

MEET Network Business Plan & Feasibility Study Summary



Author: Hendrik Wintjen

Summarised & Edited: Carla Danelutti & Natalie Beckett

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DestiMED Project Partners:

Table of Contents

1. Background and Organizational Model of the MEET Network.....	4
Background	4
What is the MEET Network?	4
Moving towards a business logic	4
Diversification of revenue streams	4
Basic and for-free services	5
Cost Structure	5
SWOT Analysis.....	5
2. Membership & Partnership Typology	5
Types of MEET Members.....	6
Protected Area Financial Situations	6
MEET Membership Services	7
Institutionalization of collaborative stakeholder networks:.....	7
Types of MEET Members and Partners.....	8
3. MEET Programs and Services.....	8
Basic MEET Services	9
For-free MEET Membership Services:.....	9
Envisioned Commission Structure.....	9
Building and Protecting the MEET Brand.....	10
Broad Fundraising Landscape	10
4. Competitive Analysis.....	11
Conclusions of Analysis	11
5. Marketing Overview	12
Business Case for MEET	12
Planning Marketing.....	12
Marketing Focus	13
MEET Brand Promise.....	13
Developing Market Intelligence.....	13
Possible Alliances for Cooperative Marketing	14
Target Groups	14
6. Management and Organisation	14
Principles Supporting Organizational Growth of MEET	15
Strategies for MEET Network Growth	15

7. Financial Model	16
Commercialization of Ecotourism Products	16
Services	16
Fundraising	16
Pricing Strategy	17
5 Year Overview	18
Financial Risk and Considerations	19
8. Role of Commercial Partnership	19
Short Term Goals of Partnership	19
Long Term Goals of Partnership	20
Marketing and Sales	20
Coaching	20
Identifying Opportunities for Cooperation	20
9. Guidance on Business Structure and Location of Commercial Entity	21
Certification of MEET Network	21
Major Source Markets	21
Competition	21
MEET Catalogue	22
Commercialization of PAs	22
10. Financial Model	22
Return of Investment (ROI)	22
Conservation Fund	23
% for B2B Distribution Networks	23
Why is it Important for MEET to work with traditional TOs?	23
5 Year Projected Budget	24
Analysis and Discussion of Feasibility of Financial Model	26
11. Recommended Actions	28
Top 10 Recommended Actions for MEET Network from Business Plan	28

1. Background and Organizational Model of the MEET Network

Background

This document is a summary version of the Network Business Plan & Feasibility Study developed under the framework of Interreg Med DestiMED Project, of which it represents in particular Deliverable 2.8.1 (Mediterranean Governance of Ecotourism Feasibility Study: Recommendations for the Installment of a Long-Lasting DMO). Throughout DestiMED, the Project Partnership discussed several options for a DMO model that could best carry forward the outputs and achievements of DestiMED, as well as those of the ENI CBC MED MEET project that preceded it. After internal review and discussions, based also on considerations such as those analyzed more in-depth in some sections of the full report, it was agreed that the MEET Network (“Mediterranean Experience of Eco-Tourism Network”), as a non-profit association of protected areas, represented the best option for a platform to enhance long-term ecotourism governance in Mediterranean protected areas. As a result, it was agreed among among DestiMED project partners gathering at one of the project technical meetings (held in March 2018 in Split) that the feasibility study for installing a long-lasting DMO would be most useful if prepared as a business plan exploring strategic recommendations and financial considerations for the ways in which MEET could grow, sustain itself, and achieve long-term impacts in the coming years.

What is the MEET Network?

The MEET Network was established formally in 2018 to capitalize on activities and achievements of two EU-funded projects focused on ecotourism development, and in particular with the purpose of creating a Mediterranean platform for developing responsible ecotourism in protected areas (PAs). An important aspect of this process is to ensure the financial sustainability of the network through different revenue streams, emphasizing increasingly a commercial logic while ensuring compliance with robust ecotourism standards. To this end, the present business plan was envisaged to analyse conditions and develop scenarios for the future evolution of the network.

Moving towards a business logic

The MEET Network is evolving from two EU funded projects, The Mediterranean Experience for Ecotourism in the Mediterranean (MEET) and the Destination Mediterranean Project (DestiMED) as an independent, financially sustainable entity.

Recommendation:

- ⇒ By moving into a more business orientated logic, the MEET Network will be able to demonstrate sustainability whilst ensuring a more autonomous functions, but will also create the base for exploring future EU funding possibilities.

Diversification of revenue streams

MEET will now be moving from project financing only to additional revenue streams, including membership fees and the services and commissions on sales of MEET ecotourism packages via commercial entity.

Recommendation:

- ⇒ Set intermediate yearly goals for evolving from an EU focused funding to more diversified revenue streams, given that these will develop gradually and cannot immediately replace the existing EU project financing.

Basic and for-free services

A set of ever more refined MEET-specific tools has been evolving and is available to members through basic and for-free services. – elaborate

Recommendation:

- ⇒ Continue enhancing the existing toolset by further enhancing and digitalizing tools, creating online dashboards that help PAs with reporting and monitoring

Cost Structure

Currently the MEET cost structure encompasses operations, communications and institutional marketing and the organisation of the annual MEET General Assembly.

Recommendation:

- ⇒ Make cost structure as transparent as possible by dividing fixed/overhead costs from variable costs and managing countries (clusters of PAs) as separate units that eventually have to sustain themselves financially through any combination of the revenue streams.

SWOT Analysis

The [SWOT Analysis](#) points to strengths/weaknesses as well as opportunities/threats that the MEET Network currently faces as it evolves into a new phase with greater emphasis on bringing ecotourism packages to the international market. Understanding the multiple implications of this transition can be helpful to prepare for a solid foundation for the Network's future and these will be considered in the following chapters.

Conclusion of Analysis:

Points to a general scarcity of funding for smaller PAs which can either be viewed as a threat or turned into an opportunity based on the MEET portfolio of services and concerted fundraising efforts.

Recommendation:

- ⇒ Include tools for improving P financing in the service portfolio of the MEET Network by coaching PAs with about available fundraising mechanisms or conservation-based business models that help create revenue, in line with MEET methodologies and making use of MEET tools.

2. Membership & Partnership Typology

In order to visualize the membership of the MEET Network, the services offered to members and the revenue generated by providing these services, it is important to consider the different types of possible members and partners. On the one side, there are the fundamental members of MEET which are parks and protected areas, committed to the conservation of Mediterranean ecosystems. On the other side, institutions such as national and regional governments, non-governmental organizations, private sector enterprises and others need to be considered because they are also instrumental to facilitating conservation in the Mediterranean and in principle qualify as partners, or maybe even as members in some point in the future.

Types of MEET Members

General criteria for categorizing PAs is dependent on the following:

- | | |
|------------------------|-------------------------|
| - Location | - Tourism Relevance |
| - Legal status | - Financing |
| - Geographic extension | - Management |
| - Conservation value | - Stakeholder relations |

When categorizing PAs also important to consider:

- Which PAs are in need of MEET services?
- Which PAs can contribute financially to MEET (either through membership fees or development projects)?
- Which PAs have viability in terms of implementing ecotourism?

By considering the factors listed above and categorizing the PAs involved in the MEET Network, MEET can establish a typology that is helpful in defining membership fees, as well as, other elements of MEET membership. An example of this typology is proposed below:

Basic typology to differentiate 3 types of PAs:

- A. Fully consolidated: Well-funded mature PA with strong visitation e.g. Sierra Nevada National Park, Spain.
- B. Medium: PA with some tourism activity and moderate funds e.g. Ebro Delta National Park, Catalonia.
- C. Small: A protected area receiving mostly national tourism, with limited funds e.g. Monte Rufeno National Park in Lazio region, Italy.
- D. Emerging: Very limited tourism activity due to lack of infrastructure and services. e.g. Ichekeul National Park, Tunisia.

Recommendation:

⇒ Membership fees should then be established in accordance with these typologies.

Protected Area Financial Situations

When establishing membership fees, it is also necessary to consider that the capacity of the PA to pay its membership fee is dependent on the funding it receives. For example, generally speaking African and Asian countries in the Mediterranean have lower budgets and therefore it is fair to assume that the largest part of MEET membership fees will come from western European countries.

Furthermore, the spending fees of parks may vary, not all parks have entrance fees and due to restrictive legal frameworks, the majority of PAs are not driven by a monetizing and marketing mindset. This is often in conjunction with a lack of awareness regarding the opportunities which collaboration between conservation, ecotourism and community development present. This is where there is a significant business opportunity for MEET, especially when the economic benefits can be quantified, showing that the membership fee is a small investment in comparison with the potential returns for local economic development.

Nature and Regional Parks v's National Parks

There are a few national parks in each Mediterranean country (on average 6) which are generally financed through central government. Due to the substantial funding and legal status national parks represent the ideal member type for the MEET Network.

However, national parks are largely outnumbered by hundreds of nature parks and regional parks (900 in Europe) which are often understaffed and sub-financed and therefore are looking for revenue. Furthermore, regional nature parks in Europe are frequently undervalued, lack political and societal support which is required to bring their complete potential to people, nature and society. Additionally, they usually have little knowledge of innovating financing mechanisms. All of which points to a substantial market niche for the MEET Network to position its services.

Recommendation:

- ⇒ By helping PAs to improve their financial situation both by increased fundraising, as well as, by implementing a business model based on ecotourism, the MEET Network can be an attractive partner to hundreds of PAs in the Med, based on an extended business model.

MEET Membership Services

The **focus of MEET services** is on: Ecotourism development, stakeholder alignment via Local Ecotourism Cluster, international marketing & sales; articulating the overlap between environmental governance and destination governance.

While one central consideration revolves around which, and how many, parks / protected areas may be interested in the current suite of ecotourism development services offered by the MEET Network, another question deals with how those services might evolve to better suit the needs of actual and potential members and satisfy an increasing demand of services. As the MEET Network evolves, scalability becomes an increasing concern and the conditions for scaling to succeed will have to be carefully prepared. The following presents possibilities for enhancing already established services, based on experiences with other ecotourism clusters.

Institutionalization of collaborative stakeholder networks:

While the current set of services has a clear “why” and “what” for the development of local ecotourism clusters, the “how” can be further developed in the future by the provision of tools that help future members of LECs to assess themselves, mapping the main stakeholders and their relationships, establishing functions and roles within the LEC and creating the required steps for networking and communication that allow the ecotourism cluster to function smoothly in ever more effective ways.

Ecotourism Marketing

Currently, the know-how management and knowledge transfer of the MEET Network focuses on ecotourism aspects but as the commercial part gains more relevance, a higher level of marketing knowledge needs to be systematically institutionalized both at the level of the LECs as well as the MEET Network central office. Otherwise, the MEET Network will not be in a position to acquire the commercial relevance that it aspires to achieve, as a core element of its value proposition and as a key differentiating factor compared to other networks of protected areas. Fundamentally, this will represent not only an outside effort (namely by means of the commercial entity) but implies a co-evolution of all involved stakeholders.

Articulation of Corridors

This points to linking areas of interest that are complementary to each other as this typically, allows travellers to familiarize themselves with different ecosystems. MEET should consider combining multiple destinations for both European tourists and international tourists such as those from USA, Australia and Canada who want to make the most of their time in the Mediterranean.

Marketing Cooperation

Therefore, capacity building should also cover the proactive exploration of potential synergies, and continuous nurturing of such synergies, between the LEC and pertinent DMOs, ideally leading to a more conscientious ecotourism development and promotion on the DMO side. Some destinations already have begun to place greater emphasis on ecotourism, for example the island of Crete in Greece where Samaria National Park (a MEET member) is located (see <https://www.incrediblecrete.gr/ecotourism>); which creates a fertile ground to explore opportunities for cooperation, in marketing and other areas, including product development, training and strengthening a common-interest framework for sustainable policies and practices in tourism.

Recommendation:

- ⇒ The unique combination of services allows MEET to define a Unique Selling Point (USP) which differentiates it from other networks of PAs. This USP can be summarised as, the provision of support in establishing market orientated clusters that facilitate sustainable ecotourism development.

Types of MEET Members and Partners

Includes a wide range of options and possibilities, such as government agencies, NGOs, ITO's/OTO's, hotels, DMOs, regional and local governments, events, associations, educational and environmental institutions.

As well as, environmental organisations and institutions relevant to ecotourism on a national level.

Recommendation:

- ⇒ By carefully establishing alliances, or simply facilitating these in the context of local ecotourism clusters, MEET can - and must - create leverage to accomplish its goals of a more financially sustainable organization. While high-level strategic alliances should be managed directly from the Secretariat in Málaga, alliances in the national context should be managed through focal points in each country.

3. MEET Programs and Services

MEET programs and services are designed to carry out the mission of the MEET Network. These services are provided in a complex environment, involving different types of protected areas, Mediterranean countries with varying degrees of competitiveness and different kinds of legal frameworks and in addition, with the introduction of the commercial entity, a series of international source markets that also differ considerably in terms of consumer preferences and travel patterns.

The challenge consists in adapting programs and services to different needs, finding a common denominator for basic services and tailoring additional for-fee services according to the requirements

and financial capacity of each member, while taking into consideration that there is a high interdependence between the different services related to the main revenue streams.

Basic MEET Services

Basic MEET membership services are covered by the membership fee. As each of the basic services listed below are quite time-consuming when compared to the revenue, they generate it is clear that membership fees (roughly 1000 euro per yr.) will not always cover the cost of delivering the basic services associated with a standard membership.

Basic MEET Membership Services:

- Formalization of membership
- Product development
- Local ecotourism cluster development
- Ongoing support & coaching
- Monitoring
- Operations

Recommendation:

- ⇒ Considering that smaller nature and regional parks will likely constitute a higher percentage of members given that they are represented more frequently among PAs, basic services should be streamlined as much as possible to allow for economic and scaled service delivery, with emphasis on four aspects: a) automation b) digitalization c) decentralization d) delegation.

For-fee services are more suitable in terms of driving the evolution of the MEET Network and are more at the heart of the business development which MEET aspires to. The advantages of for-fee services include, creating more revenue, act like a laboratory which allow MEET to develop improved methodologies, address conservation and ecotourism development issues on a more substantial level which is necessary to drive forward the ecotourism agenda for the Mediterranean region.

For-fee MEET Membership Services:

- Rapid assessment
- Training of LEC
- Monitoring
- Tailored: consulting and training
- Networking

Recommendation:

- ⇒ Protected areas with a strong economic capacity represent a good 'laboratory' for providing and continuously enhancing consulting services. Understanding the underlying patterns as they become evident in the provision of those services can help to design consulting modules; that then can be made available at a more competitive price to protected areas with less economic capacity.

Envisioned Commission Structure

The typical commission structure for long-distance tourism is 10% (TA) - 10% (OTO) - 10% (ITO) and 70% to service provider.

In contrast, the MEET Network foresees a somewhat different structure, to be utilized at least in the initial phase of commercialization efforts:

- ⇒ 10% Outbound Tour Operator
- ⇒ 5% MEET Network
- ⇒ 25% Commercial Entity
- ⇒ 60% Net Rate to Inbound Tour Operator

In addition, it is anticipated that the ITO makes a contribution to the local protected area which would be taken from the 60% corresponding to the ITO.

Recommendation:

- ⇒ Commission structure can be sustained only if quality, branding and marketing consistently match the MEET promise.
- ⇒ A carefully designed branding strategy focused on quality ecotourism must therefore support pricing philosophy in the long term.

Building and Protecting the MEET Brand

As has been expressed, branding considerations are of high importance in order to sustain the envisioned pricing and commission structure. Building and protecting the MEET brand has three fundamental dimensions that should be given equal consideration.

1. Legal / Registration: On the legal level, it is important to ensure the proper use of mechanisms for the protection of intellectual property that are applicable in Spain (seat of the MEET secretariat), Europe and even the world.
2. Environmental: Ensuring - through proper selection of partners and consistent, transparent and verifiable application of ecotourism criteria - that the MEET brand maintains a high level of credibility, represents another layer of protecting brand integrity.
3. Commercial: ensure that the MEET brand is valuable to trade partners and consumers internationally, representing a unique high-quality ecotourism experience.

Broad Fundraising Landscape

Fundraising opportunities can be divided into 3 major categories:

1. National and international programs) EU programs, national aid agencies, regional development banks)
2. Foundations (can either be operated by the government, private sector or civil society and usually provide more targeted funds with lower financial volume)
3. Private companies / CSR / sponsorships
4. Co-financing by government agencies (ministries, regional governments, DMOs)

Recommendation:

- ⇒ Continuous scanning for funding opportunities, tapping into development agendas, networking with donors, articulation with project partners, proposal elaboration
- ⇒ Substantial time resources required to prepare and manage projects - but strategic
- ⇒ Funding opportunities differ in nature between Mediterranean regions / countries

Opportunities

- ⇒ Joint fundraising and co-financing with Protected Areas
- ⇒ Possibility of Sub-Granting schemes
- ⇒ Always based on strengthening MEET approach and toolset – avoid mission drift

4. Competitive Analysis

Nature knows no borders and it is for that reason that a number of organizations, including the MEET Network, are active in the Mediterranean region in order to protect the natural resources of this important world region. This type of macro-regional cooperation, of course, not only takes place in the area of environmental protection; there are all kinds of cooperation levels, for example in the area of politics, economics, common legal frameworks, culture, tourism, mobility and logistics, etc, all interwoven into each other. This section discusses the results of the analysis of 11 networks of protected areas which were comparatively analysed in order to obtain an overview with regard to their mission, functioning and financing. Eight of the networks protected areas researched are located in Europe and 3 in other continents.

List of the networks of Protected Areas in the Competitive Analysis:

Danubeparks (www.danubeparks.org/)

Carpathian Network of Protected Areas (www.carpathianparks.org)

Alpine Network of Protected Areas (ALPARC) (<https://alparc.org/de/members>)

Eurosite (www.eurosite.org)

Park Dinarides (<https://parksdinarides.org/en/>)

Europarc (largest PA Network in Europe) www.europarc.org

Wadden Sea Cooperation www.waddensea-secretariat.org

MedPAN <http://medpan.org/>

Redparques <http://redparques.com/>

Asia Protected Areas Partnership <http://www.asiaprotectedareaspartnership.org>

KAZA <https://www.kavangozambezi.org/en/>

Conclusions of Analysis

Funding:

- ⇒ All PA networks are heavily reliant on external funding
- ⇒ Acknowledgement that other streams of revenue are needed. These other forms of revenue are typically in the form, of membership fees or consulting services, as well as the organization of events.
- ⇒ Funding takes places under different modalities including co-funding, being a partner of transnational projects and receiving grants.

PA Networks in Developing Regions:

- ⇒ PA networks in these regions are almost exclusively dependent upon external international funding.
- ⇒ Cooperation with the NGO sector and the private sector is either very weak or non-existent, in contrast to much more evolved structures that typically can be found in Europe.

Focus on activities:

- ⇒ All networks share a focus on activities related to capacity building, exchange of best practices and networking, as well as joint fundraising and project management.

PA Networks in relation to Tourism:

- ⇒ Whilst, all networks acknowledge that ecotourism is one way of creating value and income based on natural resources, for the purpose of financing conservation or benefiting local communities, the actual involvement in tourism differs significantly, with a very high and systematic involvement in the case of EUROPARC on one side, and very little in the case of APAP on the other extreme.
- ⇒ For this reason, EUROPARC - the most representative of all networks of protected areas, with the highest involvement of the private sector and the strongest focus on marketing sustainable tourism – is by far the most important network to be looked at, in the sense that the MEET Network needs to carefully define a Unique Selling Proposition that is complementary to what EUROPARC already does in many parts of Europe, including in a number of Mediterranean countries.

5. Marketing Overview

Business Case for MEET

According to booking.com. 87% of travellers in the world would prefer to a sustainable tourism option and 40% want to stay in eco-friendly accommodation.

Recommendation:

- ⇒ Therefore, MEET marketing should focus on sustainability-related market segments since there is a critical mass in place nowadays.

Planning Marketing

How the marketing mix can provide a framework for guiding the marketing activities of the MEET Network?

4P's are a simple guiding approach:

- ⇒ Product - quality, branding, packaging, services and availability.
- ⇒ Price - pricing strategy and management of payments
- ⇒ Place - Trade and distribution channels, e-commerce, commissions required to establish presence in distribution channels
- Promotion - public relations, marketing, advertising and selling

Additionally, as tourism is a service-based industry, it is characterised by a more comprehensive, tourism specific marketing mix that includes 3 additional Ps:

- ⇒ Personnel - Good communication within LEC members which covers aspects such as networking, vision building, capacity building, leadership and mediation of different stakeholders' interests. In the final analysis, it is the local people who make or break an ecotourism product.
- ⇒ Process - Refers to the organizational core service which in tourism implies providing a complete solution for the customer. Best approach is to put oneself in the position of the customer and imagine all steps involved in the customer journey, from gaining awareness

about what the MEET Network has to offer up to the return from a trip involving a MEET package.

- ⇒ Physical Facilities - the surroundings leave clues on how committed members of an ecotourism cluster are with regard to the principles of sustainable tourism. Clients might notice aspects such as design, style, employee appearance, recycling facilities, cleanliness of the environs and a thousand little details that will shape their final satisfaction with the product and the entire package.

Recommendation:

- ⇒ There should be a simple annual plan which outlines the MEET marketing strategy that can be shared with LECs, so they understand the big picture. Additionally, LEC should establish a short and concise plan that guides their own local activities. These two planning levels can then inform one another. Furthermore, MEET can support LECs in establishing such a plan either through workshops or some guidelines following the example of other PA networks.

Marketing Focus

Due to the fact that marketing funds within MEET are limited and it has a value-and purpose driven nature, the marketing focus of MEET should be on pull, not push. Nowadays, targeted searches generate highly relevant results implying that a well-tuned online presence will 'pull' corresponding consumers who share MEET's values. Consequently, online marketing is of particular importance with regard to B2C marketing of the MEET Network, done through the commercial entity.

Recommendation:

- ⇒ Focus marketing resources primarily on pull mechanisms, particularly digital marketing because of its cost effectiveness, and those trade partners that have high affinity with MEET values.
- ⇒ Capacity building of LECs should not only include online marketing as a key component but also encourage commercial partners to share high-quality multimedia materials that can be used for online marketing.

MEET Brand Promise

Has to be translated into tangible benefits for the consumer → experiential travel which can be communicated via storytelling.

Recommendation:

Communicate sustainability through messages emphasizing the experiences that travelers can have, or appealing images, rather than too much detail about sustainability criteria.

Developing Market Intelligence

A strong point of the MEET Network is its solid ecotourism approach and the social capital it has been consistently building throughout the Mediterranean, involving many players dedicated to conservation.

Next phase of MEET which is more focused on commercialization: will require marketing and sales effort beyond commercial entity. MEET has to undertake a systematic effort to gather and disseminate market intelligence, undergoing a systemic, network-wide capacity building.

Recommendation

- ⇒ Create an online platform for making market intelligence accessible to all members.

- ⇒ Invite members to share any market intelligence that they have available.
- ⇒ Create guidelines for certain activities, for example social media marketing or local PR / communications with the media

Possible Alliances for Cooperative Marketing

- ⇒ Merchandising - can be developed as separate revenue stream for MEET and is easy to trial run, for example, MEET protected areas could sell a T-shirt with MEET logo and if it sells well, it can easily be scaled; if it does not, the risk involved with having tried is rather limited.
- ⇒ Working with influencers – especially working with influencers who represent strong conservation values.
- ⇒ Public Relations (PR) – this encompasses using storytelling to establish more emotional connections through marketing and could be achieved through distribution of standardized tests to affiliated PAs which they can distribute through their own PR efforts; User Generated Content (UGC) include TripAdvisor reviews, local webpages and blogs which mention MEET.
- ⇒ Tour Operators - The incoming tour operators (ITOs) that are partners of the MEET Network can cooperate on two levels: exchange of best practices and information and the actual design of cross-border packages that require some level of coordination between countries or regions.
- ⇒ Cross-Border Tourism – Is another way of visualizing and designing marketing alliances. For visitors to a macro region such as the Mediterranean, cross-border travel can be an enticing option because it allows to discover different facets in one trip.

Target Groups

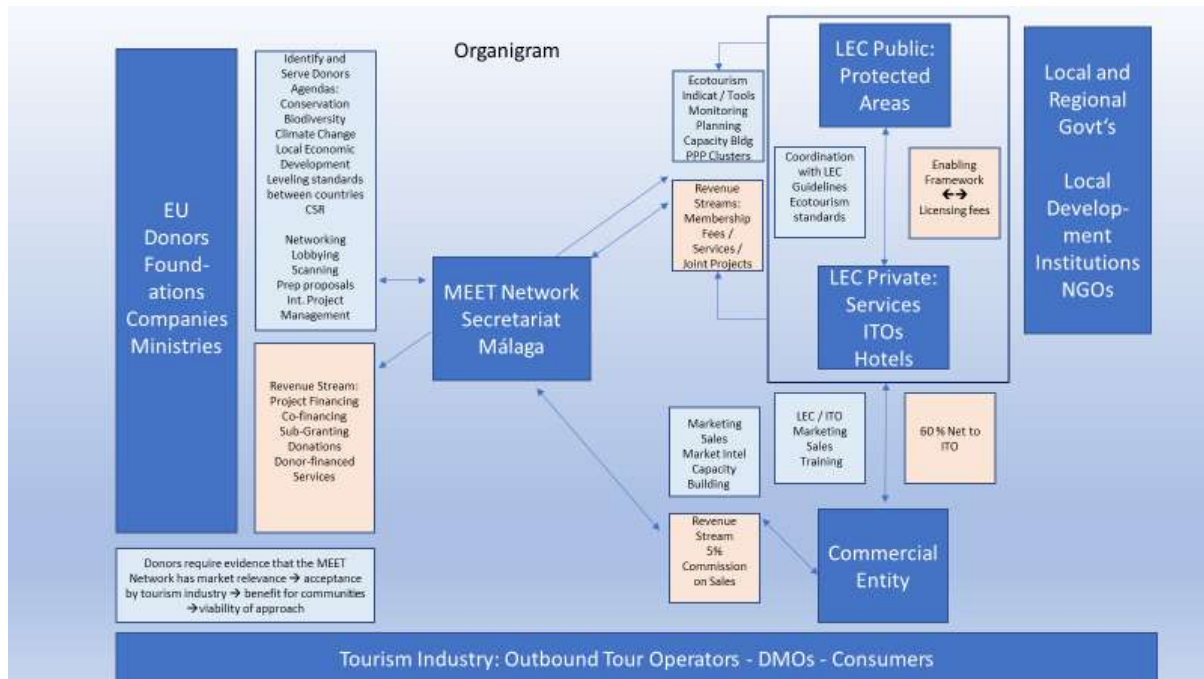
Marketing should be oriented by lifestyle segmentation, tapping into the kinds of tour operators and media that are highly relevant to certain target groups.

Recommendation:

- ⇒ Based on market research, focus on the most promising segments and seek cooperation to market to these.

6. Management and Organisation

How the MEET Network is Organised:



⇒ Roles and responsibilities within the MEET Network

The effectiveness of MEET is dependent on the smooth interaction among all involved stakeholders and the observance of complementary roles.

Therefore, capacity building has to be on the level of the entire network to ensure growth (not only Málaga office) and ensure that each stakeholder understand his role in the bigger picture.

Principles Supporting Organizational Growth of MEET

- ⇒ Business development of MEET Network should be based on key performance indicators such as, no. affiliated PAs, revenue obtained for each revenue stream, corresponding costs, cost and revenue per country, growth rate per annum etc.
- ⇒ A second set of indicators should measure human capacity development, including, number of reliably functioning LECs, number of country coordinators / focal points that manage national affairs / no of PAs proactively seeking external financing with MEET criteria.
- ⇒ Third set of indicators might look at hours required to provide basic services, monitoring how improved tools can impact performance area.

Strategies for MEET Network Growth

- ⇒ **For Network Growth** - Constantly monitoring the key performance indicators and streamline existing processes while also establishing new mechanism that allow for scaling.
- ⇒ **Market-oriented focus for sustained growth** – Application of a good customer relationship management system would help to apply the sales funnel approach in daily practice and monitor progress in the affiliation of new PAs – for each individual PA as well as for the entire target group.
- ⇒ **Growth will involve scaling processes and delegation of standard tasks** – In order to do this, determine which processes can be scaled in which not and established yearly S.M.A.R.T. goals for the scalable ones.

- ⇒ **Creating synergies of relevant partners** - Create leverage by working with partners that can enhance MEET activities, particularly DMOs interested in the ecotourism segment.

7. Financial Model

Commercialization of Ecotourism Products

Initial decision by MEET Network is to focus on long-distance markets such as the United States, Canada, Australia and Japan. The idea is to attract ecotourists interested in paying upscale prices for quality ecotourism products. However, the core mission of MEET is the conservation of PAs in the Mediterranean through ecotourism. Therefore, MEET should prioritize target groups and markets that allow the maximization of conservation benefits while also contributing optimally to local economic development; and likely that angle will involve looking at other source markets (such as within Europe) than were originally envisioned.

Services

Providing for-fee services is directly tied into the size, growth and typology of the membership base. The more members there are, the higher the likelihood that they will require tailored services.

Quantity – Due to the interdependency of basic and for-fee services, an increased demand regarding for-fee services cannot be pursued in terms of quantity. There is no separate investment to make to push for more paid services. Rather this investment would have to be made in the area of membership and acquisition of new members. This will then drive almost automatically the consolidation of the revenue stream of for-fee services.

Quality - This refers to the quality of tools, methodologies and modules that MEET has to offer as well as the capability to provide such services in a flexible manner, in any location in the Mediterranean. The fundamental investment to make here is focused on three areas, including:

- ⇒ Standardization of knowledge modules through E-learning
- ⇒ Enhancement of tools through digitalization and automation, e.g. standardized online self-assessments, automated processing of registered indicators etc.
- ⇒ Empowerment of flexible service delivery - increasingly delegation to external ecotourism experts, in order to have free time resources at the MEET Secretariat and also to ensure flexible and cost-effective service delivery

Fundraising

Considering that the goals of MEET are of public interest and ultimately of a nonprofit nature, fundraising will likely continue to be of high relevance to the MEET Network. The main investment, of course, is the time to scan donors or tenders, do public relations and lobbying work, develop and write proposals, and time spent to satisfy donor's expectations beyond the immediate project work. Although the sum of all these elements requires a substantial effort at this stage, it is still the most viable strategy to ensure the momentum needed to consolidate the MEET Network.

Especially at this early stage in the evolution of the MEET Network, the strategy must focus on ‘low hanging fruits’:

- The source markets / segments that respond best to MEET ecotourism products
- The services that are most valued by protected areas
- The funding that is best aligned with the objectives of the MEET Network

All these will require some experimenting to understand how each segment responds best. The more research is available for each revenue segment, the lower the chances are of missing those ‘low hanging fruits’ that can be instrumental at this stage in creating momentum for the network.

Pricing Strategy

MEET Membership Fees

Based on the analysis of other networks of protected areas, the model for membership fees is based on the PA’s economic capacity, as well as the country where it is located, following a system of three subcategories:

	Well-funded, strongly visited PA – often Nat’l Park	PA with intermediate funding and visitor flow	PA with few resources and low visitation
Country Group A (ex: Spain)	2000 EUR	1000 EUR	750 EUR
Country Group B (ex: Malta)	1500 EUR	800 EUR	500 EUR
Country Group C (ex: Morocco)	1000 EUR	600 EUR	300 EUR

Country Categories are based on the combined assessment of economic capacity and tourism competitiveness of countries

A → High: Spain, France, Italy, Greece

B → Medium: Cyprus, Croatia, Malta, Slovenia

C → Low: Albania, Lebanon, Jordan, Tunisia, Morocco

Sales Projections of Ecotourism Packages

Based on the competitiveness rankings of Mediterranean countries, sales projections are again realized in terms of country groups, with a unified growth rate applied on all destinations per year, based on UNWTO forecasts. As sales materialize, these underlying assumptions can be fine-tuned.

However, the key factor driving sales is the ability to affiliate PAs.

	Assigned Factor based on competitiveness	Example: Est. Sales Year 1	Example: Year 2 with 5% growth
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Country Group A (ex: Spain)	1	12000 EUR	12600 EUR
Country Group B (ex: Malta)	0,8	9600 EUR	10080 EUR
Country Group C (ex: Morocco)	0,6	7200 EUR	7560 EUR

Country Categories are based on tourism competitiveness of countries:

A → High: Spain, France, Italy, Greece

B → Medium: Cyprus, Croatia, Malta, Slovenia

C → Low: Albania, Lebanon, Jordan, Tunisia, Morocco

5 Year Overview

Financial projections for the first five years of operations consider the probable evolution of all four revenue streams, the fundamental one being membership fees because all other revenue streams depend to a high degree on how many members the MEET network is able to affiliate.

The fundamental assumptions for the table below are as follows:

- ⇒ Membership fee, on average, is assumed to be 1000 EUR per year.
- ⇒ Variable costs (as defined by the MEET Network) are higher for new members entering the network, for this reason for each year the variable cost for existing members and new members is listed separately.
- ⇒ The maximum sales volume in the first year of a particular protected area being offered to the market is estimated at €12,000 per year. However, because it may not be possible to establish this volume in less developed countries or protected areas, a more realistic average of €9600 per year is assumed across all protected areas (80%). This unified average is used to make sales projections based on the number of affiliated protected areas, furthermore assuming a 5% growth rate per year once a protected area is first introduced to the market, in tune with the overall growth pattern observed for the Mediterranean.

	Year 1	Year 2	Year 3	Year 4	Year 5
Existing PA's		8	13	18	28
New PA's	8	5	5	10	5
Total PA's	8	13	18	28	33
Total Variable Cost Existing PA's		15000	24375	33750	52500
Total Variable Cost New PA's	31000	19375	19375	38750	19375
Total Variable Costs according to PA #	31000	34375	43750	72500	71875
Fixed cost - MEET Network	44950	43450	43450	43450	43450
TOTAL ANNUAL COST	75950	77825	87200	115950	115325
1 - Membership Fees	8000	13000	18000	28000	33000
2 - Services (corresponds with sum RD)	12000	9500	10750	19500	14500
3 - Commissions	3840	6432	9154	14411	17532
4 - Fundraising	52110	48893	49296	54039	50293
TOTAL Revenue Streams 1 - 3	23840	28932	37903,6	61911,28	65031,84
GRAN TOTAL Revenue Streams 1-3 plus Fundraising	75950	77825	87200	115950	115325

The projections make clear that fundraising will need to continue at around 50,000 EUR per year at minimum in order to sustain the MEET Network in its first five years.

Financial Risk and Considerations

Offering ecotourism products implies a number of legal obligations and risks.

Recommendation:

“Due Diligence”: Anticipate and study the legal implications for each new commercial agreement, in the context of the source market and the destination, until all applicable laws and regulations are fully understood and become part of regular practice.

8. Role of Commercial Partnership

Short Term Goals of Partnership

- ⇒ Create some quick wins to motivate and gain momentum
- ⇒ Proactive sales focus (fairs, mailings, sales calls, online / social media marketing)
- ⇒ Focus on most promising markets
- ⇒ Provide quick feedback for any adjustments required
- ⇒ Fine tune pricing and commission structure if necessary

Recommendation:

Overall, the short-term focus should be on creating some quick wins to keep MEET members and partners motivated to continue.

Long Term Goals of Partnership

- ⇒ Consolidate relationships with OTOs – Outbound Tour Operators (i.e. include more and more destinations)
- ⇒ Identify commercial partnerships that create leverage and support MEET brand
- ⇒ Expansion to other markets as long as they generate and comply with ecotourism criteria (from US office, or delegate)
- ⇒ Gathering of intelligence and communicating it in digestible ways to MEET Network and partners
- ⇒ Systematic capacity building of ITOs
- ⇒ Strategic alliances for marketing (for example with DMOs, media, bloggers etc.)
- ⇒ Consolidate revenue stream through diversified contacts (independence of market fluctuations)

Recommendation:

- ⇒ In the long-term, emphasis should be placed on the diversification of source markets and strategic alliances that facilitate addressing the different source market requirements in their diversity and complexity.

Marketing and Sales

The commercial entity should:

- ⇒ Provide ongoing guidance for commercialization strategy based on industry feedback, as well as any necessary product / quality improvements
- ⇒ Drive growth from markets (i.e. indicate demand for certain parks)
- ⇒ Support growth strategy with market intelligence and indicators
- ⇒ Fine-tuned forecasting as commercialization efforts consolidate

Recommendation:

- ⇒ Carrying out the marketing and sales effort should be data and market-response driven. By constantly evaluating market feedback and adjusting strategies, as well as providing feedback to MEET Network partners regarding required improvements, the marketing of MEET ecotourism products will evolve over time.

Coaching

Commercial entity should provide capacity building of the entire network (MEET Secretariat, PAs, ITOs)

Recommendation:

- ⇒ From the requirements that become evident in everyday marketing efforts, the commercial entity should orient all stakeholders related to the MEET Network about best practices to ensure optimum market access, including co-investment in marketing activities whenever recommendable.

Identifying Opportunities for Cooperation

Commercial entity should establish partnerships to gradually cover more source markets.

Recommendation:

- ⇒ Establish partnerships to gradually cover more source markets

Given the increasing interest of tourism players, particularly destination management organizations, in fostering eco- and sustainable tourism, the MEET Network should offer itself as a facilitator of such approaches while at the same time leveraging its activities in different source markets.

9. Guidance on Business Structure and Location of Commercial Entity

Certification of MEET Network

Social impact models such as B Corp can serve as a differentiating factor because of the implied values, transparency and credibility. However, many certification systems point in the same basic direction – the “label jungle” confuses and saturates the consumer, sustainability and some certification is increasingly a standard side benefit, enhancing a good service-price relationship - but not replacing it!

Recommendation:

- ⇒ Allow the commercialization effort to consolidate to a degree, then consider cooperation with a sustainability label that has relevance both in international source markets as well as in Mediterranean destinations.

Major Source Markets

- | | |
|----------------------|-----------------------|
| 1. China | 2. USA |
| 3. Germany | 4. UK |
| 5. France | 6. Australia |
| 7. Canada | 8. Russian Federation |
| 9. Republic of Korea | 10. Italy |

These are the top markets to consider for any destination and with regard to the Mediterranean, it is evident that the North American market (USA and Canada) and the European market (especially Germany, United Kingdom, France and Italy) will represent the highest proportion among all arrivals.

Strong regional / country differences: There is no single Mediterranean but rather a **Western European, Balkan, Levant** and **Northern African** version of it - each region is perceived very differently and positioned differently with regard to sustainability. Broken down further, this is also true for countries.

Recommendation:

- ⇒ A long-term viable commercial strategy implemented by the MEET Network should be aligned with these fundamental economic realities governing tourism flows in the world.

Competition

From a consumer point of view, anyone offering eco / sustainable tourism (based either on the product characteristics, reputation of the tour operator or any certification) in the Mediterranean is a competitor – in theory, there is lots of competition.

Aspects to consider in order to ensure a competitive offer:

- ⇒ Marketability of a protected area

- ⇒ Highlight LECs / Community involvement
- ⇒ EUROPARC represents competition - to a degree
- ⇒ Verify competition PA by PA

Recommendation:

- ⇒ Overall the Mediterranean is perceived as a mass tourism destination which makes a sustainable tourism offer effortlessly stand out – therefore **in practice, competition will be more limited**. MEET needs to focus on steadily strengthening its USP. Important to bear in mind that any competitor could also be a buyer.

MEET Catalogue

Business to Business (B2B) - Evolve in line with industry feedback. Industry acceptance is the ultimate reality check.

Business to Consumer (B2C) (online)

- ⇒ Promotion of the MEET catalogue should be first tested in North American markets because the US and Canada represent the home market of the commercial entity and because legal considerations are much more manageable; the B2C strategy can then be gradually expanded
- ⇒ Efforts may have to go multilingual - legal considerations (EU consumer protection laws require careful definition – is commercial entity a tour operator or a reservation central/travel agency?)

Commercialization of PAs

Most protected areas already have some level of commercialization (albeit often modest) through international tour operators.

Recommendation:

- ⇒ The existing commercialization of protected areas by third parties should be benchmarked and inform marketing and sales efforts of the commercial entity to show where market potential is. This includes converting ‘competitors’ into commercial partners of the MEET Network.

10. Financial Model

Return of Investment (ROI)

Dependent on:

- ⇒ Competitiveness of each country
- ⇒ Evolution of arrivals (3-5% yearly increase on average across the Mediterranean)
- ⇒ Baseline of park (visitors, particular context/ framework)
- ⇒ Synergies (articulation with other products / parks)
- ⇒ Efforts of commercial entity in the areas of marketing and targeted sales efforts with appropriate tour operators

Recommendation:

- ⇒ Due to the diverse conditions found throughout the Mediterranean, ROI for each member / LEC should be assessed individually and strategies tailored individually (to the degree possible), in order to create realistic expectations – particularly considering the fact that sales & marketing effort as well revenues from the sale of packages will require time to fully develop, even for more mature protected areas.

Conservation Fund

5% of each ecotourism package is envisioned to go towards a conservation fund benefiting PAs which are members of MEET.

This may potentially make product less competitive initially. However, number of market studies demonstrate that consumers are generally willing to pay extra if their booking contributes to a worthwhile cause.

Important to market and communicate this idea properly. ITO and OTOs must assimilate this idea of 5% contribution to conservation, support it and align the idea with all branding communication and marketing accordingly, before, during and after the visit. The “feel-good factor” should definitely play a role here and tourists should get an immediate sense of their contribution.

Most appropriate mechanism is for the commercial entity to retain 5% from TO payments and deposit this in a separate account which is specifically linked to the conservation fund.

How best to distribute this 5%?

- ⇒ Equal distribution amongst all members of MEET Network with the understanding that different PAs will generate different kinds of revenue/ volume, but that conservation is a common and shared concern across the Mediterranean.
- ⇒ Each protected area receives its share of funds in proportion to the sales realized – which, not to forget, might spur specific conservation efforts if sales go well for a particular protected area but might also demotivate the ones that are less sought after.
- ⇒ Establishment of foundation that manages the fund and then can collect other donations strictly for conservation purposes, among these from returning tourists who wish to provide additional support to conservation of Mediterranean protected areas.

% for B2B Distribution Networks

It has been discussed that each member of the tourism value chain receives roughly 10% of the total package as a commission. However, this may vary between different source markets e.g. Europe and USA. Additionally, need to consider direct online commercialization which is now more common in Europe.

Why is it Important for MEET to work with traditional TOs?

- ⇒ Raises the profile of MEET much more if ecotourism products are found in catalogues of reputable tour operator companies which have large international audiences.
- ⇒ More traditional TOs / well established specialist TOs less exposed to internet-based comparison shopping and focus more on product quality with a price that corresponds with what is being delivered.
- ⇒ Attract a clientele that is interesting to members of the MEET Network.
- ⇒ Differences between source markets regarding price ranges and as a general rule, the commercial entity will be able to command higher prices in the US and Canadian market than in European markets.

- ⇒ Online travel portals like Expedia.com or Booking.com represent another potential commercialization channel, typically charging 15% to 25% of the value of a sold package as commission.

Recommendation

- ⇒ Because of the type of product that MEET represents, it is recommended, however, that commercialization efforts focus on specialist tour operators as the network consolidates, leaving this possibility to be evaluated at a future stage.

5 Year Projected Budget

Much like any hotel or TO invests a % of its revenue in marketing, any protected area and associated tourism cluster will have to make a certain investment in proportion to its economic capacity and the number of visitors that it receives (or aspires to receive). Such an investment will be as important as investing in trails, training park rangers, putting up information panels or doing biodiversity inventories, in order to ensure long-term sustainable ecotourism development.

It will be important for MEET to support LECs with the establishment of management plans which include a business market component so that LECs can start to regularly allocate resources for marketing.

This would then gradually create a framework for the commercial entity to make proposals for cooperative marketing, allowing to gauge approximate budgets for the co-financing of yearly marketing activities, thus giving the commercial entity a range to work with.

Given the different economic capacities of Mediterranean countries, the realistic scenario is to expect a different level of engagement / commitment from Spain, Albania, Jordan or Tunisia.

Long Term Vision for Marketing: funds for tourism marketing would only come from interested parties with occasional support from donors along the way. These parties include:

- ⇒ PAs
- ⇒ ITOs high motivation but restricted budgets due to size, hotels and services as art of LEC, usually with small resources + limited understanding of international marketing.
- ⇒ DMOs where PA located but only if they're interested in promoting ecotourism.
- ⇒ Tourists themselves: additional financing mechanism to consider is that % of entrance fee to protected area is specifically reinvested in marketing.

MEET Marketing Budget Example

Type	Estimated Cost / Year
Fair participations	
ITB Berlin	4000 €
WTM London	4000 €
ATTA	4000 €
Travel and Adventure Show US	4000 €
Digital Marketing	
E-Mail Marketing 200 € / month	2400 €
Website 100 € / month	1200 €
Printed promotional materials	
Print materials, Mailings	3000 €

TOTAL	22600 €
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- ⇒ **In this case, the monthly cost would be around 1883 €.**
- ⇒ The commission on ecotourism packages anticipated for the commercial entity is 25%. According to the USAID publication “The Business of Inbound Tour Operators” (https://pdf.usaid.gov/pdf_docs/PNADL945.pdf), most outbound tour operators spend an estimated minimum of 20% of their annual net revenue in marketing every year, and for new companies, marketing investments may reach 50 % of annual net revenue. This information can serve as a general reference point on what percentages of their revenue tour companies reinvest for marketing.

Projected Evolution of Marketing Budget

Based on the sales projections made in chapter 7, and assuming that the commercial entity reinvests 20% of its revenue in marketing efforts, the projected marketing budget would have the following evolution over 5 years:

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales Existing	76800,00	80640,00	135072,00	192225,60	302636,88
Sales New		48000,00	48000,00	96000,00	48000,00
Total	76800,00	128640,00	183072,00	288225,60	350636,88
Commission MEET 5%	3840,00	6432,00	9153,60	14411,28	17531,84
Commission Com. Ent. 25%	19200,00	32160,00	45768,00	72056,40	87659,22
Reinvestment in Marketing	3840,00	6432,00	9153,60	14411,28	17531,84

Under this assumption, the numbers regarding the commercial entity's reinvestment in marketing actually correspond with the 5% earmarked for the MEET Network, because 20% of the 25% over total sales volume intended for the commercial entity is equivalent to 5% over total sales.

Conclusion:

- ⇒ Clear that in initial phase of commercialization effort, this reinvestment approach will not be sufficient to significantly kickstart MEET Network product sales. Therefore, the most probably options are as follows:
 - ⇒ **Guerrilla marketing tactics** are used that do not require significant funding – mainly focusing on online and email marketing in the initial phase
 - ⇒ LECs and ITOs do **co-finance targeted marketing** activities
 - ⇒ **External donors support** the initial marketing effort, within project components oriented towards improving market access

5-Year projected Income Statement

The following table shows a five-year projection for the income received from commissions of sales of MEET ecotourism packages.

The table is based on a number of assumptions as follows:

- ⇒ The evolution in the number of protected areas has been discussed with the MEET Network and takes into account the administrative capacity to manage the yearly increase in members.

It does not take into account possible other developments such as a demand-induced growth of protected areas that might lead to a more robust growth of the network.

- ⇒ Based on specified numbers of protected areas, which are separated into the ones joining the network in a particular year, and the existing ones from previous years, an ideal / maximum sales volume of €12,000 per protected area and year is assumed, taking into account both case studies from EUROPARC France and an overall estimation by the representative of the commercial entity.
- ⇒ However, given differences between protected areas in terms of maturity for international marketing (division in three categories), an average value of €9600 (=80% of the estimated optimum) is assumed to be more realistic on average, considering the whole range of Mediterranean countries and likewise the whole range of possible protected areas. Therefore, actual calculations are based on this lower but more realistic value.
- ⇒ For the existing protected areas each year, a 5% annual increase is applied corresponding with UNWTO estimates for growth of tourism across the Mediterranean in that vicinity; and also considering that as time passes, it will get easier to market a particular protected area.
- ⇒ In the shown example, the commission for the MEET Network is estimated at 5% but can be modified using the corresponding Excel.

Sales Projections based on estimation regarding affiliated parks					
	Year 1	Year 2	Year 3	Year 4	Year 5
PA's Existing		8	13	18	28
PA's New		5	5	10	5
Total	8	13	18	28	33
Sales Existing	76800,00	80640,00	135072,00	192225,60	302636,88
Sales New		48000,00	48000,00	96000,00	48000,00
Total	76800,00	128640,00	183072,00	288225,60	350636,88
Commission	3840,00	6432,00	9153,60	14411,28	17531,84
Sales Optimum: 12000					
Sales Average: 9600					

Conclusion:

Sales commissions will only represent a modest revenue stream considering the overall financial requirements to sustain operations of the MEET Network.

Analysis and Discussion of Feasibility of Financial Model

This final section is focused on the underlying principles that will ensure the organic growth of the MEET Network.

Interdependence

- ⇒ All revenue streams must be worked on in a coherent manner because there is no single bullet solution to the consolidation process of the MEET Network.
- ⇒ Important to consider that the commercially orientated revenue streams such as membership fees and for-fee services will require time to develop and therefore crucial to continue fundraising efforts to ensure survival of network.
- ⇒ Identifying the driving factors will allow proper management of the interdependent nature of MEET activities.

Compounding

- ⇒ Under compounding logic the evolution of the MEET Network will not be linear.
- ⇒ Although initially modest revenue streams can be expected, by maintaining consistency and adapting to market requirements leverage will increase over time producing greater outcomes with less effort in the long run.
- ⇒ This is particularly true again for the three revenue streams that are predominantly in a commercial logic. By serving the needs of its main constituents - protected areas - the network will create a reputation that will attract others; by constantly improving its consulting services, these will obtain higher acceptance and possibly higher remuneration in the marketplace; by establishing more and more relationships with international tour operators and demonstrating an ever-growing presence in commercially relevant publications, other companies will follow and new and stronger alliances, including with other partners such as DMOs, will emerge.
- ⇒ The critical factor is the time needed to allow all these processes to evolve and to manage administrative capacity accordingly.
- ⇒ Additionally, crucial to continually communicate intermediate milestones, to keep all stakeholders motivated and maintain momentum.

Monitoring, Forecasting and Adjusting

- ⇒ In order to ensure transparency and strategic decision-making, all processes should be data and indicator driven, allowing MEET to monitor the evolution of revenue streams to fine-tune the forecasting of revenue growth on an annual basis and to adjust strategies and activities accordingly.
- ⇒ Currently, by establishing a baseline in commercial logic MEET is creating a solid foundation for planning both on the strategic and operational level, based on yearly assessments and adjustments.

Market Orientation – USP

- ⇒ The competitive environment evolves quickly, and new elements can quickly present themselves that have not been analysed in this business plan. Other networks of protected areas might give more importance to ecotourism marketing in the future as well, which undoubtedly would be something to be carefully considered.
- ⇒ An important aspect of the feasibility of the MEET Network relates to occupying a niche that others are not filling. Obviously, this relates to the Mediterranean in geographic terms, but also to the portfolio of services, and can only be determined through close market observation and careful adaptation of the service offer as other networks evolve.

11. Recommended Actions

Top 10 Recommended Actions for MEET Network from Business Plan

- 1) Focus on strategic areas that generate growth while delegating standard tasks
- 2) Standardization and development of digital scalable tools
- 3) Gradual shift from a fundraising to a more commercial logic
- 4) Systemic capacity building
- 5) Evolve towards providing more integral solutions for PAs
- 6) Synergise for Leverage
- 7) Know your target market and consistently connect with it
- 8) Focus on the right profile of ecotourists, not on geographic source markets
- 9) Focus on appearing in commercially relevant publications
- 10) Allow constant market feedback to guide the evolution of the MEET Network