described below.

## **4.4 Marketing Plan**

In this part, marketing objectives are set. Then there is described the marketing strategy which arises from the strategic analysis, mainly marketing analysis, and introduced the marketing mix which involves a more specific and deeper description of the product, how it will be appraised, promoted, and placed.



**Marketing Objectives** for the first year of running a business:

1. to have 200 visitors on the website: [www.birdwings.com](http://www.birdwings.com) per day,
2. 50 downloads of the mobile application per day,
3. rating of the mobile app equal or higher than 4 stars (from 5 stars),
4. to have 5,000 followers on Facebook page, and 500 followers on Twitter,
5. to have 500 people registered for sending a newsletter.

#### **4.4.1 Marketing Strategy**

Nowadays, the marketing field offers a lot of ways to reach customers. It is moving from old marketing tools to digital marketing tools. It is suitable to point out that customers do not buy only the product but mainly what the product brings to them, the value what they have from using the product.

Marketing should be specialized on sales as well as on awareness and advocacy. How the company will tackle with that challenge is described in that part.

It is important to mention that *birdWings* will not have an office for direct selling. The communication with customers will be possible due the Internet: the website, the mobile app, message window, mail, or due to the phone calling.

Before the company launches the selling process, it is planned to contact several **online magazines** regarding travelling, free time, or technology news to write an article about *birdWings*. Examples of that kind of magazines are <https://websummit.net/> and <http://www.lupa.cz/>. This step can help to increase awareness of the company.

#### **Founder as a Face of the Company**

The company will use the storytelling strategy which will be connected to the blog. The future founder will be the face and brand of the company. People like good-quality products, on the other side they like to know who found the company, why, what is the story behind the person, what people have in common with the founder, summarized who sells the product to them. The significant support of that is the blog Nature Lover where people can get to know the founder, what are her hobbies, life, life-style, and other valuable information regarding travelling.

That strategy really strengthens the brand; it makes people trust in the company and helps people to buy the company's product.

## ***Website***

*BirdWings* will use several marketing communication tools for its marketing strategy, however, the core one will be a website: [www.birdwings.com](http://www.birdwings.com). Other deep description is already contained in the section 4.3.2 Business Strategy for the Registered Company.

For the website to pay attention to **SEO** (search engine optimization) is fundamental and essential. The web should fulfil the SEO standards.

Regarding marketing to track the website, these tools are recommended to freely use:

- **Google Analytics:** to track the traffic from different networks to the website;
- **Hotjar:** how visitors use the website: what visitors are doing, where they click, how far they scroll; and
- **SumAll Reports:** to summarize reports from six major social networks: Facebook, Twitter, LinkedIn, Google +, Instagram, and Pinterest.

All these tools help to understand better potential customers and to know where (social media or other networks) the business should put the energy.

## ***Mobile Application***

As it was already written in the section 4.3.2 Business Strategy for the Registered Company, the mobile app serves mainly as a distribution channel. However, it is not only one purpose of the app. It will contribute to the brand awareness and customer loyalty. The app can motivate customers to buy the product by photos, suitable, modern and branded design of the application.

To promote the mobile app, it is appropriate to use other tools, e.g. to promote the mobile app on the website, to put there a demo video about using the mobile app – to attract to download it. It is possible to explain the app on the blog and promote it on Facebook and Twitter that allow using keywords and GEO.

## ***Blog - Nature Lover***

There is already information about the blog in the section 4.3 Business Strategy. When the business runs, the blog will be still used not only as a promotion but still also as a hobby.

### ***Social media***

Social media as Facebook, Instagram, and Youtube are connected to Nature Lover. The company *birdWings* will use only Facebook and Twitter from all social media, at least in the first years. To use social media as communication tool is seen as an effective and inexpensive way to build awareness and to get people to be familiar with the business.

Due to social media, the company can interact with customers and potential customers, can gain more followers, present itself, discuss certain topics, promote contests to win a free itinerary, and be more and faster in touch with followers.

All these marketing tools, the website, the mobile application, the blog, and other used social media have to be interconnected. On each platform, there will be links to others. What is also important is to engage **omni-channel marketing**. If a customer shop on the website and he/she does not finish the order there, it will possible to finish it via the mobile app. It improves the comfort of uses for customers.

### ***Email Marketing***

Email marketing includes email newsletters as well as direct emails that are sent to customers, potential customers, and other industry partners. On the website, there will be possible to register for sending newsletters. Email marketing should inform about offered tours by interactive way, there will be introduced new tours or other improvement made in portfolio, there can be videos made on the tours; stories or experiences about joined tours written by different customers, trip discount or contests, special events about travelling, especially with active overtones, or worldwide news regarding travelling.

### ***Special Events***

The future founder and other travellers from *birdWings* will organize discussions about tours or visited countries. There will be spoken mainly about offered tours and gained experience. Each discussion will be focused on one country. Also the company will be introduced. The limited event enables to get to know *birdWings* on the more personal and friendly level. There would be used PowerPoint presentation, photos, videos, speaking about personal and other life experience.

The travel events or workshops will be opened for the public and information about the events spread by social media and the website.

## 4.4.2 Marketing Mix

### *Product*

The product of *birdWings* is already described in the part Company Description. However, after the strategic analyses, especially the market research, the more specific product was developed which is adapted to up-to-date market.

There are results from the market research that are taken into consideration:

- respondents prefer planning holidays by themselves;
- they prefer choosing their holiday online on TOs' and TAs' webpages (possible to poach these customers),
- they use TOs mainly because they look for a comprehensive solution of a tour because they do not have any time for planning their holidays, thus everything is organized by a TO (also possible to poach these customers);
- respondents like mostly skiing, cross-country skiing, hiking or mountain hiking, cycling, and water sports as canoeing, rafting, and kayaking;
- The most significant reasons why respondents do not choose a certain tour are high price and a content is not according to their ideas.

All these aspects were taken into consideration thus the product is adapted according to them and it is created to satisfy the most people. The tours are called **independent tours**. These tours represent well quality itineraries and will be presented in English and Czech languages.

On the website and in the mobile application there will be offered two types of tours:

- complete tours with an attractive title and
- one-day trips.

The complete tours are composed of the one day trips; however, there is more useful information. Into the category of one day trips, also two days trips can be involved. These two days trips include e.g. a trip to mountains where trippers carry their own packs and sleep in the middle of the way in a pension or mountains hub, and the next day they continue to the final destination. All offered tours have to bring a value to the customers. They are not only basic itineraries which are possible to find on the Internet.

**The basic form of a tour** includes:

- information about a visited country, about an exact location where the trip is taken, about culture and other interesting facts;
- day-by-day trips with useful information:
  - which accommodations are recommended and tested in that area (description of the accommodation, discounts for our customers, how is the food, rooms, cleanness etc.), prices of the accommodations, possibilities around the accommodation (e.g. where to eat);
  - how to go there;
  - one day trips – how to go to the starting point (value added: where to park for free, where to eat well), where to borrow necessary equipments if it is needed or a contact for an instructor (e.g. for wild river rafting), a deep description of a trip enriched by photos taken in a certain trip, distance, a level of an active grade, main stops, a high-altitude profile, and the main component: a map;
- other trips around – these trips can be for a whole days or can be done the first day when a tripper arrives and does not have a full day to go to nature, these trips are for a part of the day too; as an example can be trips to caves, castles, ruins, national parks, nature pools, and other nature possibilities. These tips will include full information as the opening hours, what to do there, entrance prices, simply everything what is necessary.

The tours will include the main activities as it is written in the section Company Description. The complete tours will have the multisport character that means a tour will contain more activities. Thus the tours will look more interesting and have higher value because it is harder to plan them. Combination of more activities is better for physical condition because travellers will not be tired only from one activity where uses the same muscles but they will employ more muscle groups by doing more activities. Moreover, there will be some days for rest at special natural or other places.

The one-day trips will be planned and created before as well as information about offered countries, transportation - how to get there, and other trips in a certain location. All this information will be put into a database.

As an example, a complete week trip to Slovakia was chosen, Tatra mountains which was called “*Let’s breathe fresh air to Slovak Tatra mountains*”. This trip represents an active holiday (hiking, walking, and cycling) combined with rest days (thermal outdoor swimming pool, caves). The whole trip is attached to the diploma thesis as the supplement no. 3.

### ***Price***

From the marketing mix, price is the only one which generates sales revenue in comparison to others that are costs. What is needed to take into consideration is the fact that all tours will be already planned before the selling process starts. That means *birdWings* will have the same costs and it does not matter how many customers will buy a tour. Thus the objective is to maximize quantity, maximize the number of customers. For this objective, the penetration pricing strategy was chosen. *BirdWings* will set low prices to increase its sales, gain more customers, become well-known, get potential customers to be familiar with the product, and be available to a wider market.

Moreover, *birdWings* wants to make the product accessible and to support people to spend their time in nature, especially by being active. So setting a low price enables people from lower income groups to experience this kind of travelling.

Preliminary suggestion is that one day itinerary will cost 0.99 – 1.99 EUR. Regarding complete tours, the price will depend on the number of days, e.g. a week tour would cost between 6.99 – 13.99 EUR. It is needed to take into consideration that if a group travels, only one member downloads it, it will be quite a low price. Later, prices can increase but *birdWings* still wants to keep accessible prices.

### ***Promotion***

In the part Marketing Strategy, there is written how the company will reach customers. To conclude, all used marketing tools are the blog Nature Lover (is connected to social media as Facebook, Instagram, Youtube), the website, the mobile application, social media as Facebook and Twitter, email marketing, and special events, mainly travel discussion and workshops.

The other regarding question is how to push people to buy the product for the first time, to make them find courage to try something new. It is important to show what the product is because it is something new in comparison to other TOs. They need to see how

the product looks, what the product's quality is, and then they will buy it. A suggestion is to offer one tour for free, e.g. for extended weekend, as a promotional movement. Thus potential customers try the product; they will see that the quality exceeds the price.

### ***Place***

*BirdWings* will operate only online, thus a place will be also on the Internet. The online purchase will be done via the website [www.birdwings.com](http://www.birdwings.com), the mobile application called *BirdWings*, or phone call. The product will be possible to download from the website or the mobile app immediately after payment.

It is important how **a customer can create or plan his/her own tours**. There are mentioned three ways. Regarding the first way, as it is written above, on the website and at the mobile app, there will be promoted the complete tours with catching titles.

The second possibility is that a customer can use a map of Europe where the trips are offered. He/she just clicks on a country where he/she wants to go and the planned tours are shown. The option with the map is possible to use with selection of certain activities too, e.g. a customer looks only for hiking, he/she chooses hiking, and there will be depicted hiking tours on the map.

The last option is the most custom. A customer will fill in a design form. The questions in the form will ask about where to go and which type of transportation, what to do there, kind of accommodation, total costs for a tour, seasons, area of interest, level of physical condition, total no. of days – no. of days spend actively and restfully. After that step, all information and tours will be put together and a final tour is prepared. Then a few photos of main nature attractions taken during those tours will be shown and there will be a question: “Are you ready to experience this?”

The total output of these tours is a well looking brochure, .pdf file that looks and includes information as it is described atop.

## **4.5 Organizational Plan**

*BirdWings* will be founded as a limited liability company with only one owner. She will be the only person belonging to CEO. Thus the organizational structure will be simple.

The owner's main competences will contain:

- the complete running of the company including strategic planning, administrative, financial, accounting, and marketing processes;
- negotiation and communication with an IT company, the graphic designer, and tour planners; and
- exploring new places, planning active tours, and creating itineraries.

An **IT company** should deliver the complete solution for IT support regarding the website and the mobile application. There will be signed the service level agreement.

The **graphic designer** will take care about the design of the webpage, the mobile application, the logo, and the final products (itineraries). With the graphic designer, there will be signed the agreement of design service.

The next part of staff is made up by the **planners**. Their job content is to bring new tours which are explored and tested, well described and supported with quality photos. There is no exact requirement on education. Planners should be passionate travellers who are interested and experienced in active travelling. They want to explore new places, test them and share all these experiences. The idea is to offer them the platform for selling their itineraries. Each planner has to have a license trade. Thus *birdWings* will offer them 50 % of the profit of their itineraries.

## 4.6 Operational Plan

For the operational plan is important to specify where the location of a business is. *BirdWings* will operate as a virtual company; however, the place of the business will be established at the founder's home: U Stadionu 70, Beroun. To choose being a virtual company has many reasons. It allows the owner and other involved people to work from any locations by only using technology such as laptop computers, cell phones, and the Internet access.

The operational plan involves the process of creating the product. The founder and other tour planners will plan the tours in the way that they go experiencing mentioned activities, transportation, testing accommodation, restaurants, and taking photos in a specific area. Then all information is summarized into the database. The information there is divided into more sections: information about a country, about a location, about accommodation and restaurant recommendations, one day tours and other recommended



trips at an area. For each area, there will be created at least one promotional tour with a catching title. Other itineraries created by customers will be put together automatically. More about how a customer can create a tour is described in the section 4.4.2 Marketing Mix – Product.

The base for the database will be prepared by an IT company before the business starts running. The form and design of the final product will be prepared by the graphic designer also before.

As it is written in the section 4.4.2 Marketing Mix – Place, the distribution channels are the website and the mobile application.

## **4.7 Financial Plan**

The financial plan includes the costs analysis, the starting balance sheet, the revenue analysis, the income statement, and the balance sheet for the first year of running the business.

It is important to mention that the whole calculation is accomplished under the current legal conditions.

### **4.7.1 Costs Analysis**

#### ***Costs for Founding the Company***

The first step is a partnership agreement formation. Under the given conditions that only the founder is going to sign the partnership agreement about founding a limited liability company, and the registered capital is 200,000; the price of drafting a partnership agreement is 4,000. The service for verification of signatures and other attached documents is appraised by 1,000 CZK. To finish that act, it is important to bring a criminal record and a record from the cadastre. The total price is 250 CZK. Another step is to register the trade license, 1,000 CZK. For the first registration to the commercial register is charged 6,000 CZK. Other fees include a statement from the commercial register and trade license register, and fees for opening a bank account. The prices were discussed with a lawyer; however, they are still indicative.

Start-up costs are depicted in the table no. 7.

Table no. 7: **Start-up Costs in CZK**

|   |               |
|---|---------------|
| Drafting a partnership agreement                        | 4,000         |
| Verification of signatures and other attached documents | 1,200         |
| A criminal record and a record from the cadastre        | 250           |
| Notification of the trade license                       | 1,000         |
| The first registration to the commercial register       | 6,000         |
| Other fees  | 1,000         |
| <b>In total</b>   | <b>13,450</b> |

Source: own processing

***Other Investments for the first year of running the business***

*BirdWings* will operate as a virtual company thus the main investments are related to IT support. As it is written, an IT company will deliver the complete solution of IT solution. It is composed mainly by distribution channels: the website and the mobile app. After discussion with an IT expert, the complete solution of high quality IT support will be charged with 100,000 CZK for the first creation. For other modifications and adjustments, the price will be 20,000 CZK per year.

Another important part of the investments belongs to the graphic designer. There is already the graphic designer who suggested the logo. The designer will charge 20,000 CZK for all her work which includes the logo, the design of the website, the mobile app and creating the main frame of the product (itineraries).

There will a budget created for marketing purposes, e.g. advertising on social media as on Facebook and Twitter, special events etc. The budget includes 30,000 CZK.

The other investments are depicted in the table no. 8.

Table no. 8: **Other Investments in CZK**

|                                 |                |
|---------------------------------|----------------|
| IT service                      | 100,000        |
| Service of the graphic designer | 20,000         |
| Marketing purposes              | 30,000         |
| <b>In total</b>                 | <b>150,000</b> |

Source: own processing

#### 4.7.2 Starting Balance Sheet

In the table no. 9, the starting balance sheet to the date 2.1.2017 is depicted. The future founder will invest into the firm 200,000 CZK from her own sources (paid-in-capital). Intangible assets included in the start-up costs which arise before the company's registration to the commercial register. Current assets include funds in the bank account.

Table no. 9: **Starting Balance Sheet in CZK on the 2.1.2017**

| <b>Assets</b>             | <b>200,000</b> | <b>Liabilities and Equity</b> | <b>200,000</b> |
|---------------------------|----------------|-------------------------------|----------------|
| <b>Current Assets</b>     | <b>186,550</b> | <b>Equity</b>                 | <b>200,000</b> |
| - Bank Account            | 186,550        | - Paid-in-capital             | 200,000        |
| <b>Non-current Assets</b> | <b>13,450</b>  |                               |                |
| - Intangible Assets       | 13,450         |                               |                |

Source: Own processing

#### 4.7.3 Revenue Analysis

To calculate the profit, it is important to estimate the amount of customers. The main potential segment is created by people who are in the age 18 – 35 years and are from the CR, another potential market is the extension to the middle Europe because tours are provided in English too. There is a calculation of the size of the potential market in the CR:

1. according to the statistics, in the year 2013, there were 2,270,834 people in the age 14 – 31 years; the age scale was chosen because the business will start running in the year 2017 and these people will be older by 4 years, which mean 18 – 35 years old (CZSO, 08/06/2015)
2. according to the results from the questionnaire, 71.23 % of respondents are interested in these kind of tours which means the potential market for the CR is created by 1,617,515 persons.

However, it is important to mention that there is a process to make the target market from the potential market. It depends if people use smartphones or the Internet, if marketing of *birdWings* capture them, if they are able to pay for the product, if they will rather use TOs and TAs, buy a guide book or look for information on the Internet. At this stage of the research, it is not possible to determine exactly the size of the target market.

*BirdWings* was compared with other similar companies (it was taken into consideration that products are different and *birdWings* products are offered for lower price; also *birdWings* use different technology support and it is a start-up company) it was estimated that *birdWings* can reach 3,000 customers in the first year. It is seen as a real demand (the positive and negative versions will not be counted). It will be also the objective of *birdWings* to reach that amount of customers. The launching will start in April 2017, there will be 9 months of the selling process in the year 2017 that means, the objective is to reach approximately 333 customers per month. This objective will be monitored which is one of strategic activities. In the case that *birdWings* will not reach this objective, the company will change the marketing strategy – it will use more the Google Analytics, Hotjar, SumAll Reports to understand the behaviour of customers, or will use the paid advertising as PPC and mobile ads, etc.

There is an assumption that each customer spends 15 EUR (405 CZK, 27 CZK/EUR) which represents the combination of a complete tour and possible few one day tours.

**Calculation:**

Total sales (3,000 \* 405 CZK) = 1,215,000 CZK

**4.7.3 Income Statement**

In the table no. 10, there is depicted the income statement for the first year 2017.

Table no. 10: **Income Statement for the year 2017**

|                               |                |
|-------------------------------|----------------|
| Total Revenue                 | 1,215,000      |
| - Costs of Revenue            | 668,250        |
| Gross Profit                  | 546,750        |
| - Operating expenses          | 150,000        |
| Operating Income              | 396,750        |
| - Total other income expenses | 84,707         |
| - Income Taxes                | 34,665         |
| <b>Net Income</b>             | <b>277,378</b> |

Source: own processing

Total revenue is calculated in the revenue analysis. Costs of revenue are created by the mobile app platforms and planners' earnings.

**Mobile app platforms** charge 30 % of sales made in the App Store and Google Play. The assumption is that 2/3 of the total sales will be earned on the mobile app platforms and 1/3 on the website. The calculation is here:

Mobile app platform (2/3 of total sales) = 810,000 CZK

30 % of sales go to the App Store and Google Play = **243,000 CZK**

According to the business strategy, there will be 5 planners and each of them will plan 6 complete tours, in total 35 tours. The owner will plan 15 complete tours. The assumption is that tours are sold equally and the percentage division is depicted in the table no. 11. For simplification, the realization costs of the planned tours represent the initial input and invested costs fall into the personal investments because they were realized before founding the company.

Table no. 11: **Percentage Division of Revenues**

| Who plan tours      | Tours per one | Total no. of Tours | Percentage of Sales | Division of Sales (in CZK) |
|---------------------|---------------|--------------------|---------------------|----------------------------|
| <b>Owner</b>        | 15            | 15                 | 30 %                | 364,500                    |
| <b>Planners (5)</b> | 6             | 35                 | 70 %                | 850,500                    |
| <b>Total</b>        | -             | 50                 | 100 %               | 1,215,000                  |

Source: own processing

Planners will earn 850,500 CZK/yearly; however, 50 % of that sales (**425,250 CZK**) belong to the company as it is written above, that is part of the agreement between planners and the owner.

Operating costs include other investments for the first year of running the business calculated in the section 4.7.1 Costs Analysis

Total other income expenses a health and social insurance in CR. The calculation:

- health insurance: 13.5 % from 50 % of profit:  $(396,750/2)*0.135 = \mathbf{26,781 CZK}$
- social insurance: 29.2 % from 50 % of profit:  $(396,750/2)*0.292 = \mathbf{57,926 CZK}$

The income tax is counted as 15 % of the profit:  $396,750 * 0.15 = 59,505 CZK$

- 59,505 minus 24,840.- which is the income discount of ratepayer = **34,668 CZK**

#### 4.7.4 Balance Sheet on the 31.12.2017

In that section, the balance sheet in CZK on the 31.12.2017 is depicted in the table no. 12.

Table no. 12: **Balance Sheet in CZK on the 31.12.2017**

| <b>Assets</b>             | <b>596,750</b> | <b>Liabilities and Equity</b> | <b>596,750</b> |
|---------------------------|----------------|-------------------------------|----------------|
| <b>Current Assets</b>     | <b>583,300</b> | <b>Current Liabilities</b>    | <b>119,372</b> |
| - Bank Account            | 583,300        | - Accrued Liabilities         | 119,372        |
| <b>Non-current Assets</b> | <b>13,450</b>  | <b>Equity</b>                 | <b>477,378</b> |
| - Intangible Assets       | 13,450         | - Paid-in-capital             | 200,000        |
|                           |                | - Retained Earnings           | 277,372        |

Source: own processing

In the balance sheet, there were made changes during the year 2017:

1. Revenues = 1,215,000 CZK: + bank account, + retained earnings;
2. costs (IT, the graphic designer, marketing) = 150,000: - bank account, - retained earnings;
3. planners' earning = 425,250 CZK: - bank account, - retained earnings;
4. purchase on mobile app platforms = 243,000 CZK: - bank account, - retained earnings;
5. health and social insurance, income tax = 119,372 CZK: + accrued liabilities (the company has not paid it yet), - retained earnings.

The first year will be the most burdening because *birdWings* needs to make the initial investments for the creation of the website and the mobile app. However, these initial investments will be covered in the first year and also there will be earnings to invest in the next year.

## 5 Recommendation

All created plans are based on strategic analysis and are developed by the author's own contribution. However, there are still some recommendations regarding the founding the company.

The first recommendation concerns the **partnership**. There is a suggestion that the future founder should carefully find another partner to start running the business. The other partner should be enthusiastic to be a part of starting running the new company. For the best of the company, it is better if the partner has already experience with running a business or with the IT industry. These requirements can be helpful.

Another recommendation relates to the **distributional channels**. The future founder should consider to use only one channel which is the mobile application. The mobile app offers more options to use and the product is more interesting and especially interactive (using GPS – the tour offers can be according to GPS, it allows to redirect to other documents, maps, to open photos in full qualities etc.). This can lead to lower initial investments and being more focused on one platform that can make management of the company easier which is suitable solution for one or two partners. The mobile application also eliminates the threat of downloading and sharing the product.

Regarding the agreement with an **IT company**, it is possible to base the agreement on offering a certain part of the profit, e.g. the initial investments would be lower, around 50 % and in the future the share of the profit would be 15 – 20 %. It can save the large initial investments into the IT support.

Another advice is to **shorten the period of time** before starting running the business, it is meant for the first year. Because it is possible that somebody will have the same idea and starts running the business earlier than *birdWings*.

Regarding the thesis, it is recommended to extend the thesis by a **realization plan** to give time frame to all activities before starting running the business. The next tip is to suggest the concrete form of the selling process on the website and in the mobile application platforms. It is also recommended to extend the financial plan by income statements for more years (3 or 5 years), the break-even point calculation, and by financial analysis including liquidity ratios, stability ratios, activity ratios, and profitability ratios.

## 6 Conclusion

The main objective of the diploma thesis was to create the business plan for a small company providing custom adventure tours in the form of itineraries.

Firstly, there was written the **literature overview** which provides definitions of an enterprise and other related concepts. The Czech legal regulations regarding running a business were delimited. To finish the literature overview, was obtained by studying and processing literature and other sources which were focused on creating a business plan. The gained information was crucial for writing the **own research**.

Later, in the section 4.1, the business was described and the name *birdWings* was invented. The company will sell independent tours via two distributional channels: the website (www.birdwings.com) and the mobile application BirdWings. The target customers like active and adventure holidays, prefer individual travelling without using TOs and TAs, and use the Internet and smartphones to plan their holidays. *BirdWings* will target people mainly from the Czech Republic; however, the products will be in Czech as well as in English language, there is a plan to extend the market to inhabitants from the middle Europe. The vision and mission of the company were introduced too.

The next section, 4.2 **strategic analysis** was completed by developing more analyses. The exploration of the tourism industry, the environmental analysis (PEST analysis), and industry analysis were written by using statistical data and results from other researches. In the competitor analysis, the closest competitors were chosen, compared and analyzed. The market analysis was made by the anonymous questionnaire. All significant findings from the strategic analyses and the business introduction were summarized into the SWOT analysis and divided into strengths, weaknesses, opportunities, and threats.

To shortly conclude the **strategic analysis**, it can be said that most of the macro environment findings are suitable for running the business, with the exception of the fear of refugees and terroristic threats. The tourism industry is also overcrowded by TOs and TAs, and other travelling companies and platforms. The main positive aspect is seen in technology development. Using mobile phones belongs to the day by day life of society and even shopping via mobile phones has been increasing significantly in last few years. The strength of *birdWings* is in using two distribution channels which means to capture also customers who are not familiar with using mobile applications yet. *BirdWings* will



offer another option to those who travel actively, without using tour operators and travel agencies and at the same time to travel individually. According to the market research, most of the people plan travelling by themselves or choose a tour of TOs and TAs on the Internet. If they travel with TOs and TAs, they are looking for a comprehensive solution of a tour. However, most of them do not travel with TOs and TAs at all. *BirdWings* avoids dissatisfaction of the customers of TOs and TAs which is seen in a high price, a content is not according to customers' ideas, and unsuitable dates.

Other parts were created on the basis of author's own contribution and the strategic analysis. In the **business strategy**, there was created the plan for the first year before starting running the business, and the strategy for the first year of running the business.

The **marketing plan** was completed by suggestion of the marketing strategy which includes movements for increasing awareness of the company and promotion of the product. The company will use the storytelling strategy when the founder will be a face of the company; this strategy is connected to the creation of the blog Nature Lover. The company will use the website, the mobile app, the blog, social media (Facebook, Twitter), and email marketing to promote the company and products. In the marketing mix, the product is more specified; the price, promotion and place for that product were set.

Then, the **organizational** and the **operational plan** were elaborated. In the operation plan, the owner and other necessary staff were described. In the operational plan, the process of creating the product was explained.

To complete the **financial plan**, the costs analysis, the starting balance sheet, the revenue analysis, the income statement, and the balance sheet for the first year of running the business had to be processed. The first year will be the most burdening due to initial investments. However, these initial investments will be covered in the first year and also there will be earnings to invest in the next year.

In the section 5, **recommendations** regarding the founding of the company as to make a partnership, use only the mobile app, and discuss a different paying system with an IT company; and other improvements for the extension of the business plan were suggested.

All set objectives were fulfilled and research questions answered, thus the complete business plan was created which is the main objective of the thesis. Now, the business plan is prepared for author's using.

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## **9 List of Supplements**

Supplement no. 1 - **Portfolio of Created Logos**

Supplement no. 2 - **Questionnaire for the Market Analysis**

Supplement no. 3 - **Sample of the *birdWings*' Tour**

## Supplement no. 1 – Portfolio of Created Logos

This supplement includes the portfolio of the created logos by the contracted graphic designer. The main logo is represented by the first one. Other logos can be used for the product (itineraries), the webpage, the mobile applications, and other marketing purposes.







## **Supplement no. 2 – Questionnaire for the Market Analysis**

Dear all,

I would like to ask for filling in an anonymous questionnaire which is focused on preferences in travelling, especially on active holidays.

This questionnaire serves as the source for my diploma thesis: Business Plan for a Company Providing Custom Adventure Tours.

Thank you in advance,

Tereza Kalinová

1) Your age:

- less than 18 years
- 18 – 25 years
- 26 – 35 years
- 36 – 45 years
- 46 – 55 years
- 56 years or more

2) Your gender:

- female
- male

3) Your status is:

- student
- employed
- self-employed
- unemployed
- on maternity leave:
- pensioner
- another: \_\_\_\_\_

4) What is your highest level of education you have achieved?

- elementary school

- secondary vocational school without graduation school-leaving examination
- secondary vocational school with graduation school-leaving examination, high school, Gymnasium
- higher professional education
- university degree

5) What income group do you belong to?

- less than 10 thousands CZK gross monthly
- 11 – 20 thousands CZK gross monthly
- 21 – 30 thousands CZK gross monthly
- 31 – 40 thousands CZK gross monthly
- 41 thousands CZK gross monthly and more
- I do not want to answer.

6) How do you organize your holiday?

- I plan travelling by myself
- personal contact directly in a tour operator/travel agency
- on the Internet – web pages of tour operators
- I do not travel.
- other: \_\_\_\_\_

7) Why do you travel with tour operators or travel agencies? (maximum 6 marks):

- a comprehensive solution of a tour – I do not have time for planning my holiday, a tour operator or a travel agency organized everything
- I am not sure what I want and offered tours help me to decide
- I do not know where and how I would book an accommodation and find a transportation
- a tour operator or travel agency gives me security and helps in the case of an unexpected situation or solving a problem
- I cannot speak a foreign language in the way that I would organize everything as a tour operator or travel agency can do
- I do not travel with a tour operator or travel agency
- other reasons: \_\_\_\_\_

8) What is the amount of people you prefer travelling with?

- individually (with a partner, family)

- small groups, less than 10 members
- middle groups, 10 – 20 members
- large groups, more than 20 members

9) What tours do you prefer? (maximum 3 answers)

- package tours by the sea
- sightseeing tours
- active/sport/adventure tours
- experience tours
- exotic tours
- relax, wellness
- euroweekend (Czech expression: weekend or extended weekend in big European cities)
- other: \_\_\_\_\_

10) This questionnaire is focused on active, sport or adventure tours (hereinafter referred to as “active tours”). It is understood as a holiday where the main purpose is sport utilization in nature as hiking, cycling, skiing, rafting, sailing etc. These kinds of tours can be also according to your ideas and dreams. Easily, it can be defined as an active recreation, travelling and sport relaxation in one package/tour. Are you interested in these kinds of tours?

- yes
- no

11) Regarding active tours, which activities do you like to do on holiday or which activities attract you?

- skiing, cross-country skiing
- canoeing, rafting, kayaking
- mountain hiking/hiking
- cycling
- adrenalin sports courses (paragliding, parachute jump)
- adrenalin sports
- surfing
- via ferrata
- horse riding



- diving
- sailing
- multisport (= a combination of more kinds of sports, e.g. rafting and mountain hiking in a tour)
- other: \_\_\_\_\_

12) What is the common length of your active holiday?

- a weekend or an extended weekend
- a week
- 1 – 2 weeks
- longer than 2 weeks
- other length: \_\_\_\_\_

13) Regarding active holidays, what are your average expenses for a weekend or an extended weekend per one person?

- 0 – 2 999 CZK
- 3 – 5 999 CZK
- 6 – 9 999 CZK
- 10 000 CZK and more
- other sum: \_\_\_\_\_

14) Regarding active holidays, what are your average expenses for a week per one person?

- 0 – 4 999 CZK
- 5 000 – 9 999 CZK
- 10 000 – 14 999 CZK
- 15 000 – 19 999 CZK
- 20 000 CZK and more
- other sum: \_\_\_\_\_

15) How often do you go on an active holiday (also a weekend is counted)?

- rarely, 1x yearly
- 2 – 3x yearly
- 4 – 6x yearly
- minimally 1x monthly
- other: \_\_\_\_\_

16) Where do you often go on active holiday?

- the Czech Republic
- Europe
- all over the world

17) What are the reasons why you do not choose any tours?

- a high price
- a content of a tour is not according to your ideas
- unsuitable destination
- unsuitable date of a tour
- kind of an accommodation
- travelling in a large group
- I rather plan my holiday according to my ideas
- other reasons: \_\_\_\_\_

### **Supplement no. 3 – Sample of the *birdWings*' tour**

The supplement no. 3 includes the sample of the *birdWings*' product, it is the simplified version created only for the diploma thesis' purpose. The attached itinerary is adapted to formal conditions of the thesis. It represents the complete week tour in Slovakia, Tatra Mountains. The capture title was chosen: "*Let's breathe fresh air to Slovak Tatra mountains*". This trip represents an active holiday (hiking, walking, and cycling) combined with rest days (thermal outdoor swimming pool, caves). The product is in the form of itineraries (the brochure) and starts on the other page.

# Let's Breathe Fresh Air to Tatra Mountains

## SLOVAKIA



**Slovak Republic** is the official name, but the geographical centre of Europe is mostly known just as Slovakia. Slovakia has a population of 5.4 million. The capitol is called **Bratislava**. It is the largest city with 430,000 inhabitants.

The republic was established on **1st of January 1993** after Czechoslovakia split into two countries – Czech Republic and Slovakia. Since then, the political system in both countries is parliamentary democracy and the first day of the year became a national holiday.

The former communist country went through deep social changes and huge economic reforms when it had to transform the centrally planned economy to a market-driven economy. The Slovak economic transition is usually said as very successful,

In the meantime, Slovakia is one of the best emerging markets in Europe and it is a member of many international organizations including European Union, NATO, OECD, WTO, UNESCO and INTERPOL.

Slovak Republic has a high average GDP growth, that is why it is called the Central European Tiger or the Tatra Tiger. The cheaper, well-educated labour force, low tax rates (20% flat rate tax) and stable economy with Euro as its official currency, attracts a lot of foreign investments.



Slovakia is a landlocked country and fully enclosed by 5 neighbours: on the west by the **Czech Republic** (Prague) and **Austria** (Vienna), on the north by **Poland** (Warsaw), on the east by **Ukraine** (Kiev) and by **Hungary** (Budapest) on the south.



The **territory of 49,035 square kilometres** is divided into 8 large regions and 79 smaller districts/counties.

Some of Slovakia's enjoyable towns are **small villages** that are worth visiting for a day or part of a day, because of one or two outstanding attractions or because of a charming combination of a church, castle and a well-preserved central square. Others are **great urban centers**, places to stay for several days to savor a wide range of historic and contemporary cultural treats, and to use as a base for exploring nearby villages, spas, caves and national parks.

Ethnicity is mainly **Slovak (86%)**. There is a large Hungarian minority (10%) in the South of Slovakia, the second largest ethnic group is Romany (2%, the exact percentage can differ a lot between sources depending on the measurements, because many Romas subscribe themselves to other minorities, mostly Hungarian) and the third group are Czechs (1%). Rusyn, Ukrainian, Russian, German, Polish and others have less than 2% altogether.

**87%** of the population are **believers** and most of them (69% of the population) belong to Roman Catholic church. Other religions have only small shares – Lutherans (6.9%), Greek Catholics (4.1%), Protestant Reformers (2.0%) and Orthodox Church (0.9%).

## *Nature*

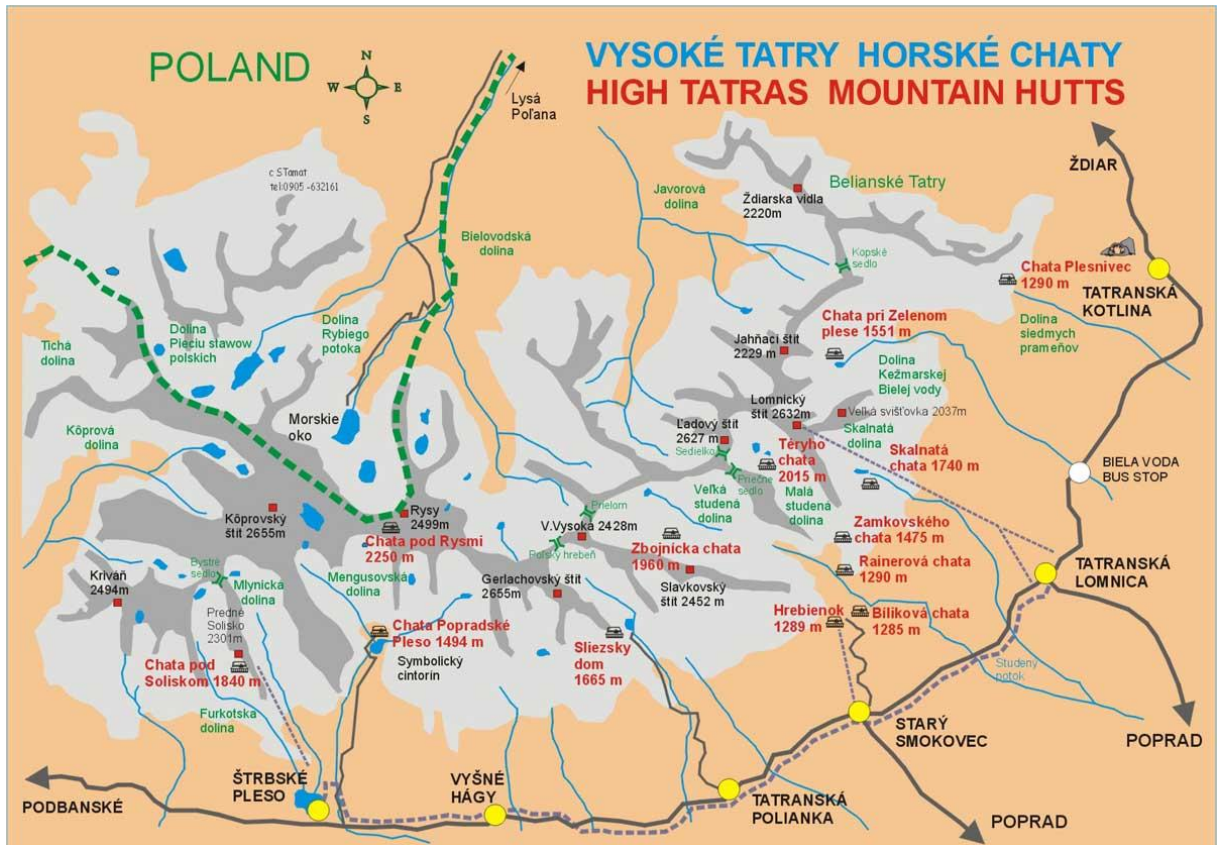
Slovakia offers rich opportunities for touring – from challenging hiking in the High Tatras mountains to a simple walk in the beautiful forest. You can choose from a wide range of options – High Tatras, Low Tatras, Roháče, Greater and Lesser Fatra, Slovak Paradise, Pieniny, etc.

Slovakia is a mountainous country and the hikers really have many opportunities to satisfy their needs. Practically, through the whole territory of Slovakia there is a trail called Cesta hrdinov SNP (The trail of the Slovak National Uprising heroes), which begins in the Dukla Pass, and leads to Bratislava. The most remarkable is probably the ridge from the Kráľova Hoľa in the Low Tatras through Čertovica, Ďumbier and Chopok, to Donovaly and then into the Great Fatra mountains to Krížna, Ostredok and then into Malá Fatra.



# High Tatras

Here is a map of the hiking trails and mountain huts in High Tatras.



## Recommended Accommodation

There are recommended accommodations whose our expedition team experienced and assessed. As the best one was chosen Pension Kamzík in Stará Lesná, Pension Ingrid, and Aplend Apartmany Kamzík.

There is a password: \*\*\*\*\*, as our customer you can get a sale 10 % for all these kinds of accommodation.

### Pension Kamzík,

Tatranská 205, 05952 Stará Lesná

+421 903 851 374,

info@penzionkamzik.com

<http://www.penzionkamzik.com/>



Surrounded by the High Tatras National Park in the village of Stará Lesná, Penzión Kamzik offers a self-catered accommodation, a sauna, a hot tub, a garden, a terrace, luggage storage and ski storage. Free WiFi is available in all areas and free public parking is possible on site.

All units in Penzión Kamzik come with a TV, a refrigerator, a desk and a private bathroom with a shower and free toiletries. Common shared lounge area are available for all guests.

The nearest grocery store is located 200 m away and a restaurant can be found within 250 m.

**Prices:**

|                                |        |
|--------------------------------|--------|
| Double room/ 2 persons         | 36 EUR |
| Apartman 1/ 2 rooms/ 5 persons | 75 EUR |
| Apartman 2/ 2 persons          | 45 EUR |

**Why to choose that pension?**

- quite cheap accommodation near Tatras Mountains
- very pleasant owners, they help you, advice you, and they are really there for you
- wellness and whirlpool bath (for extra price)
- possible to have a breakfast and dinner
- tracks' starts are 10 to 30 minutes from the pension

**Penzion Ingrid**

Horská 1121/16, 059 41 Tatranská Štrba

+421 0905 108 088

<http://www.ingrid.sk/>

[info@ingrid.sk](mailto:info@ingrid.sk)



Peacefully situated 100 m from the Tatranský Lieskovec Cog Railway Station, which offers connections to Štrbské Pleso Ski Resort, Penzion Ingrid offers accommodations with a balcony, as well as a restaurant and free Wi-Fi throughout the property.



Offering views of the High Tatras, all units come with a TV and a kettle, and comprise a private bathroom with a shower. Apartments additionally feature basic cooking facilities. A hairdryer and an iron can be borrowed at the reception.

The Ingrid Penzion is surrounded by a large garden with a small football pitch and a swing for children. A billiard table is available in the lobby.

A grocery store is located 450 m away, in the village of Tatranská Štrba. Štrbské Pleso can be reached in 15 minutes by car, while Poprad is 20 km from the Ingrid. Private parking is possible on site for free.

**Prices** (top summer season):

|                             |         |
|-----------------------------|---------|
| <b>Double room</b>          | 75 EUR  |
| <b>Triple room</b>          | 90 EUR  |
| <b>Studio for 2 persons</b> | 85 EUR  |
| <b>Apartment/2 persons</b>  | 120 EUR |

**Why to choose that pension?**

- train station is 100 m from that accommodation, that means connection to all places in High Tatras
- staff is friendly
- nice and clean
- very good location and beautiful view to Tatras mountains

## **Aplend Apartmany Kamzík**

Starý Smokovec 8, 062 01 Vysoké Tatry

+421 910 899 111

<http://www.kamzik.sk/en/>

[koliba@kamzik.sk](mailto:koliba@kamzik.sk)



Surrounded by the High Tatras National Park and set directly at Starý Smokovec, Aplend Apartmany Kamzík offers a self-catered accommodation with free WiFi available in all areas and an on-site restaurant.

Guests also receive a 20% discount for meals at Koliba Kamzík Restaurant.





Each unit at Aplend Apartmany Kamzik comes with a flat-screen TV with satellite channels, a well-fitted kitchenette without the cooker and stove, and a private bathroom with a shower.

### Prices

|                        |        |
|------------------------|--------|
| Studio 2 +2/ 2 persons | 59 EUR |
| Apartment              | 79 EUR |

### Why to choose that pension?

- cosy and mountain style accommodation
- excellent location: 5 minutes walk to rail station, possible to reach starting points by train
- staff very friendly and helpful
- excellent location
- restaurant inside the accommodation and food is very tasty



# TATRA MOUNTAINS TRAILS

## *Day no. 1: Kriván*



The ascent to the summit of Kriván is one of the most attractive hikes in High Tatras and the peak is the national symbol of Slovakia. From the top of Kriván there are some breathtaking views of the western Slovak and Polish Tatras and of the Liptovská kotlina Valley.

The last part is physically demanding and quite exhausting path, some stretches before the peak Kriván are exposed but unsecured chains. Nevertheless, also less advanced hiker can do it. Beware of the weather, in rain this section is very slippery and dangerous.

### Main Information

|                      |                |
|----------------------|----------------|
| Length               | 21 km          |
| Duration of the tour | 7 - 9 hours    |
| Difficulty           | Medium/hard    |
| Starting point       | Štrbské Pleso  |
| Finishing point      | Štrbské Pleso  |
| Circuit:             | Yes            |
| Season               | June - October |

### Trail's stops:

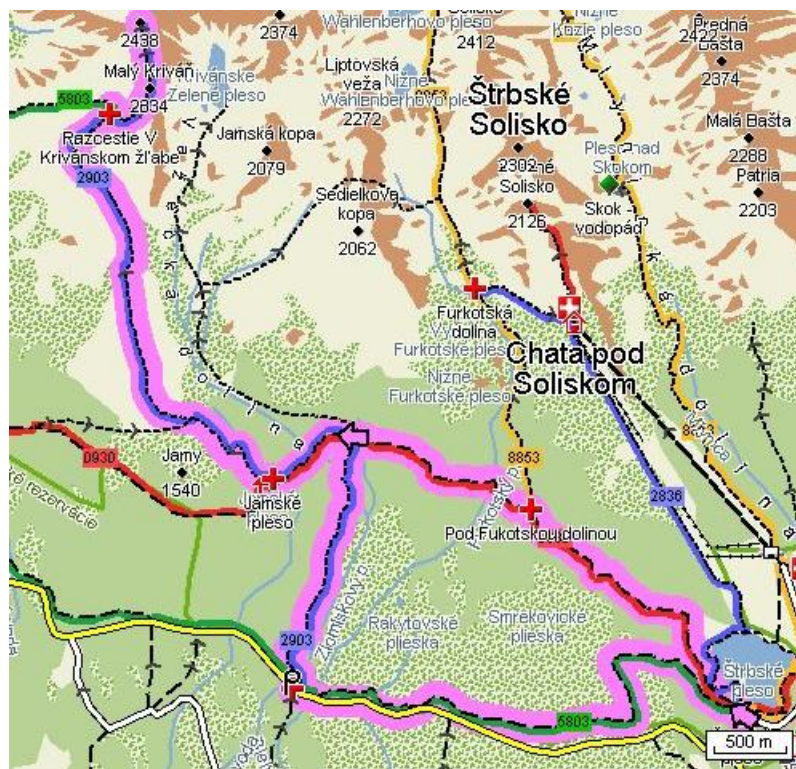
Štrbské Pleso – Pod Furkotskou dolinou – Jamské Pleso – Pod Kriváňom – Kriváň – Pod Kriváňom – Jamské Pleso – Pri bielom Váhu – Štrbské Pleso



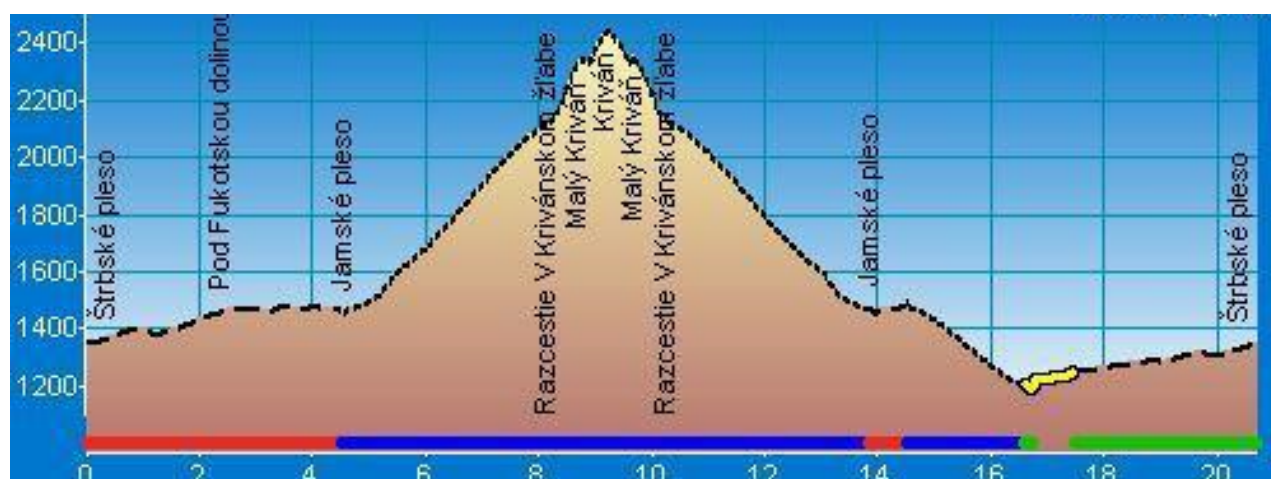
## Where to park for free?

At all places around High Tatras, there are toll parkings (5 EUR), if you want to park in Štrbské Pleso for free, it is possible there: GPS 49.11793, 20.06388 (Móryho street).

## The Map of the Trail



## Altitude Profile



## Day no. 2: Waterfalls of Cold Creek + Belinska Cave



### WATERFALLS OF COLD CREEK

This is one of the most beautiful mountain hikes in the central High Tatras. It belongs to the easy one and also children are able to walk there. The walk is for half of the day and it is recommended after the first tour as an relaxation. You will visit several waterfalls: one of them is high 20 meters, then cascade large waterfalls, and Dlhý waterfalls. You will walk in the beautiful nature around the slightly wild creek.

Because you have still a half of a day, it is recommended to visit Belinska Caves.

### Main Information of the Trail

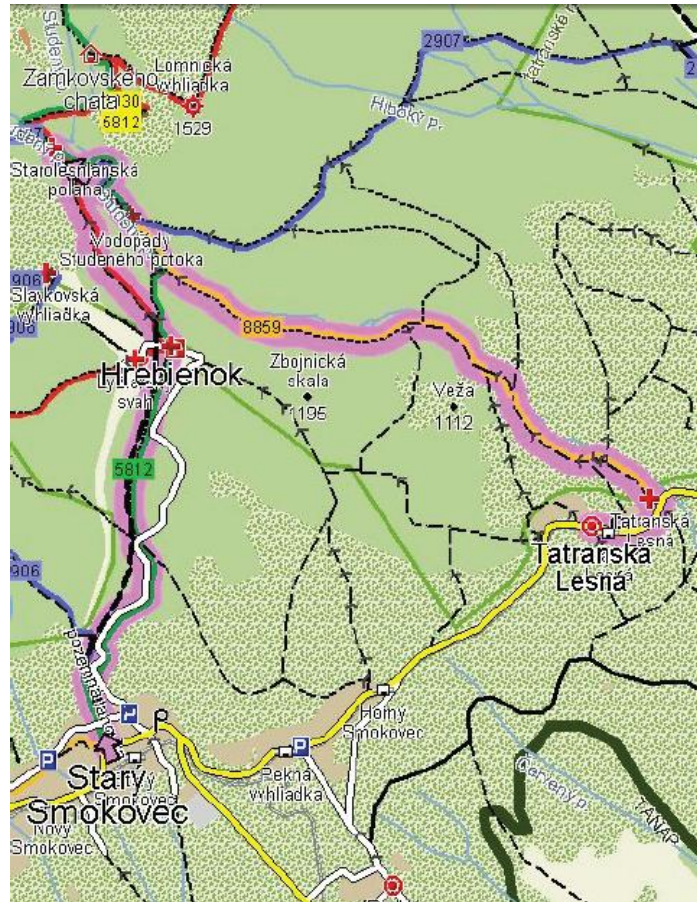
|                      |                 |
|----------------------|-----------------|
| Length               | 8 km            |
| Duration of the tour | 3 - 4 hours     |
| Difficulty           | Easy            |
| Starting point       | Starý Smokovec  |
| Finishing point      | Tatranská Lesná |
| Circuit:             | Yes (by train)  |
| Season               | April - October |

Trail's stops:

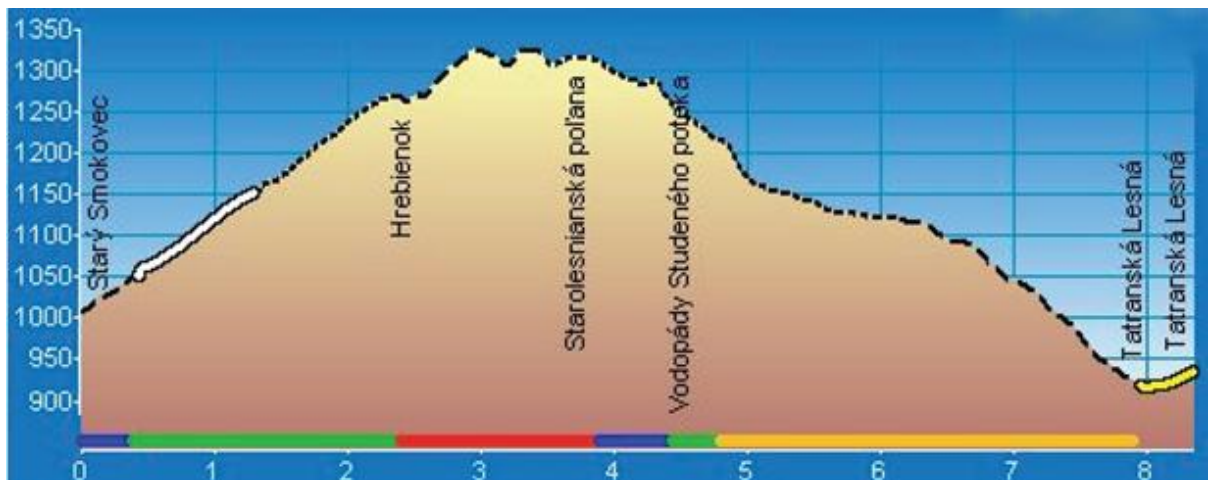
Starý Smokovec - Hrebienok - Starolesnicka - Poľana Vodopády - Studeného potoka - Tatranská Lesná



## The Map of the Trail



## Altitude Profile



## BELINSKA CAVE

(17 km from Starý Smokovec)  
address: Tatranská Kotlina, 059 54 Vysoké Tatry  
<http://www.ssj.sk/en/jaskyna/2-belianska-cave>

The Belianska Cave belongs among the most visited show caves in Slovakia. Except for bizarre rocky shapes, it is known by rich occurrence of calcite fills. Though the interest in natural attractions of the cave have been persisting for 125 years, the rules of its forming are not entirely clear by now.

### Opening Times:

Mondays are closed

June – August: 9 – 16 every hour

September – the middle of November: 9:30, 11:00, 12:30, 14:00

the middle of November – 26<sup>th</sup> December: CLOSED

27<sup>th</sup> December – May: 9:30, 11:00, 12:30, 14:00

### Price list:

| Adults | Children 6-15r.,<br>handicapped people | Students,<br>senior citizens | Photo-Video<br>without using a tripod |
|--------|--|------------------------------|---------------------------------------|
| 8,00 € | 4,00 €                                 | 7,00 €                       | 10,00 €                               |

**Parking:** 5 EUR, the cave is situated 30 minutes from the car park



## Day no. 3: Slovak Paradise + Spiš Castle



Today, there is on a plan to visit two places. In the morning, you will go to Slovak Paradise which takes about 40 minutes to go there. You will enjoy the amazing nature and hiking. Then you will go to Spiš Castle.

### SLOVAK PARADISE

The main attractions of Slovenský Raj are not its peaks but the handful of deep and wild gorges that can be found in a relatively small area. One of them we will walk today.

It is a quite challenging circular hike. Exposed sections of the gorge Sucha Bela are secured by wooden and iron ladders, chains, boarding steps and walkways. They require extra care. Crossing the gorge is one-way, it can only go against the stream!

The rest of the route runs along the comfortable forest roads and paths. The trail is well-marked, with particular concern for the frequent change in color of tourist brands.

### Main Information

|                      |                                    |
|----------------------|------------------------------------|
| Length               | 13 km                              |
| Duration of the tour | About 5 hours                      |
| Difficulty           | Medium                             |
| Starting point       | Podlesok, station<br>SAD, car park |
| Finishing point      | Podlesok, station<br>SAD, car park |
| Circuit:             | Yes                                |
| Season               | Mai - October                      |

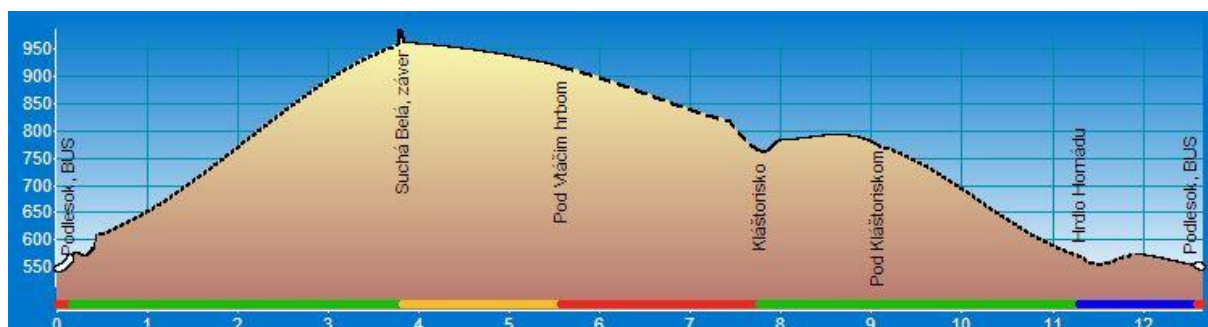
#### Trail's stops:

Podlesok - Suchá Belá-vrch - Pod Vtáčím hrbom - Kláštorisko - Pod Kláštoriskom - Hrdlo Hornádu - Podlesok



Entrance: 1,5 EUR

## Altitude Profile



## SPIŠ CASTLE

### The entrance:

1.5.2015 - 30.9.2015 Monday - Sunday: 9 am - 7 pm (the last entrance 6 pm)

Every first Monday in month: **free entrance**

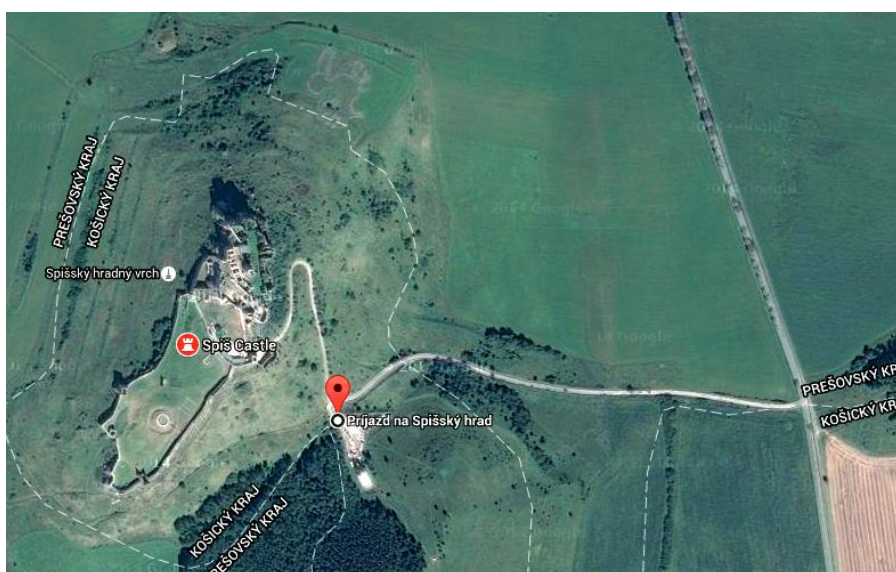
### Price list:

| Adults | Children 6-18r. | Students,<br>senior citizens |
|--------|-----------------|------------------------------|
| 6,00 € | 4,00 €          | 4,00 €                       |

### Where to park:

There is a free car park! It is 10 minutes walk from the gate to the castle (see on the map).

It is also possible to park in the village in Spišské Podhradie but the way to the castle takes one hour.





## Day no. 4: Popradské and Batizovské Pleso



This trail belongs to moderately difficult one. You will hike to a beautiful and silent mountain lake inside Batizovská valley.

Firstly, you will go around the Popradské pleso, then you will hike and see the beautiful view of the valley. You will go on ridges of mountains to Bazilické pleso. There is no any famous peak but the amazing view to the highest peak Gerlach, it is worth.

### Main Information

|                      |                |
|----------------------|----------------|
| Length               | 16 km          |
| Duration of the tour | 6 - 7 hours    |
| Difficulty           | Medium/Hard    |
| Starting point       | Štrbské pleso  |
| Finishing point      | Vyšné Hágy     |
| Circuit:             | Yes (by train) |
| Season               | Mai - October  |

### Trail's stops:

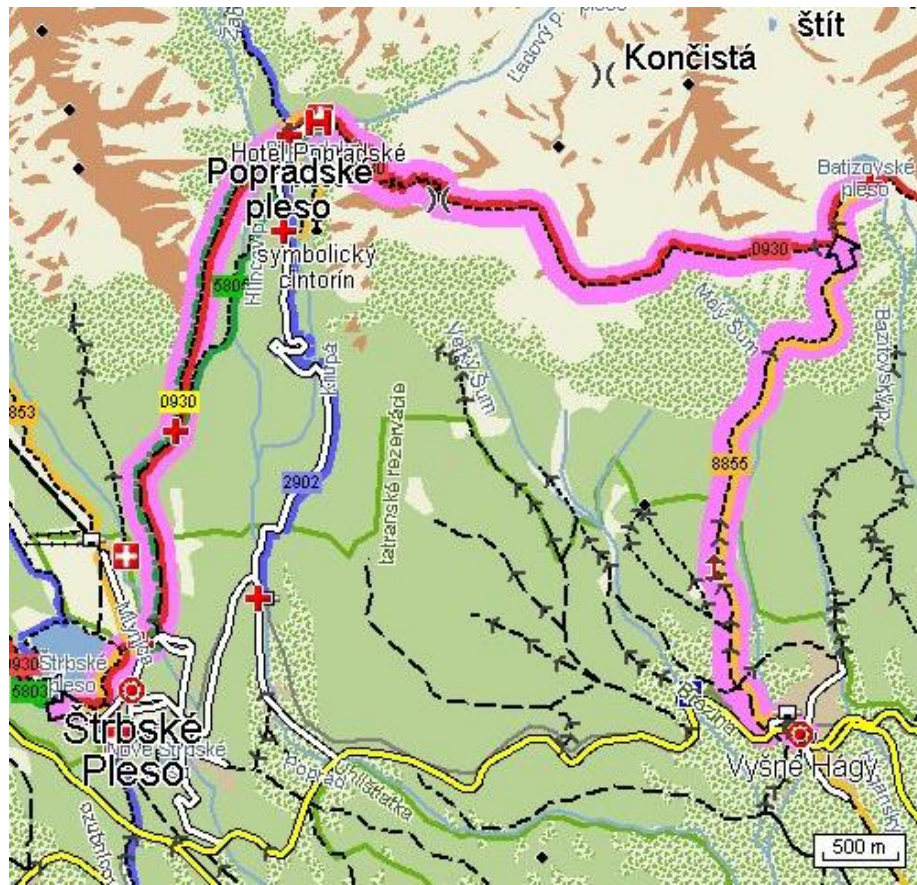
Štrbské pleso – Popradské pleso – Pod Ostrvou – Batizovské pleso – Vyšné Hágy

### Where to park for free?

At all places around High Tatras, there are toll parkings (5 EUR), if you want to park in Štrbské Pleso for free, it is possible there: GPS 49.11793, 20.06388 (Móryho street).



## The Map of the Trail



## Altitude Profile



# LIPTOVSKÁ MÁRA

## (CYCLING AND THERMAL SWIMMING POOL)

Due to other activities as thermal swimming pool, aquapark, cycling, and bathing in a natural pool, we have to move near to Liptovská Mára (Water Reservoir).

It is a huge water area located between Liptovský Mikuláš and Ružomberok. It is the largest water reservoir in Slovakia in terms of the confined water volume.

### *Recommended Accommodation*

As the best accommodation was chosen the Mara Camp because of its location, price, equipments, quality accommodation, and other active possibilities.

#### **Mara Camping**

032 22 Liptovský Trnovec

+421 44 559 84 58

recepia@maracamping.sk

<http://maracamping.sk/en/>



This camp is the only camp on the shore of dam Liptovská Mára, which is the largest water dam in Slovakia. It is favourite place for the lovers of water and outdoor sports. The location of our camp offers the best conditions for yachting and windsurfing, fishing, cruise ship trip, cycling, hiking, mountain walking and many other activities.

#### **Kinds of accommodation and price list:**

| Kinds of accommodation | 1 - 2 nights | 3 - 4 nights | 5 and more |
|------------------------|--------------|--------------|------------|
| Challet: 4 - 6 beds    | 100 €        | 95 €         | 90 €       |
| Challet luxury: 7 beds | 140 €        | 120 €        | 100 €      |
| Cottage: 4 + 2 beds    | 75 €         | 73 €         | 69 €       |

| Kinds of accommodation       | Adult | Child up to 15 years | Child up to 10 years |
|------------------------------|-------|----------------------|----------------------|
| Camping (incl. car and tent) | 7 €   | 5 €                  | 3 €                  |

note: the price includes CCTV, Wi-Fi and entry to the beach

### Why to choose that accommodation?

- the best location for all planned activities
- Tatralandia is near
- the camp is by the water reservoir, there is possible bathing, other sport activities as a professional beach volleyball playground, table tennis, sports equipment rental (bikes, badminton, football and volleyball ball). There is a rental of water sports equipment at the beach, that will guarantee the day full of fun and adrenaline (water scooters, motor-boat, kayak, water-paddle bike and others)



## *Day no. 5: Gino Paradise Bešeňová*



After full 4 days of hiking and other sport activities, the relax day is necessary. Thermal spa and a swimming pool is the best choice.

GINO PARADISE is built on the hot springs of the thermal waters, which come from the depth of 1987 m with a temperature of 60.5 °C. Has beneficial effects on the motion and respiratory organs, good cosmetic effects and because of the lithium has positively influence on the human mind as well.

The whole complex includes adrenaline-entertainment area, outdoor pools with thermal water, outdoor pools with clear water, indoor pool, massage and fitness.

### **Main Information:**

<http://www.ginoparadise.sk/>

+421 44 4307 708

info@ginoparadise.sk

address: 034 83 Bešeňová 136

### **How to get there:**

From Liptovský Mikuláš – by motorway and turn to Bešeňová

### **Entrance:**

10 am – 9 pm

### **Price list**

| Packet                        | children aged 3 –<br>not reach 6 | children aged 6 –<br>not reach 12 | junior aged 12 – not<br>reach 18 years, senior<br>(60+), disabled person | adult |
|-------------------------------|----------------------------------|-----------------------------------|--|-------|
| THERMAL PACKET<br>(all day)   | 9 €                              | 12 €                              | 15 €   | 18 €  |
| SEA & FUN PACKET<br>(all day) | 12 €                             | 15 €                              | 20 €   | 22 €  |

## *Day no. 6: Cycling around Water Reservoir Liptovská Mára*



Today's trip is focused on cycling around the water reservoir Liptovská Mára. Let's stretch your muscles after the relax day in Bešenová.

The path is firstly leads around the water reservoir Liptovska Mára, all the way you will have a beautiful view of mountains and the dam. The route is leads mainly on a road with a little traffic, on panel and paved roads.

### Main Information

|                   |                              |
|-------------------|------------------------------|
| Length            | 42 km                        |
| Difficulty        | Medium                       |
| Starting point    | Liptovský Trnovec            |
| Finishing point   | Liptovský Trnovec            |
| Circuit:          | Yes                          |
| Kind of a bicycle | Cross bike,<br>mountain bike |


















There is possible to borrow a bicycle in the **Mára Camping**.

#### Where to eat:

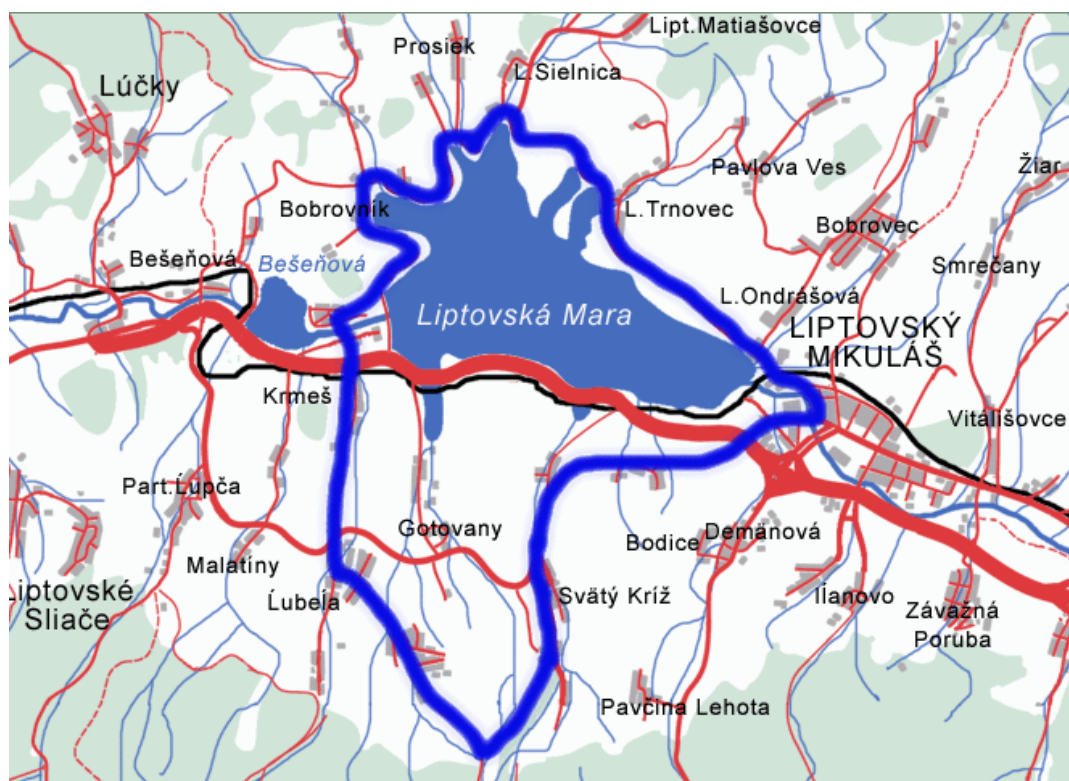
After almost the whole trip, it is recommended to stop in Liptovský Mikuláš and have an amazing Slovak meal in local restaurant: **Slovenskej Reštaurácie LM**, ul. 1. Mája 699, Lipt. Mikuláš.



Path:

| Distance (km) | Location           | Marks   | Description      |
|---------------|--------------------|---|------------------|
| 0,00          | Liptovský Trnovec  |       | cyklo 584        |
| 3.5           | Liptovská Sielnica |       | cyklo 584        |
| 6.5           | Hliník             |       | cyklo 584        |
| 8.5           | Bobrovník          |    | cyklo 584        |
| 11.5          | Vlachy             |    | cyklo 584        |
| 13.5          | Krmeš              |    | Turn to the left |
| 16.,          | Lubela             |    | cyklo 18         |
| 18.5          | Dúbrava            |    | cyklo 18         |
| 22.5          | Lazisko            |    | cyklo 18         |
| 26.5          | Svätý kříž         |    | cyklo 18         |
| 28.5          | Galovany           |    | cyklo 18         |
| 30.5          | Benice             |    | cyklo 18         |
| 34.5          | Liptovský Mikuláš  |   | cyklo 584        |
| 42            | Liptovský Trnovec  |   |                  |

The map of the cycling tour



## Day no. 7: Tatralandia



Tatralandia Holiday Resort is the largest year-round water fun complex with accommodation in Slovakia, Czech Republic and Poland.

One day is not enough to enjoy Tatralandia. It is namely an ideal place for summer and winter holiday for all ages. Small and big ones can enjoy the summer season in 14 pools with sea, thermal or pure water. You will be definitely not bored, thanks to 26 tubes and slides, attractions in Funpark, all day long program with the biggest animation team in Slovakia or summer events. In case of raining, we will meet under the translucent roof of the year-round Tropical Paradise, when the temperature of water and air does not drop below 30°C.

### Main Information:

<http://www.tatralandia.sk/en/>

+421 915 834 644

info@tatralandia.sk

address: Ráztocká 21, 031 05 Liptovský Mikuláš

### How to get there:

From Mára Camping: go to the direction of Liptovský Mikuláš, and there it is on the left side.

### Entrance:

AQUAPARK

Monday – Thursday: 10:00 – 18:00

Friday – Sunday: 10:00 – 21:00

### Price list:

| Tropical Packet<br>Entry | Children aged 3 –<br>not reach 6 | Children aged 6<br>– not reach 12 | Juniors, Students,<br>Seniors, DP | Adults |
|--------------------------|----------------------------------|-----------------------------------|-----------------------------------|--------|
| 1 day                    | 12 €                             | 15 €                              | 20 €                              | 22 €   |



## *Activities for other days: Bobsled*

The mountain summer bobsled track, which is first of its kind in Slovakia, is situated 5 km from the town of Liptovský Mikuláš in Demänová Valley, in the village of Pavčina Lehota.

It is 1000 m long and its superelevation is 120 m. The track has 16 curves and 6 terrain waves. The speed of bobsleds is up to 45 km per hour and they are equipped with three brakes, which are independent of each other, that means that a crew can choose an optimal speed and style of ride.

The crew is fastened by seat belts. One bobsled can be ridden by one adult person, one adult person with a child up to the age of 7 and children over 7 years of age can ride alone.

If you visit one of their partners (Western City Šiklův Mlýn; Thermal Park Bešeňová), you will get a 15% discount for evening rides!

**Location:** Banskobystrický kraj, okres Brezno, Predajná

**GPS:** N48°45'48" E19°28'41"

### **Entrance:**

April – June: every day 9.30 am – 5 pm

July – August: every day 9 am – 7 pm

September – October: 9:30 am – 5 pm

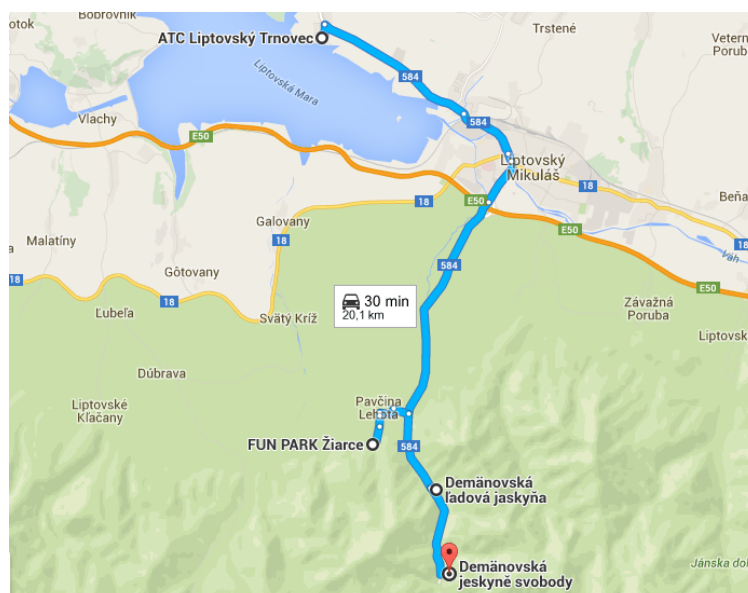
### **Price list:**

Adults: From 3,50 €

Reduced admission fee: From 3 €



**Note:** You can combine bobsledding with the trip to Dĕmanovska Cave because it is the same direction from Liptovsky Mikulaš.



## *Activities for other days: Demänovska Ice Cave + Demänovska Cave of Liberty*

The national nature monument of the Demänovské Caves on the northern side of the Low Tatras Mts. is the longest cave system in Slovakia.

### THE DEMÄNOVSKÁ ICE CAVE



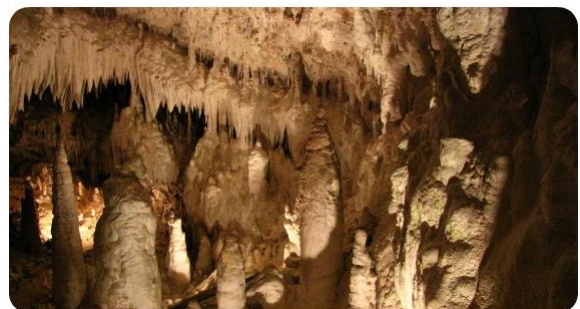
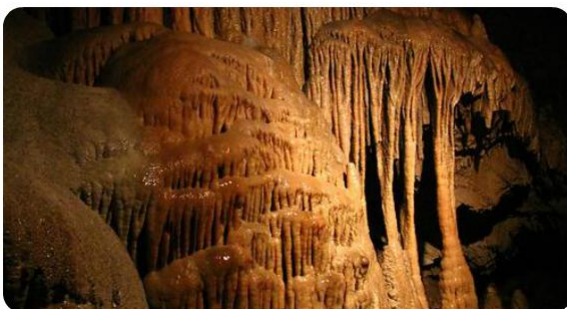
The Demänovská Ice Cave presents the northern part of world known Demänovské Caves. It stands out by occurrence of permanent ice fill, bizarre and mighty shapes of underground spaces, rare cave fauna as well as rich history.

**address:** 031 01 Liptovský Mikuláš

**GPS:** N 49,0162010 E 19,5827999

<http://www.ssj.sk/en/jaskyna/5-demanovska-ice-cave>

### DEMÄNOVSKÁ CAVE OF LIBERTY



The Demänovská Cave of Liberty belongs among its dominating caves. It has been captivating the visitors by its rich flowstone fill of various colours, magical flow of underground Demänovka as well as the charming pools for many years.



**address:** 032 51 Demänovská Dolina

**GPS:** N 48,9981003 E 19,5851002

<http://www.ssj.sk/en/jaskyna/4-demanovska-cave-of-liberty>

### **Opening Times:**

Mondays are closed

June – August: 9 – 16 every hour

September – the middle of November: 9:30, 11:00, 12:30, 14:00

the middle of November – 26<sup>th</sup> December: CLOSED

27<sup>th</sup> December – May: 9:30, 11:00, 12:30, 14:00

### **Price list:**

| Adults | Children 6-15r.,<br>handicapped people | Students,<br>senior citizens | Photo-Video<br>without using a tripod |
|--------|--|------------------------------|---------------------------------------|
| 8,00 € | 4,00 €                                 | 7,00 €                       | 10,00 €                               |

**Parking:** 5 EUR (you pay only once if you want to both of them) the cave is situated 15 – 30 minutes from the car park.

## ***Activities for other days: Mára Camping***

Another day or half of a day, you can just stay in the camp. There is perfect access to the water so you can bath in the dam and relax there. You can also spend your time by doing sport activities as playing volleyball, table tennis, badminton as well as water activities, water scooters, motor-boat, kayak, water-paddle bike.



