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9B19M005

CABALONGA S. A.: SEEKING SUSTAINABILITY AND SELF-SUFFICIENCY

Nathaniel C. Lupton wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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It was 4:00 a.m. on Sunday, November 12, 2017. As Diego Losada-Vasquez, co-owner of Cabalonga S. A. (Cabalonga), boarded the bus to begin his 12-hour commute from the seaside village of Puerto Cayo to Ecuador’s capital Quito, he reflected on the past 24 hours, which he had spent entertaining his guests. His business partner, Maria-Elena Alvarado-Villon, had met a group of university students from Canada at the international airport in Guayaquil around 1:00 a.m. on Saturday morning to accompany them on the four-hour ride to the beach resort lodge she and Losada-Vasquez had established in Puerto Cayo. She returned to Guayaquil later that morning to begin a 12-hour shift with LATAM Airlines, where she worked as a flight attendant. Losada-Vasquez arrived at Cabalonga a few hours after Alvarado-Villon had left and entertained their guests until early Sunday morning, when he began making his way back to Quito for work. During the four years since its inception, Cabalonga had not turned a significant profit, even though it had occupied 40–50 hours of Losada-Vasquez’s 90-hour (or more) workweek. Losada-Vasquez wondered how to make the business more financially sustainable and alleviate the burden on himself and Alvarado-Villon.

Losada-Vasquez, Alvarado-Villon, and Cabalonga

Losada-Vazquez grew up in Ecuador’s largest city, Guayaquil. He had a happy and fulfilling childhood, blessed by his family’s relative prosperity among the largely agrarian society. He attended good schools and graduated from a top university, along the way becoming one of a small proportion of Ecuadorians fluent in English. His mother had grown up in the highlands city of Jipijapa, a 30-minute ascent into the Andes from Puerto Cayo on the coast, where the Losada-Vazquez family owned a vacation property. After graduation, Losada-Vazquez entered the workforce, and in 2007 he met Alvarado-Villon. Together they decided to start a business based on their complementary interests in nature, adventure, and travel. Entrepreneurs at heart, the pair had several business ideas in mind but were not prepared to take these forward until they reached a point where their hostel required less attention.

Like Losada-Vazquez, Alvarado-Villon was also a native of Guayaquil. She recalled playing happily as a child and fantasizing about travel. Her playful and positive disposition was readily apparent to those who met her, as her effervescent personality bubbled over into exclamations like “It’s really, really great!” As Alvarado-Villon was growing up, she knew she did not have the resources to achieve all of her dreams, and so she had to plan carefully and commit fully to her priorities. She graduated from university with a degree in business administration, intent on one day opening a business. While she had little opportunity to travel when she was young, it became her full-time job as a flight attendant with LATAM Airlines. Passionate about snorkelling, kayaking, and diving, Alvarado-Villon explained that “Diego brings the nature to our business, and I bring the adventure.” She was sociable and loved spending time entertaining and sharing travel stories with her guests at Cabalonga.

The Founding of Cabalonga S. A.

Losada-Vasquez had many fond memories of his time spent on the beach as a child during summer vacations from school—eating fresh fruit picked from the trees, spending nights by candlelight, and watching crabs running about the tranquil beach. He would spend several hours with his family each morning in the waters of the Pacific Ocean, followed by lunch at local restaurants. After his father passed away, Losada-Vasquez inherited part of the family’s land in Puerto Cayo. He and Alvarado-Villon originally planned to build a small vacation house on the beachfront property, but the demands of work and travel left them with little time, and so they decided to build a hostel instead.

While Cabalonga was still just an idea, Losada-Vasquez and Alvarado-Villon participated in a contest organized by the national government to encourage local entrepreneurship. Their contest submission, Cabalonga, was one of 200 winners out of more than 2,000 submissions. One of the reasons the pair won was that the government wanted to promote tourism in order to contribute more to the economy. Moreover, their project was situated in a rural community that did not usually attract tourists, despite being on the popular *Spondylus* seaside route. Contest winners made a payment to the government in exchange for help in developing their business plan, but Alvarado-Villon decided to complete the business plan herself. The main value of the competition was that it helped Losada-Vasquez and Alvarado-Villon realize that their idea was viable and attractive. Reflecting on this experience, Alvarado-Villon said, “This [Cabalonga] was a wonderful idea—it still is. That is why we won.”

In 2013, the young entrepreneurs obtained a small bank loan, which they anticipated paying off by the end of 2018, and Cabalonga was founded, with ownership split evenly between the two. Meanwhile, Losada-Vasquez and Alvarado-Villon continued to invest their own money in improving the property, adding plants and water-saving devices. In Ecuador, the S.A. (*Sociedad Anonima*) legal designation was typically used by larger companies to create private, joint-stock companies, but there was no similar legal figure for smaller businesses. Cabalonga therefore had to remit several taxes, including a 12 per cent value-added tax; keep detailed accounting records and have them audited; and meet other legal requirements. Alvarado-Villon said that although this was a huge challenge, it better positioned the business for future growth.

In April of 2016, an earthquake with a magnitude of 7.8 devastated buildings in part of the province of Manabí, and the minister of Ecuador’s Ministry of Tourism subsequently called Cabalonga seeking help with the relief efforts. Cabalonga received the owners of hostels and hotels that had been destroyed by the earthquake and taught them how to recreate the Cabalonga business model in an effort to restore capacity in the reeling tourism industry. In exchange, photographers were sent to Cabalonga to create promotional material, although more than a year later, Losada-Vasquez and Alvarado-Villon had yet to see results from this. As part of the relief effort, the national government raised the value-added tax from 12 per cent to 14 per cent for all businesses in the country, except those in the provinces of Esmeraldas and Manabí, which were to receive the extra taxes to fund rebuilding efforts. Having escaped the earthquake unscathed, mainly due to the simple, resilient design of its structures, Cabalonga did not receive any of the additional tax money.

Mission and Vision

The founders’ eco-mission was evident in their design and operation of Cabalonga:

* Mission: “We will make your stay a unique eco-adventure experience in Ecuador.”
* Vision: “Being one of the most innovative eco-tourism hostel franchises of nature and adventure in South America, which offers a comfortable stay, and unique and enjoyable experiences for our visitors.”

Other than the “furnished” tents, the lodge’s structures were made almost entirely of bamboo and palm leaves, with concrete pads for the main structures. Rainwater and used water was recycled to irrigate the plants and trees growing on the property. These included banana, mango, and papaya trees, along with oregano and mint used to season meals made in the quaint bamboo kitchen. Likewise, kitchen waste was composted to reinvigorate the soil used for growing. Cabalonga ran campaigns such as “save the turtles, no driving on the beach” to create awareness for causes Losada-Vasquez and Alvarado-Villon felt connected to. Their efforts created feelings of solidarity among the Cabalonga staff, who themselves were able to influence opinions and behaviour within the local community. These initiatives, and especially the partners’ policies of hiring workers and sourcing food locally, earned Cabalonga an Eco Leader Bronze certification by TripAdvisor, Inc. (TripAdvisor). They continued focusing on improvement, with the goal of eventually obtaining Gold certification.

Cabalonga had achieved steady growth in revenues since 2016 (see Exhibit 1). In 2017, its revenues grew approximately 22 per cent, and the owners expected equal growth in 2018.

Infrastructure and Operations

Cabalonga’s 1,350-square-metre site hosted a bamboo structure comprising the administrative office, storage and utility room, kitchen, bar, and two covered patios—one was for dining, and the other was located next to the bar, which was housed in the same simple structure as the kitchen. Two bathrooms each for women and men were located in the main structure, and one of each was equipped with warm showers. The bamboo and palm used in the structures’ construction not only lowered the environmental impact but was also necessitated by the entrepreneurs’ limited start-up capital.

Lodging consisted of four small tents, accommodating couples or solo travellers, and four larger tents, with two beds for groups and families. Each tent had hammocks in front and was protected from the wind and rain by a three-sided bamboo roof and palm-leaf canopy. For guests preferring more privacy, there was also a guest house with accommodation for four, boasting a private bathroom. In total, there was lodging for 28 guests plus an additional six travelling with their own tents. Once or twice a year, a large group would arrive while touring the coast, forcing the owners to turn away additional guests, but typically the hostel did not operate at full capacity.

All accommodations included comfortable bedding, electricity, bedside tables, locks, and free Wi-Fi. The compound was fully enclosed within a bamboo fence, with two gates offering security and privacy. Typically, the gates were locked only at night.

All meals were based around locally sourced ingredients including fish, shrimp, and vegetables, especially the ubiquitous plantain. Using local foods was not always cheaper than using food bought at grocery stores, but produce grown locally tended to be fresher and was often grown organically. Shrimp in Puerto Cayo was of the highest quality available in the country. Meals were provided to guests and anyone else stopping in. Information on meal pricing and costs is provided in Exhibit 2.

Tours

Cabalonga arranged transportation and guided tours of attractions in the surrounding area. It was located close to popular tourist destinations such as the wildlife reserve Pacoche (30 minutes); Agua Blanca, a private community and archaeological site in Machalilla National Park (20 minutes); and the city of Jipijapa in the highlands (30 minutes). Numerous activities could be arranged at the lodge, including snorkelling, diving at Isla de la Plata, and whale-watching. A total of 22 programs were offered to guests and other tourists. Because costs were negotiated with guides and tour operators, Cabalonga was able to earn a small margin on the sales, while tourists received a discount. In addition, taxis in Puerto Cayo met tour buses to offer rides to Cabalonga for one dollar.

Due to the extensive application of flat fees, there were significant economies of scale for larger groups or when accommodating multiple guests. For example, one trail guide charged a flat fee of US$20[[1]](#footnote-1), regardless of the number of guests on the tour. Round-trip transportation for this particular tour was $35 for a taxi (up to four people) or $60 for a bus to accommodate larger groups. Losada-Vasquez and Alvarado-Villon had considered operating their own tour boat, but ultimately they decided the payback period was too long. They also felt bound to their operators in the region, considering them part of the extended Cabalonga family. While staff were able to book tours for guests that had not reserved them, stand-alone prices for tours were not always available, and it was difficult for the staff to come up with a price without first consulting the owners (See Exhibit 3).

Hospitality

Hospitality at Cabalonga was comprehensive and free, with the proprietors attending to any and all needs of their guests in person or via email, phone, or WhatsApp when not on site. It was not unusual for Losada-Vasquez or Alvarado-Villon to host karaoke parties, tell fireside stories, and play guitar for the guests. Following each dinner, guests were offered a complimentary cocktail made from local fruit juices and Ecuadorian spirits.

The staff could accommodate most visitors’ requests when the owners were absent, but this was a challenge when the guests were not Spanish speakers. Alvarado-Villon and Losada-Vasquez spent about 40 per cent of their time at Cabalonga, and the hospitality was not quite the same when they were not there. Nonetheless, they were constantly in touch with their guests via phone, text, and social media to ensure their stay met their expectations. Alvarado-Villon was the primary contact for local suppliers, a role challenged by her unpredictable work schedule at LATAM Airlines. She accommodated this responsibility by conducting business via text messaging and working with all invoicing “in the cloud.”

Sales and Marketing

Losada-Vasquez was responsible for sales and marketing. He worked his regular job in Quito from 8:30 a.m. to 6:00 p.m., Monday through Friday. During the workday he took business calls, and from 7:00 p.m. to midnight he managed promotion, publicity, and bookings, in addition to managing the lodge’s Facebook (about 15–20 threads with about 100 messages requiring responses daily), Twitter, and Instagram accounts. Both owners’ mobile numbers were provided in all advertising, and they took calls and messages through WhatsApp. Social media was the primary mode through which customer satisfaction was monitored, with Losada-Vasquez personally responding to all compliments and complaints.

Cabalonga maintained a website (Cabalonga.com) that listed pricing information, activities, and contact information, as well as links to Facebook, Twitter, YouTube, Instagram, TripAdvisor, and a blog. Losada-Vasquez took bookings directly, but these could also be completed through Booking.com or Priceline.com. TripAdvisor ranked Cabalonga second out of five properties offering “Specialty Lodging in Puerto Cayo,” based on ratings posted by guests. However, unless customers were specifically looking for lodging in Puerto Cayo, which was not a well-known destination, Cabalonga did not appear high in a search for accommodation in Ecuador. Losada-Vasquez considered implementing search engine optimization for the website. Outsourcing this process to a website management firm could cost anywhere from $119 to $449 per month.[[2]](#footnote-2)

Promotions were rarely used. At one point, Losada-Vasquez had offered a free night at Cabalonga, but there were no takers. He decided that because discounts were not effective, he would focus on creating awareness and curiosity among more adventurous travellers. There were no radio or television campaigns, nor were there any plans for them. Losada-Vasquez estimated that for between $400 and $500 he could reach anywhere from 9,000 to 20,000 people in three days. With Facebook, he could reach the same number of people for only $20.

Staffing

The first employee hired by Losada-Vasquez and Alvarado-Villon did not work out, having made several rather large mistakes that resulted in substantial losses for Cabalonga. The partners worked with government authorities in charge of promoting economic development in Puerto Cayo to find employees, eventually hiring Johnny, who Losada-Vasquez described as “a good father, son, fisherman, he is everything!” Johnny subsequently selected Nicole and later her sister Yomaira to receive guests and prepare meals and accommodations. Together, these three were the full-time custodians of Cabalonga, cooking meals, entertaining guests, and performing maintenance. There were also two part-time staff members, Diana and Penelope.

Many people from abroad (e.g., from Colombia and Venezuela) had asked about working at Cabalonga, but the policy was to only hire people from Puerto Cayo and neighbouring communities so as to retain Eco Leader certification. Indirectly, Cabalonga provided income to tour operators, guides, and transportation operators (buses and taxis of various sizes, available as needed). In addition to those working directly for Cabalonga, other families in the community had an opportunity to generate small incomes through Cabalonga by, for example, purchasing food and running errands, hiring tourist guides from the same region, and arranging transportation services, as well as through maintenance charges and carrying out other services that contributed to economic development in Puerto Cayo. The total labour costs for this staff were $2,334 per month. Typically, a full-time graduate from a business school could expect an annual salary of about $15,000 to start.

The Ecuadorian Tourism Industry

Tourism was a growth market. Younger generations were more likely to spend their vacation time and money abroad than staying at home. To capitalize on this, many countries, including Ecuador, had heavily invested in developing their tourism sectors. Ecuador’s largest industry was petroleum, at 5.96 per cent ($5.83 billion) of gross domestic product, while tourism accounted for 5.1 per cent of the country’s gross domestic product ($5.1 billion).[[3]](#footnote-3) In 2016, Ecuador invested $1.2 billion into developing its tourism sector, which was forecasted to expand by 4.5 per cent per year until 2027, topping out at 9.4 per cent of total gross domestic product.[[4]](#footnote-4) The industry had grown from 684,000 employees in 2007 to 732,000 in 2015, and revenues had increased over the same period from $626 million to $1.56 billion, providing a 12 per cent compound annual growth rate.

In 2014, Ecuador recorded 1.6 million tourists. In 2016, this number dropped to 1.4 million, due to the devastating earthquake on April 16.[[5]](#footnote-5) Revenue from tourism likewise dropped from $1.56 billion in 2015 to 1.45 billion in 2016.[[6]](#footnote-6) Each year, the split between foreign and domestic tourism increased (see Exhibit 4). In 2016, 62.60 per cent of tourism spending was from foreign travellers; this increased to 64.80 per cent in 2017 and was projected at 68.06 per cent for 2018.[[7]](#footnote-7) In 2017, the United States and Colombia contributed the largest share of tourists to Ecuador, with 244,600 tourists from the United States and 330,671 tourists from Colombia out of a total of 1,608,473 global tourists.[[8]](#footnote-8)

In 2015, of the 1.55 million tourists who visited Ecuador, 225,000 specifically visited Galapagos National Park. Seven countries accounted for over 70 per cent of all international tourists—the United States accounted for 37 per cent, the United Kingdom for 8 per cent, Germany for 6 per cent, Canada for 6 per cent, Australia for 5 per cent, Argentina for 4 per cent, and France for 3 per cent.[[9]](#footnote-9)

July and August were considered the high season for Cabalonga, due to the highland region’s vacation time and whale and giant stingray sightings. During this time, occupancy averaged about 60 per cent. January, May, and November were considered low season due to consumers’ reduced spending power and the fact that school was in session. May and November were the beginning of the rainy season, when travel was also reduced. February, April, June, September, October, and December were considered the medium season because occupancy was somewhat higher, at about 20 per cent. This was due to holidays in February and December, the beginning and end of the whale watching season, and the beginning of summer vacation in the United States (June and July). Taking into account the different seasons, the annual occupancy of Cabalonga was 40 per cent. See Exhibit 5 for monthly demand for Cabalonga accommodation and/or tour packages.

One of the things that set Cabalonga apart was its commitment to the environment. Ecotourism was becoming a trend worldwide, especially in South America. While lacking a precise definition, ecotourism involved environmentally friendly and sustainable accommodations and nature-based activities such as fishing, hiking, and boating. Most ecotourism establishments also involved local cultural experiences and adhered to the philosophy of leaving a site in the same or better condition than it was found.

Hostels in Puerto Cayo

About nine hostels operated in Puerto Cayo (population 5,000), but Cabalonga was the only one that was open year-round and offered personalized “high touch” service by the owners. Other hostels were rarely visited by their owners and had been in operation for as long as 25 years. These businesses were neither growing nor contributing to the growth of the local economy.

Losada-Vasquez estimated that about 75 per cent of Cabalonga’s guests were from Ecuador, and another 5 per cent were from Spanish speaking countries such as Colombia and Venezuela. The other 20 per cent were from Asia, North America, Europe, and Russia. Most international travellers booked their accommodation through TripAdvisor. A lot of the marketing was by word of mouth, primarily in the form of social media.

what next

As Losada-Vasquez’s bus wound through the mountains and toward the rising sun, he realized there would be little chance for sleep until he arrived back in Quito later that evening. He was in the business of hospitality, with a strong personal touch, but he wondered if there was a way the business could be more self-sustaining so that he and Alvarado-Villon could squeeze in an occasional vacation for themselves. While creating an enterprise that could be independently run by the staff was his main priority, Losada-Vasquez had to acknowledge that a bit of income also would not hurt, given the amount of time and effort he and Alvarado-Villon had put into the venture. And then there was always the call of their many other business opportunities.

EXHIBIT 1: CABALONGA INCOME, 2017 (US$)

|  |  |
| --- | --- |
| Revenue | 93,869 |
| Direct Costs | 40,960 |
| Gross Margin | 52,909 |
|  |  |
| *Overhead* |  |
| Employees’ Salaries | 28,001 |
| Managers’ Salaries | 4,800 |
| Occasional Help | 3,000 |
| Utilities & Supplies | 5,412 |
| Auditing | 3,000 |
| Maintenance | 1,200 |
| Advertising | 3,600 |
|  |  |
| Total Expenses | 49,017 |
| Earnings | 3,893 |

Source: Company files.

EXHIBIT 2: CABALONGA MENU, 2017

|  |  |  |
| --- | --- | --- |
| Meal | Price (US$) | Cost (US$) |
| Fish Ceviche | 6.70 | 3.35 |
| Seafood Rice | 8.93 | 4.46 |
| Garlic Shrimp | 7.59 | 3.79 |
| Shrimp Ceviche | 7.59 | 3.79 |
| Fish Crackling | 6.70 | 3.35 |
| American Breakfast | 4.02 | 2.01 |
| Manabita Breakfast | 4.96 | 2.48 |
| Fillet of Corvina | 6.70 | 3.35 |
| Lobster | 16.07 | 8.04 |
| Shrimp Rice | 7.59 | 3.79 |
| Breaded Shrimp | 7.59 | 3.79 |
| Steak and Wine | 6.70 | 3.35 |
| Fried Chicken | 4.46 | 2.23 |
| Grilled Fish | 6.70 | 3.35 |
| Fish Al Pesto | 6.70 | 3.35 |
| Steamed Fish | 6.70 | 3.35 |
| Tigrillo (Plantain Stew) | 3.57 | 1.79 |

Source: Company files.

EXHIBIT 3: CABALONGA PACKAGES AND TOURS, 2017

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Accommodation Packages** | **Accommodation** | | **Meal(s) Included** | | **Price (US$)** | **Cost (US$)** |
|  | | | | | | |
| Beach package: 2 days, 1 night | | Tent | | All meals | 34.82 | 10.00 |
| Romantic package: 2 days, 1 night | | Bamboo hut | | Seafood dinner, wine, breakfast | 116.07 | 34.00 |
| Relaxation package: 2 days, 1 night | | Tent | | Breakfast | 15.00 | 2.50 |
| **Accommodation + Tour Packages** | | | | | | |
| Snorkelling and kayak tour: 2 days, 1 night | | Tent or without lodging | | All meals | 74.82 | 27.25 |
| Los Frailes Beach and snorkelling tour: 2 days, 1 night | | Tent or without lodging | | All meals | 69.82 | 26.55 |
| Whale-watching and Isla Salango Beach: 2 days, 1 night | | Tent or without lodging | | All meals | 79.82 | 33.14 |
| Whale-watching and Isla Salango Beach: 3 days, 2 nights | | Tent or without lodging | | All meals | 111.07 | 43.14 |
| White Water cultural tour and hot spring: 2 days, 1 night | | Tent | | All meals | 60.82 | 35.00 |
| Isla de la Plata snorkelling: 2 days, 1 night | | Tent or without lodging | | All meals | 95.82 | 59.50 |
| Isla de la Plata snorkelling: 3 days, 2 nights | | Tent or without lodging | | All meals | 127.07 | 69.50 |
| Machalilla National Park horseback riding and camping: 3 days, 2 nights | | Forest camping and lodging at Cabalonga | | All meals | 103.25 | 38.50 |
| Machalilla National Park horseback riding and camping: 2 days, 1 night | | Forest camping tent | | All meals | 69.82 | 33.50 |
| Four island, aquatic adventure, snorkelling, and kayaking: 3 days, 2 nights | | Tent or without lodging | | All meals | 141.07 | 80.00 |
| Four island, aquatic adventure, snorkelling, and kayaking: 2 days, 1 night | | Tent or without lodging | | All meals | 109.82 | 73.75 |
| Pacoche Forest, Monkey Wildlife Refuge tour: 2 days, 1 night | | Tent | | All meals | 69.82 | 40.00 |
| Horseback riding tour Machalilla National Park: 2 days, 1 night | | Tent or without lodging | | All meals | 81.79 | 66.25 |
| Bike tour, monkey sighting: 2 days, 1 night | | Tent or without lodging | | All meals | 55.82 | 17.50 |
| Los Ahorcados scuba diving: 2 days, 1 night | | Tent or without lodging | | All meals | 129.82 | 75.00 |
| Isla de la Plata scuba diving: 2 days, 1 night | | Tent or without lodging | | All meals | 199.82 | 155.00 |

Source: Company files.

EXHIBIT 4: Ecuador Foreign/Domestic Tourism Spending Split

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Number of Visitors | Domestic Spending | Foreign Spending |
| 2014 |  | 58.50% | 41.50% |
| 2015 | 1,544,463 | 38.50% | 61.50% |
| 2016 | 1,418,159 | 37.40% | 62.60% |
| 2017 | 1,608,473 | 35.20% | 64.80% |
| 2018\* |  | 31.94% | 68.06% |

Note: \*Author's Forecast.

Source: World Travel & Tourism Council, *Economic Impact 2017 Ecuador*, 1, 6, 7, 9, March 2017, accessed May 19, 2018, www.wttc.org/-/media/files/reports/economic-impact-research/archived/countries-2017-old/ecuador2017.pdf.

EXHIBIT 5: 2018 TOUR/ACCOMMODATION DEMAND FORECAST

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Jan.** | **Feb.** | **Mar.** | **Apr.** | **May** | **Jun.** | **Jul.** | **Aug.** | **Sep.** | **Oct.** | **Nov.** | **Dec.** | **Total** |
| Accommodation Packages |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Beach | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 240 |
| Romantic | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 24 |
| Relax | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 288 |
| Shared Room | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 24 |
| Shared Tent | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 24 |
| Accommodation + Tour Packages |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Snorkelling | 32 | 32 | 32 | 32 | 32 |  |  |  |  | 32 | 32 | 32 | 256 |
| Los Frailes Beach | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 192 |
| Whale-Watching 1N |  |  |  |  |  | 24 | 24 | 24 | 24 |  |  |  | 96 |
| Whale-Watching 2N |  |  |  |  |  | 4 | 4 | 4 | 4 |  |  |  | 16 |
| White Water | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 24 |
| Isla de la Plata 1N | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Isla de la Plata 2N | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Trekking 2N |  |  | 2 | 2 | 2 |  |  |  |  |  |  |  | 6 |
| Trekking 1N |  |  | 2 | 2 | 2 |  |  |  |  |  |  |  | 6 |
| Aquatic Adventure 2N | 4 | 4 | 4 | 4 | 4 |  |  |  |  |  |  |  | 20 |
| Aquatic Adventure 1N | 4 | 4 | 4 | 4 | 4 |  |  |  |  |  |  |  | 20 |
| Pacoche Forest |  |  |  |  |  |  |  |  |  | 2 | 2 | 2 | 6 |
| Horseback Riding 1N |  |  |  |  |  |  |  |  |  | 2 | 2 | 2 | 6 |
| Horseback Riding 2N |  |  |  |  |  |  |  |  |  | 2 | 2 | 2 | 6 |
| Cycling |  |  |  |  |  |  |  |  |  | 2 | 2 | 2 | 6 |
| Scuba Diving A | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 24 |
| Scuba Diving B | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 24 |
| Monthly/**Grand** Total | 120 | 120 | 124 | 124 | 124 | 108 | 108 | 108 | 108 | 120 | 120 | 120 | **1,404** |

Source: Company files.

1. All dollar amounts are in US dollars. [↑](#footnote-ref-1)
2. “Website Maintenance,” Webpage FX, accessed May 29, 2018, www.webpagefx.com/websitemaintenance.htm. [↑](#footnote-ref-2)
3. AJG Simoes and CA Hidalgo, “The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development. Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence,” 2011, accessed May 19, 2018, https://atlas.media.mit.edu/en/profile/country/ecu/. [↑](#footnote-ref-3)
4. World Travel & Tourism Council, *Economic Impact 2017 Ecuador*, 1, 6, 7, 9, March 2017, accessed May 19, 2018, www.wttc.org/-/media/files/reports/economic-impact-research/archived/countries-2017-old/ecuador2017.pdf. [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. *DataBank*, s.v. “Ecuador,” The World Bank, accessed May 12, 2018. [↑](#footnote-ref-6)
7. World Travel & Tourism Council, op. cit.  [↑](#footnote-ref-7)
8. “Migratory Balance of Ecuador,” Ecuador Potencia Turistica, 2018, accessed May 16, 2018, http://servicios.turismo.gob.ec/index.php/portfolio/turismo-cifras/19-inteligencia-de-mercados/entradas-y-salidas-internacionales/3. [↑](#footnote-ref-8)
9. Juan Carlos Izurieta, “Behavior and Trends in Tourism in Galapagos between 2007 and 2015,” in *Galapagos Report 2015*–*2016*, 83–85, 2017, accessed May 21, 2018, www.galapagos.org/wp-content/uploads/2017/12/3-GR-2015-16-Tourism-section.pdf. [↑](#footnote-ref-9)