

RÍO BARCO: IMPLICATIONS OF ENTREPRENEURIAL
INVESTMENT IN PANAMA

by

ELEANOR DAVIS

A THESIS

Presented to the Department of Business Administration
and the Robert D. Clark Honors College
in partial fulfillment of the requirements for the degree of
Bachelor of Science

May 2023

An Abstract of the Thesis of

Eleanor Davis for the degree of Bachelor of Science
in the Department of Business to be taken June 2023

Title: Río Barco: Implications of Entrepreneurial Investment in Panama

Approved: Jody Johnson, Ph.D.
Primary Thesis Advisor

Foreign investors and immigrants bring external knowledge and new ideas to host countries, contributing to their growth and development. Such is the case for Panama; foreign direct investment from the United States alone reached \$4.6bn USD in 2020¹ and continues to grow. This paper explores the benefits and challenges of entrepreneurial foreign direct investment as an American, specifically in the form of an ecotourism startup. Río Barco, a theoretical guided outdoor adventure tour agency, was developed as a framework for understanding the processes of registration, application, and startup in Panama City, Panama. Through the analysis of Río Barco, this paper aims to contribute to a deeper understanding of entrepreneurship in the foreign direct investment space. It navigates the legal, economic, and social startup processes, as well as the individual implications and challenges. Overall, this paper creates an entrepreneurial model that can serve as a guide for future projects.

¹ Office of the United States Trade Representative. "U.S.-Panama."

Acknowledgements

I would like to express my gratitude to everyone who supported me during my thesis process, especially Jody Johnson. Thank you for your time and guidance, and for your insightful conversations. Your mentorship has honed my research and my skills and has taught me about myself. I would also like to thank my friends who have been by my side, and Rita Loop for her assistance and network.

Table of Contents

Chapter One: Critical Introduction	6
Introduction	6
Methodology	9
Analysis and Results	10
Discussion	11
Chapter 2: Background and Cultural Analysis	13
History	13
Culture	14
Environment	20
Business Customs and Practices	22
Chapter 3: Small Business Bureaucracy	25
Legal Regulations	25
Labor	29
Chapter 4: River Rafting Travel Agency Case Studies	33
Oregon: Oregon Whitewater Adventures	33
Colorado: Western River Expeditions	36
Panama: Aventuras Panamá	38
Panamanian competition	45
Chapter 5: Market Analysis	46
Concept	46
Segmentation	47
Target market	49
Positioning	50
Chapter 6: Implementation Plan	52
Description	52
Organizational Structure	57
Partners and Logistics	57
Marketing Plan	61
Key Metrics	63
Cost Structure and Revenue Streams	64
Conclusion	68
Bibliography	69

List of Tables

Table One: Projected Sales Budget.....	65
Table Two: Projected Schedule of Cash Receipts	65
Table Three: Projected Operating Costs Schedule	66
Table Four: Projected Wage Disbursement Schedule	66
Table Five: Projected Capital Expenditure	67
Table Six: Projected Cash Budget	68

Chapter One: Critical Introduction

Introduction

Since its establishment in 1903, Panama has had close economic and political ties to the United States and has long been regarded as an excellent destination for foreign investors. It is also a destination for ecotourism and adventure tourists.

Foreign Direct Investment

Panama is the regional leader in attraction of foreign investment because of its political and economic stability, trade liberalization, business-friendly environment, low taxes, and advantageous geographic location as the home of the Panama Canal. The establishment of the Colón Free Zone, Panama-Pacific, and City of Knowledge special economic zones also increase attractiveness because they have special protections including advantages in taxes and duties. Furthermore, Panama has a reliable legal system and stable banking system,² meaning investments are secure.

With the release of the Panama Papers in 2016, Panama gained a reputation as an offshore tax haven for corrupt world leaders. The leak exposed money laundering, corruption, and tax evasion, as well as income inequality and injustice, all of which decreased Panama's attractiveness to the public.³ However, Panama remained attractive to investors and the United States remained the leader in foreign investment in Panama. American investments are primarily in medical equipment, cybersecurity, and agricultural products, all of which are led by large multinational corporations that establish a regional office in Panama.⁴ The tertiary sector,

² Jackiewicz, "Destination Panama," 8.

³ Kejriwal, "Structural studies."

⁴ International Trade Administration, "Country Commercial Guide."

specifically the tourism industry, has recently been gaining traction and is on track to be the biggest foreign direct investment industry.⁵

Ecotourism and Adventure Tourism

Adventure tourism must include two of the following: physical activity, nature, or cultural immersion.⁶ Under this definition, adventure tourism in Panama includes any activities that relate to hiking, rafting, kayaking, visiting indigenous communities, and other outdoor adventures. The global adventure tourism market is predicted to grow at a rate of almost 30% over the next ten years.⁷ A high degree of sustainability is necessary for ecotourism to preserve the environment for future trips and maintain the ecotourism title;⁸ this means guests should “leave no trace” and respect their destination. The ecotourism industry exists at the cross section of adventure tourism and sustainable tourism.

A major critique of adventure tourism is that it is a form of modern colonialism and promotes power imbalances and reflects experiences in labor and leisure.⁹ Ecotourism can result in revenue leakage away from the local community, negative impacts on natural areas, plastic, sewage, and waste disposal problems, and other environmental and social problems.¹⁰ However, through dedicated partnerships and an emphasis on symbiotic relationships, ecotourism companies can mitigate social and environmental considerations and leave a positive impact on the local community.

⁵ Griffith, “Significance of Foreign Direct Investment.”

⁶ Swarbrooke, “Adventure Tourism.”

⁷ Statista Research Department, “Market size.”

⁸ Meister, “Planning for Ecotourism.”

⁹ Sowards, “Ecotourism.”

¹⁰ Ibid.

Ecotourism and adventure tourism are big industries in Panama, attracting tourists every year and contributing greatly to indigenous economies.¹¹ Furthermore, Panama is contained within a small geographic zone, granting ecotourists an opportunity to experience ecotourism day trips before returning to comfortable urban vacation lodgings. Panama is a unique destination for ecotourism companies because it is an attractive country to invest in, and because it boasts ecotourism infrastructure and governmental support.

Objectives

Foreign investors and immigrants in Panama tend to be entrepreneurial and innovate.¹² They represent external knowledge and new ideas. Panama is known to be an attractive destination for foreign direct investment on the part of major political leaders and multinationals; this paper will explore the individual effects and implications of entrepreneurial investment in Panama. Specifically, this paper will explore the benefits and challenges of creating an ecotourism startup in Panama as an American investor. To achieve this objective, a business plan for Río Barco, a theoretical guided outdoor adventure agency, has been created. This business plan will serve as a framework for understanding the practical considerations and strategies involved in starting and managing a business in Panama. Through this framework, the paper aims to contribute to a deeper understanding of the role of entrepreneurship in foreign direct investment. Ultimately, this paper seeks to understand the legal, economic, and social processes that affect foreign entrepreneurial investment.

¹¹ Lethbridge, “Embera Drua.”

¹² Hausmann, “Special Economic Zones,” 1-3.

Methodology

A theoretical business plan that details how a foreign startup should be launched is used to analyze the implications of entrepreneurial foreign direct investment in Panama's ecotourism industry.

First, background research was conducted on foreign direct investment in Panama. Panama has a strong connection to the United States economically because of decades of intervention that has resulted in a bilateral investment treaty and a trade promotion agreement.¹³ Despite a reputation for corruption in the government and judicial system, Panama has a stable democracy and boasts a quickly growing economy. Panama presents an opportunity for entrepreneurial American investors because of its stable government and economic status, bilateral investment agreement with the United States, protection over profit repatriation, and positive cultural attitude towards Americans.

Secondly, Panamanian professionals were interviewed. Rosilena Rodriguez, R. and Yaneth Rodriguez, Y. are both independent female entrepreneurs, Rodriguez, R. in luxury goods and Rodriguez, Y. in consulting. Their experiences starting their own entrepreneurial venture, while not in the ecotourism industry, were used to contextualize Río Barco and the processes it will have to follow to operate in Panama.

Finally, an implementation plan was crafted for Río Barco. Río Barco is a Type A travel agency focused on ecotourism and watersports. The startup is based in Panama City, Panama and offers all-inclusive adventure planning to a target market of American consumers who value comfort and convenience. Río Barco's tagline is "We do the planning, you do the paddling," which is shown in every customer touchpoint. Río Barco will provide all aspects of a guest's

¹³ U.S. Department of State, "U.S. Relations."

stay; it will book airline tickets, provide transportation, and arrange meals in addition to leading guests on guided river rafting and kayaking tours. It is also highly customizable, seeking to provide guests with a convenient and comfortable vacation experience.

The biggest difference between establishing a startup domestically and starting a business through foreign direct investment is adapting to a new legal system and cultural expectations. Río Barco's business plan focuses on these aspects, aiming to uncover the international implications of entrepreneurial foreign investment for the investor.

Analysis and Results

Foreign direct investment is encouraged by the Panamanian government through liberal trade policies and bilateral investment agreements. Americans are especially encouraged because of the economic and political ties Panama has with the United States. However, there are bureaucratic hurdles that investors need to navigate to successfully establish a business in Panama. In urban settings and with the aid of a competent lawyer and persistence, registration and licensing can be approved quickly. Panama City has been westernized through heavy American influence, resulting in similar legal and regulatory guidelines. Rural areas have not had the same experience and rely more heavily on time and personal relationships in bureaucratic functions.¹⁴

The biggest challenge presented to American investors is the differences in employer – employee relationships. Employment regulations are outlined in the Labour Code of 1971 and its updates. The employment contract stipulates exactly where and when an employee will work, and exactly what their duties will be.¹⁵ It is illegal and culturally frowned upon to ask an

¹⁴ Rodriguez, Y., interview.

¹⁵ International Labour Organization, "Conditions of Work."

employee to assist in another function or duty that is not explicitly outlined in their contract.¹⁶ Furthermore, employees have many benefits, including social security, 13th month payments, and autonomy, meaning it is important for employers to foster a positive relationship with their employees to encourage them to use their benefits without taking advantage of them.¹⁷

There is significant market potential for Río Barco's target market of American ecotourists traveling with their families who value comfort and convenience. Americans appreciate travel to Panama because of the westernized American values they experience in Panama City and because Panama uses the U.S. dollar as currency, eliminating the need to learn a new currency or worry about exchange rates. American tourism rates are increasing, especially post pandemic, as is the desire to travel as a family unit including children.

As shown in Tables One-Six, Río Barco will not be profitable in the first two years and will be financed through friends and family. However, it will pay back all loans and be profitable starting in year three and has potential for growth. Río Barco is focused on sustainable growth over speed and will prioritize longevity both in its adventures and in its business practices.

Discussion

Río Barco is a viable economic opportunity for its American investors because it offers potential for profitability and sustainable growth. American tourists who desire comfort and convenience will turn to Río Barco to plan their trip. In return, the business model will use high-value equipment to improve the guest's experience and reduce waste by expanding the lifetime value of the boats. Río Barco will effectively and safely lead groups through adventures and other amenities, creating a business plan that aligns with the needs of its customer base.

¹⁶ Rodriguez, Y., interview.

¹⁷ Ibid.

Río Barco will also employ ethical practices to positively impact local partners and employees and to collaborate with indigenous communities and NGOs to advocate for environmental preservation. Ecotourism relies on cultural immersion, which Río Barco will commit to by partnering with indigenous communities to lead rafts down their rivers. Río Barco will also commit to sustainability in operations and in actions. Every group will pack out what they packed in and put in a conscious effort to keep the environment undisturbed for future adventurers. A commitment to sustainability will grant Río Barco a long and profitable life.

Overall, ecotourism in Panama has positive potential, effects, and implications when carried out ethically and sustainably, as represented by the theoretical business Río Barco.

Chapter 2: Background and Cultural Analysis

Panama has a unique history and cultural background. This chapter will contextualize Panama's political and economic history, trends, lifestyle, and culture, especially in relation to the United States.

History

Panama was first recognized as a country in 1903 when it gained independence from Colombia. As a result of its central geographic location as the home of the Panama Canal, Panama is an integral part of world trade. The Panama Canal is the most influential development in shipping distance decreases and led to a substantial increase in trade equivalent to 4.7% of United States GDP.¹⁸ Currently, the Panama Canal is responsible for 46% of total market share of containers being shipped from the Pacific to the Atlantic, and toll revenue accounts for more than \$3bn USD.¹⁹ Because of its strategic geographic position, the Panama Canal, its stable dollarized economy and its network of free trade zones and agreements, Panama is a huge player in the global market and is popular among foreign investors.²⁰

Panama encourages foreign investment under the Export and Investment Promotion Authority of Panama (PROPANAMÁ), a governmental agency that “develops and implements strategies to attract investment and promote exports that contribute to the economic and social development of the country.”²¹ The agency coordinates with national and local governments to assist investors and promote foreign direct investment.

¹⁸ Maurer, “What Roosevelt Took.”

¹⁹ International Trade Administration, “Country Commercial Guide.”

²⁰ US Department of State, “2021 Investment Climate.”

²¹ La Autoridad para la Atracción de Inversiones y la Promoción de Exportaciones de Panamá, “Quiénes Somos.”

Culture

Panama has close economic and cultural ties to the United States because of American involvement in the founding of Panama. Cross-cultural professional communications are generally positive, and many Panamanians see Americans as well-educated and polite.²²

Government and political alliances

Panama has a democratic government, competitive elections, and orderly rotations of power. In general, expression and association freedoms are protected. It is considered free with a score of 35/40 in political rights and 48/60 in civil liberties according to Freedom House. However, there are high levels of corruption in the justice system and high levels of government.²³ The 2016 publication of the Panama Papers revealed detailed information about corrupt and illegal behaviors by company officers, governmental leaders, and other influential individuals. The leak exposed global corruption and tax evasion centered around Panama's offshore tax structures. The leak led to the collection of billions of dollars of back taxes, 1.2bn USD collected by the United States alone.²⁴ While the Panama Papers exposed many individuals, they did not discourage foreign investment or lead to a decrease in foreign investment. Contrarily, foreign direct investment in Panama continues to grow steadily except for a decrease in 2020 due to the COVID-19 Pandemic.²⁵ The individuals exposed were wealthy international individuals and did not affect Panama's attractiveness to entrepreneurially minded investors.

²² Rodriguez, R., interview.

²³ Freedom House, "Freedom in the World."

²⁴ Kejriwal, "Structural studies."

²⁵ United Nations Conference on Trade and Development, "Global foreign direct investment."

Panama belongs to many international organizations such as the United Nations, the International Monetary Fund, and the World Trade Organization, and the government actively attracts foreign direct investment. Panama's biggest political risks are internal corruption and lack of transparency,²⁶ both of which have minimal effect on Panama's overall stable government and legal system. Panama is essential to international trade because of its strategic location and control over the Panama Canal, meaning stability is a shared global goal.

Relationship with the United States of America

Panama is an advantageous destination for American businesses because of strong relationships with the United States, both economically and personally.²⁷ The United States recognized Panama in 1903 when Panamanians revolted against Colombia. In 1904, the US and Panama entered the Hay/Bunau-Varilla Treaty in which Panama granted the US permission to build and govern over the Panama Canal. In 1977, the US and Panama signed the Carter-Torrijos Treaties to return governance of the canal to Panama, and Panama officially gained control on December 31, 1999. Panama's location and the role of the Panama Canal make Panama's success is vital to U.S. prosperity and national security, so the U.S. provides aid to Panama to ensure it remains secure and democratic.²⁸

The U.S. and Panama have signed the Trade Promotion Agreement that significantly limits tariffs and other trade barriers to U.S. exports. The agreement also promotes U.S. investment and creates a framework for trade dispute resolution.²⁹ Panama and the U.S. have a very close economic relationship that directly promotes bilateral trade and investment. For

²⁶ International Trade Administration, "Country Commercial Guide."

²⁷ Rodriguez, Y., interview.

²⁸ U.S. Department of State, "U.S. Relations."

²⁹ Ibid.

example, Panama's currency, the Balboa, is equivalent to the U.S. dollar, meaning there is no foreign exchange risk when trading with the United States. On a more personal level, many Panamanians enjoy working with Americans and perceive their American business partners as highly educated and kind.³⁰ American companies have invested billions in Panamanian companies and branches, creating jobs mainly in consulting industrial industries. Because of the United States' leading role in Panamanian development, business relationships are positive and cross-cultural communication is intuitive. The legal framework and culture of businesses and professional communication in both countries mirror each other, meaning there are limited cultural misunderstandings in business relationships. Panamanians enjoy working for American companies and vice versa.³¹

U.S. Foreign Investment

Panama is an attractive destination for U.S. foreign investment. It has strong economic and legal ties to the U.S. and, because of major U.S. involvement in its development, strong ties in professional culture and customs. The 2012 U.S.–Panama Trade Promotion Agreement eliminated tariffs and barriers to U.S. services. The environment is attractive to tourists and the ecotourism industry is developed but not saturated. The government supports foreign direct investment through agreements such as the U.S.-Panama Trade Promotion Agreement, attracting almost \$4.6bn USD in 2020.³²

³⁰ Rodriguez, Y., interview.

³¹ Rodriguez, R., interview.

³² Office of the United States Trade Representative. "U.S.-Panama."

Population

The Human Capital Index in Panama decreased from 0.51 to 0.50 from 2010 to 2020, meaning that a child in Panama can expect to be 50% as productive when they grow up as they could be if they had access to complete education and full health. The HCI is higher for girls than for boys (0.52 vs 0.49), indicating that women are slightly more likely to own wealth.³³ Female owned businesses increased by almost 60% between 1991 and 2018.³⁴ Women are increasingly independent and recognized as powerful business leaders with equal skill to their male counterparts.

On average, children complete 10.7 years of school. However, when adjusted for what children actually learn, they only complete 6.5 years. 67% of 10-year-olds cannot read and understand writing at the end of primary school, which is higher than the regional average of 55%.³⁵ Inclusive development in Panama is hindered by socioeconomic, gender, and geographic inequalities.³⁶

The World Bank classifies Panama as “high-income” despite being one of the most unequal countries in the world. The overall national poverty rate is 18%, but rural regions with majority indigenous populations reach as high as 90% poverty.³⁷ In urban areas, especially Panama City, work happens fast, and wealth is generated much quicker than outside the city. Workers who are not from the city take much longer to accomplish the same task and reply to communications as someone in the city.³⁸

³³ World Bank, “Human Capital Index.”

³⁴ International Labour Organization, “Sharp rise”

³⁵ World Bank, “Human Capital Index.”

³⁶ *Ibid.*

³⁷ US Department of State, “2021 Investment Climate.”

³⁸ Rodriguez, Y., interview.

Economic Statistics

Panama has one of the Western Hemisphere's fastest growing economies, seeing a 15.3% growth rate in 2021 and a projected growth rate of 7.8% in 2022.³⁹ Its economy experienced a setback in growth during the 2020 COVID-19 pandemic, experiencing a 17.9% GDP decline and all-time highs of 18.5% unemployment and 14.8% poverty in 2020 (World Bank) but is steadily recovering through governmental and intragovernmental funding and assistance. Labor markets are recovering, and informality and self-employment are still dominant.⁴⁰ Inflation recently spiked 3.2% in July 2022 due to energy shortages and a dramatic increase in productivity following the COVID-19 pandemic.⁴¹

Panama's economy is driven by the construction, transportation, communications, and financial services sectors, and, more recently, mining copper through the world's largest copper mine, Panama Cobre, and tourism. The tourism sector experienced 245.1% growth in January-July 2022, contributing \$2,689.0M to GDP.⁴² Ecotourism is the fastest growing sector of the tourism industry.⁴³ Panama can capitalize on growing ecotourism trends through its wide array of natural formations, rivers, beaches, and forests.

Panama hasn't issued a currency, so the US dollar is used.⁴⁴ This reduces risk for American investors and business owners because they eliminate exchange rate risk and speed up revenue repatriation.⁴⁵

³⁹ World Bank, "The World Bank in Panama."

⁴⁰ World Bank, "The World Bank in Panama."

⁴¹ Ibid.

⁴² Autoridad de Turismo de Panamá, "Panamá."

⁴³ Meister, "Planning for Ecotourism."

⁴⁴ PwC "Doing Business."

⁴⁵ Ibid.

Banking

There is no central bank of Panama. Instead, a strong network of small local banks is used and supported by the central government. As a result, Panama has one of the largest cohesive banking institutions in the region. It consists of 58 authorized banks and 2 public banks. 40 are licensed generally and 16 have an international license.⁴⁶ Banks are highly trusted by Panamanians and foreign entities.⁴⁷

Panama has rebounded from the COVID-19 economic downturn and the economy is growing again. External imbalances are contained, and Panama meets all of the IMF's Precautionary and Liquidity Line qualification criteria: external, fiscal, monetary, financial, and data. The greatest risks to Panama's fiscal stability are tighter global financial conditions and other global uncertainties. However, the current administration has shown a commitment to fiscal consolidation, meaning the banking system has strong governmental support and ensured stability.⁴⁸ International financial organizations such as the IMF and the World Bank deem the Panamanian banking system as stable and reliable, as does public opinion.

Labor

The total labor force in Panama has been on a steady incline since the 1990s, totaling over two million persons in 2021.⁴⁹ Right before the COVID-19 pandemic, the labor participation rate was at an all-time high of 66.1%.⁵⁰ The unemployment rate was rising slowly, reaching 7.1% in 2019 before jumping to almost 19% in 2020. Post-pandemic, unemployment has been decreasing, slowly returning to pre-pandemic rates of 1-9%.⁵¹

⁴⁶ PwC "Doing Business."

⁴⁷ Rodriguez, Y., interview.

⁴⁸ International Monetary Fund, "Panama: Second Review."

⁴⁹ World Bank, "Labor force."

⁵⁰ Ibid.

⁵¹ Ibid.

Businesses in Panama City benefit from positive spillover of skilled labor from the three Special Economic Zones. The Colón Free Zone, Panama-Pacific, and City of Knowledge. The Special Economic Zones were created around the Panama Canal to stimulate imports, exports, and innovations. The direct influence of the Special Economic Zones on foreign direct investment is limited as only one in ten large foreign investment projects is related to them. However, as sources of well-paying, stable jobs, the Special Economic Zones attract highly skilled workers from Panama and abroad. That skill spills over into nearby economic hubs such as Panama City and results in an excess of high-level workers.⁵²

Environment

Panama contains hundreds of rivers,⁵³ including 800 kilometers of navigable rivers and 2,490 kilometers of coastline,⁵⁴ meaning there are many opportunities for river rafting and other ecotourism activities. Panama is bordered by the Caribbean Sea to the North and the Pacific Ocean to the south. The Chagres River and the Chucunaque River are the longest and most often floated rivers in Panama. Other options for rafting and kayaking include the Chiriquí River, the archipelago in Bocas del Toro, and rivers in the Volcan Baru region.

Ecotourism

In 2015 Panama's Ministry of the Environment and its Authority of Tourism formally committed to ecotourism in an agreement with Sustainable Travel International, a global NGO.⁵⁵ The agreement is focused on three core heritage pillars: cultural heritage (multifaceted culture), green heritage (extraordinary biodiversity), and blue heritage (ocean wonders).⁵⁶

⁵² Hausmann, "Special Economic Zones."

⁵³ Smithsonian Tropical Research Institute, "GIS."

⁵⁴ Central Intelligence Agency, "Explore All Countries."

⁵⁵ Christoff, "How Ecotourism is Changing."

⁵⁶ Travel Professional News, "Panama Underscores Commitment."

Through this agreement, Sustainable Travel International is working with the Panamanian government and private organizations to identify and address the opportunities and challenges of ecotourism. The goal is responsibly developed and sustainable ecotourism practices that will preserve Panama's protected areas, indigenous communities, and biodiversity. This agreement shows a concerted effort to develop the ecotourism industry. Part of the Sustainable Travel International initiative is developing sustainable tourism strategies and infrastructure for hard-to-reach parts of Panama such as Coiba Island and Boquete.

Climate

Panama is classified as tropical, broken up into three subcategories of tropical rainforest, tropical monsoon, and tropical savanna. The climate is hot and humid with a long rainy season from May to January and a short dry season from January to May. During the rainy season Panama experiences 250-700 mm of rainfall monthly with an average annual rainfall of 1900 mm. The average annual temperature is 27 degrees Celsius. The climate is driven by the El Niño Southern Oscillation, meaning Panama frequently experiences tropical cyclones and other tropical weather patterns.⁵⁷ While weather will limit rafting to some extent, it won't stop it entirely. Rivers are traversable even in the rain.

Environmental risks

The biggest environmental risks in Panama are land degradation and soil erosion and pollution. The water in Panama is polluted by agricultural runoff, which threatens health and wellness as well as the fishing industry. Polluted rivers are not safe to raft down and would severely limit adventure opportunities.

⁵⁷ World Bank, "Panama."

As global temperatures rise, Panama’s climate will become more extreme. Already, extreme weather occurrences have increased 240% since 1970 and continue to rise. The most common extreme weather event is flooding but intense and protracted rainfalls, windstorms, droughts, wildfires, earthquakes, landslides, tropical cyclones, heat waves, and tsunamis are also a risk.⁵⁸ Panama’s resilience against extreme weather conditions will decrease because of hurricane and typhoon wind speeds and rainfall rates increasing due to human-caused warming.⁵⁹ The most vulnerable areas for natural disaster are the San Blas Archipelago, Bocas del Toro, Colón, and the western areas of Panama Province. El Arco Seco, la Sabana Veraguense, el Corrigimiento de Cerro Punta, and la Comarca Ngobe Bugle are most at risk for soil degradation and drought.⁶⁰

Business Customs and Practices

Business Hours

Private businesses are typically open 8:00 am to 5:00 pm Monday through Friday, 8:00 am to 12:00 pm on Saturdays, and closed on Sundays. Local banks are open 8:00 to 3:00 Monday through Friday and government offices are open 8:30 am to 4:30 pm.⁶¹ All offices are closed during local holidays. Panama does not observe Daylight Savings Time, so from November through March Panama observes U.S. East Coast time, and from April through October it is one hour behind.⁶²

⁵⁸ Ibid.

⁵⁹ Hidalgo, “Some physical and socio-economic aspects.”

⁶⁰ World Bank, “Panama.”

⁶¹ International Trade Administration, “Country Commercial Guide.”

⁶² Ibid.

Panama has very strong labor laws outlined in the Labour Code of 1971 and its updates. Employee contracts must directly outline expected hours, especially if they are outside of daytime hours, which are between 6:00 am and 6:00 pm. Any hours worked beyond the legal limit of 8 hours per day and 48 hours a week or beyond the terms of the employment contract will be treated as overtime and must be compensated by an increase in pay of 25% during day hours, 50% during night hours, and 75% during prolongation of night work or day-and-night work that started during the day. Any workers employed between 6:00 pm and 6:00 am must be compensated with a 50% increase in wages from their daytime counterparts. Rest periods must be between 30 minutes and two hours.⁶³ Workers' rights are strongly protected in Panama and working hours cannot be extended beyond legal regulations without penalization.

Business Customs

Panama's economy is heavily influenced by foreign investment, meaning professional customs in Panama are similar to those of the United States, and working with American professionals feels comfortable to most Panamanians.⁶⁴ Business casual or business formal is expected for high-level government meetings, some business meetings, and the financial sector. A professional tone of voice and formal language is expected in official meetings and conversations with supervisors. In communication it is important to be clear and discuss matters as openly and respectfully as possible and avoid political jargon.⁶⁵ Business cards are widely used and most communication takes place over WhatsApp.⁶⁶ Personal relationships and networking are highly valued and there is a hierarchical social organization.⁶⁷ The biggest risk as

⁶³ International Labour Organization, "Conditions of Work."

⁶⁴ Rodriguez, Y., interview.

⁶⁵ Alemán, "Working with the United States."

⁶⁶ International Trade Administration, "Country Commercial Guide."

⁶⁷ (Cárdenas).

an American is leading with arrogance. Americans are seen as kind, but sometimes overly confident and headstrong.⁶⁸

Visas and Travel

The United States is on the Permiso de Residencia para Nacionales de Paises con relaciones amistosas, meaning it is a friendly nation from where visitors are welcomed. Americans can apply for indefinite residency with a bank account with \$5,000 or more and proof of commercial or professional activity. Applications are usually approved within 30 days.⁶⁹

Panama's historic background may influence some entrepreneurs to seek out alternative destinations for their ventures. However, Panama is an advantageous destination for American investors. There is a positive cultural understanding of working for Americans, strong and liberal central government, and positive demographic trends that will lead to an even greater opportunity.

⁶⁸ Rodriguez, R., interview.

⁶⁹ International Trade Administration, "Country Commercial Guide."

Chapter 3: Small Business Bureaucracy

Panama has a strong legal framework that directly outlines all business activities. For example, the labor code details working hours and expectations. Legally, employees cannot be asked to perform duties that are not explicitly listed in their employment contract. Business licensing and operation is also strictly outlined in the legal code and protected by a strong system of central government. Depending on the region, registration, licensing, and other legal matters are processed quickly and without favoritism. However, in rural areas, processing takes much longer and personal bureaucratic relationships are more important.⁷⁰

Legal Regulations

Acquiring a business license and permits to operate as a Type A travel agency will be the first step in certifying Río Barco as a business. Legal regulations that need to be adhered to prior to opening business include registering with the income tax registry, applying for an employer number, registering for tourist transport, and applying for a health permit to serve food.⁷¹ Río Barco will also need permits for waterway access.

Business License

The first step in establishing a new business is gaining a business license. Río Barco will register as a limited liability company (LLC). The process of applying for a business license in Panama is similar to that of the United States. An LLC is the best option for Río Barco because of the flexibility and direct management features, as well as because Río Barco will be a small, foreign-owned company. Furthermore, Río Barco is a passion project. The owner is personally

⁷⁰ Rodriguez, Y., interview.

⁷¹ Kraemer & Kraemer, "Business and Corporations."

invested in the wellbeing, longevity, and day to day operations of the business, and so registering as an LLC will allow the owners to maintain control. Filing as an LLC will be less expensive and quicker than as a corporation or a sole proprietorship, and it will be a more strategic long-term action that will promote longevity.⁷² LLCs have the same limited liability protection as corporations and have pass through taxation. However, they also boast the advantage of flexibility because they can have more than one form of ownership and management.⁷³ For example, individuals, other businesses, and trusts can all have ownership stakes. Likewise, the business can be managed by an owner or by a manager who does not have an ownership stake. Río Barco will be established as an LLC because an LLC offers the business the advantages of flexibility and long-term protection.

According to a new LLC regulatory law, Law 4 of 2009, an LLC must have two or more partners, one of whom must be Panamanian.⁷⁴ Río Barco will reach out to silent partners seeking a limited partnership in a small business. The partner will be listed on the articles of incorporation.

An LLC must be registered at the Public Registry of Panama and be followed by the suffix “Sociedad de Responsabilidad Limitada” or “S. de RL,”⁷⁵ making Río Barco’s full name “Río Barco S. de RL.” A filing will be made with the Public Registry including the personal details of the partners, Río Barco’s mailing address in Panama City, the initial capital investment, managers and officers, and the duration of the LLC.⁷⁶ The cost of registry is 1,400 USD.

⁷² Blair, “The Disproportionate Costs.”

⁷³ Ibid.

⁷⁴ Pardini y Asociados, “Panama Limited Liability Companies.”

⁷⁵ Kraemer & Kraemer, “Business and Corporations.”

⁷⁶ Kraemer & Kraemer, “Business and Corporations.”

To aid in negotiating the formation and continuation of Río Barco, a local attorney will need to be hired. The process from submitting the documents to receiving a license can take up to 18 months, which can be lowered to as quick as 6 months with a skilled attorney.⁷⁷ Another advantage to employing a local attorney is that they can negotiate and sign the business deed and incorporation bylaws without the foreign investor traveling to Panama.⁷⁸

Panama Tourism Authority

As a travel agency, Río Barco will need to be licensed through the Autoridad de Turismo de Panamá, or the Panama Tourism Authority. It will register as a Type A travel agency, meaning Río Barco will be authorized to provide a full range of services including airline ticket and lodging reservations, tour packages, and transportation. The licensing procedure takes 30 days. The application will need to include the company name and the commercial name, which for Río Barco are the same. It will also need to include a legal representative with a current operating license and the organizational structure of the business.⁷⁹ As a Type A travel agency, the licensing process will also require a deposit of 10,000 USD.⁸⁰

As an ecotourism adventure company, Río Barco will also need to submit a certificate of suitability defining and describing the sport or adventure that will be offered, as well as a directive outlining potential customers, locations, and activities.⁸¹ It will also need to recognize the requirements of the Central American Integrated System of Tourism Quality and Sustainability and the Procedure for Certification in the Tourism Quality System.

⁷⁷ PwC “Doing Business.”

⁷⁸ Ibid.

⁷⁹ Autoridad de Turismo de Panamá. “Requisitos de Habilitaciones.”

⁸⁰ Ibid.

⁸¹ Autoridad de Turismo de Panamá, “Registro Otras Actividades.”

Income Tax Registry and Employer Number

The local attorney will assist Río Barco in registering with the income tax registry through the General Revenue Department. Panama has a fixed corporate income tax of 25%, with a value added tax of 7% added on top. Furthermore, municipal taxes in Panama City will be between 0.5% and 1% of earnings.⁸² The attorney will also file an application for an employer number for the business. This will identify Río Barco as a tourism company operating out of Panama City, Panama. It will be tied to all financial and commercial activity Río Barco engages in for the duration of the company. The employer registration application must be submitted from the moment Río Barco employs the first employee. The application must include personal information of the employer and the employee, and it must be notarized. As a foreign investor, Río Barco's owners will also need to provide a valid passport.⁸³ Registration will take a few business days, as it is started as soon as the form is submitted but may take some time to verify all the information.⁸⁴

Health Certificate

A health certificate from the ministry of health will also be needed. The attorney can assist with this as well. Río Barco will go to the Ministry of Health to apply for a permit. According to Law 206 of 2021, the Panamanian Food Agency regulates health and safety when serving food and will be responsible for investigating any suspected rule breaking. The agency is new and has reported slower processing times.⁸⁵ Overall, the process to be certified to serve food

⁸² Kraemer & Kraemer, "How does Panama Tax?"

⁸³ República de Panamá, "Inscripción De Empleadores."

⁸⁴ Ibid.

⁸⁵ Gobierno Nacional, "Gaceta Oficial."

on rafting trips will take a couple weeks at most.⁸⁶ All employees will also need a certification similar to the United States' food handler's license.

Tourist Transport

To transport guests between hotels, airports, and adventures, Río Barco will need a license to transport tourists. This application takes 30 days to process and requires an operation certificate, unique vehicle registration, current vehicle policy and seat insurance, driver's license, personal identity cards of the owner of the vehicle and all operators, proof of an updated fire extinguisher and safety triangles, and an operating license from the Panama Tourism Authority.⁸⁷

River Permits

Each body of water has different permitting requirements and regulations. For example, the San Blas Islands, in the independent indigenous territory of Comarca de Kuna Yala, require a permit from the Kuna people to kayak in.⁸⁸ Río Barco will need to negotiate with local governments that control the areas the company wants to bring guests to. The Panama Tourism Authority will assist with negotiations through its initiative to build a sustainable ecotourism industry in Panama.

Labor

Río Barco is seeking experienced employees who speak English, Spanish, and a Chocó dialect or Chibchan dialect fluently. Río Barco will operate within Guna Yala and the Chagres River, and guides must be able to speak with their indigenous hosts, as well as with local Spanish speakers and, mainly, with the American guests. 14% of Panamanians speak English, and

⁸⁶ Kraemer & Kraemer, "Law 206."

⁸⁷ Autoridad de Turismo de Panamá, "Registro de Transportes Turísticas."

⁸⁸ San Blas Frontera, "The ultimate guide."

English is especially prominent in business and other professional situations, meaning this requirement is feasible.⁸⁹ Multilingualism is also legally necessary for employees to be certified as tour guides with the Panama Tourism Authority.

Panamanian labor law requires at least 90% of a company's workforce to consist of Panamanians, foreigners married to Panamanians, or foreign legal residents with at least 10 years of residency.⁹⁰ Because of this, Río Barco will hire local tour guides with experience in water sports within the regions it will operate in. Río Barco will also provide comprehensive training in river rafting, kayaking, and other water sports, as well as in safety.

Labor Law and Expectations

Panamanian labor laws and expectations are similar to those of the United States. The hiring process will begin with a written contract. While it is legal to hire employees without a written contract, it is riskier because in the event of a dispute, the employee's version will be seen as correct. The contract will explicitly outline the job title and description of duties, as well as the obligations of the employer. If a duty is not explicitly stated in the contract, the employee is not legally required to carry it out if asked, and it is culturally frowned upon to even ask. For example, if an employee is hired as a cashier, they are only legally required to carry out cashier functions and employers are discouraged to ask them to assist with other functions or duties.⁹¹ The employment contract will be filed with the Ministry of Labor and associated with Río Barco's employer ID.⁹² Río Barco will use an attorney to draft the employment agreement to avoid any mistakes. Río Barco will hire workers as employees rather than as independent

⁸⁹ Country Reports, "Panama Demographics."

⁹⁰ International Relocation Firm, "Panama Labor Law."

⁹¹ Rodriguez, Y., interview.

⁹² International Relocation Firm, "Basics."

contractors because the company values strong internal relationships, which the expectations of the employer-employee relationship support.⁹³ Under Panamanian labor law, the employer-employee relationship means the employee is dependent on the employer and looks to them for economic and social support.⁹⁴

Wages

Since 2020, the hourly minimum wage in Panama is 2.94 balboas for foreign companies, and 2.77 balboas for tour agencies. This is equivalent to 2.94 and 2.77 USD per hour.⁹⁵ Río Barco will increase this hourly wage according to the skill and experience of the employees, as well as to account for legal requirements around overtime and nightwork. Employees will be paid on the 15th and the 30th of each month as is customary in Panama.⁹⁶ Any hours worked more than the maximum 8 hours per day and 7 hours per night are counted as overtime. Overtime wages are 25% more during the day (6 am to 6 pm) and 75% more during the night (6 pm to 6 am).⁹⁷ Because tour guides must work for several days at a time, they will earn overtime rates. Every employer in Panama is required to pay the 13th month salary. This is an additional month's salary paid in three equal installments on April 15th, August 15th, and December 15th.⁹⁸ Employers also pay taxes into workers compensation programs and social security. The social security system offers benefits including dental, medical, and hospital coverage, disability pay, maternity leave, retirement pensions, death benefits, and funeral funding.⁹⁹

⁹³ Rodriguez, Y., interview.

⁹⁴ International Relocation Firm, "Basics."

⁹⁵ Pardini & Asociados, "Minimum Wage Changes."

⁹⁶ International Relocation Firm, "Basics."

⁹⁷ Ibid.

⁹⁸ Papaya Global, "Payroll and Benefits"

⁹⁹ International Relocation Firm, "Basics."

Tour Guide Certification

All tour guides are required to be certified with the Panama Tourism Authority. Applications require endorsed first aid techniques through the Red Cross, Meritorious Fire Department, INADEH, SINAPROC, or another accredited institution, certificate of knowledge of a second language, which will be English for Río Barco guides, work experience, and identification. They must also pass a tourist knowledge test applied by the Panama Tourism Authority. Certification must be renewed every two years.¹⁰⁰

Liabilities and Safety

As a river rafting company the greatest risks come in the dangers of the adventure. Each river in Panama has a different classification from I to VI. A class I river is easy and features smooth water with light ripples. A class II river is moderate with faster water and small rapids. Class VI is extremely difficult and dangerous even for the most experienced rafters.¹⁰¹ Río Barco will only lead groups down rivers that guides are intimately knowledgeable and experienced in traveling, and guides will be required to take many trips down the river before they are allowed to lead their own tour. River rafting is an extremely dangerous sport, so protective equipment such as life vests, helmets, and tethers will also be used, and guests will be required to wear all safety equipment whenever they are on the water. Every single guest will be required to sign a liability waiver before embarking on their adventure. All employees, even those that aren't tour guides, will be required to retain updated safety certifications through accredited institutions such as the Red Cross. Río Barco has a commitment to safety and will adhere to required and optional guidelines.

¹⁰⁰ Autoridad de Turismo de Panamá, "Certificación de Guías."

¹⁰¹ Gordon, "Classification of Rapids."

Chapter 4: River Rafting Travel Agency Case Studies

Two Panamanian river rafting companies and two American river rafting companies were studied to determine effective competitive strategy for a river rafting company and to analyze competition. Companies that target American consumers are shown to be all-inclusive, whereas companies that target international consumers are more customizable. All companies offer multiple adventures and options for larger groups, and all bookings occur online.

Oregon: Oregon Whitewater Adventures

Description

Oregon Whitewater Adventures, or OWA, was founded in 1989 by Dave and Kay Loos. The Loos are Oregonians who fell in love over their shared love of whitewater rafting. Dave Loos originally started a river guide training program in 1985 that grew into a guided tour business. They entered the market as the only adventure guide based in the Eugene-Springfield area as action sports and ecotourism took off as one of Oregon's most popular tourist destinations.¹⁰²

OWA offers all-inclusive single and multi-day trips on Oregon's major rivers. They provide equipment and dry bags for all guests and a detailed packing list to ensure their comfort on the trip. Nights during overnight trips are spent camping, and camping equipment is also provided.

¹⁰² Dod, "On The River"

Target Market

OWA is a family owned and operated business that targets family adventurers. Youth ages 6-12 are encouraged to attend trips and group discounts are offered. OWA only employs highly certified and experienced guides and provides high quality safety equipment such as life vests, harnesses, and helmets, meaning even young children will have a safe and fun experience.

Trip Offerings

OWA offers trips along the North Umpqua River, the Grande Ronde River, the McKenzie River, the Owyhee River, and the Deschutes River. The only major Oregon river they do not lead trips on is the Rogue River. This is because the founders got married on the Rogue River and prefer to experience it on their own.¹⁰³

Trips are offered daily. They range from half day trips to five-day trips, and range in price from \$100 per person to \$1,080 per person. Trips are offered seven days a week during the open season. Youth are ages 6-12 (except for the North Umpqua River where youth are ages 10-12) and can expect a reduced price. Each river has a different season, classification, and age range/ability level. For example, the McKenzie River and the Deschutes River are open April-September and have a whitewater rating of III, meaning travelers can expect medium waves and few obstacles. The North Umpqua River and the Owyhee River are ranked IV, meaning medium waves, hydraulics, and obstacles.

OWA led trips are paddle trips where everyone is expected to paddle unless otherwise requested before the trip starts. No experience is required, and every guest is required to wear a Coast Guard approved life jacket. Deluxe meals are provided, and dietary restrictions are accounted for.

¹⁰³ Dod, "On The River."

Competitive positioning

OWA is positioned as a safe, family-friendly all-inclusive river rafting outfitter and guide. All employees are personally vetted by the owners and guaranteed to be well-experienced on the Oregon rivers. They are fully all-inclusive: each trip includes equipment, including camping equipment for multi-day adventures. If guests prefer not to camp, OWA is willing to make other arrangements such as arranging for guests to stay at a lodge. Overall, OWA offers more for more: more safety, more equipment, more experience.

OWA is also competitively positioned geographically. It is the only outfitter of its kind in the Eugene-Springfield area and its offices are positioned in the middle of the strategic Willamette Valley with access to several rivers just a short drive away. OWA is the only company to serve a large geographic swath of customers. They also lower costs by being near the rivers they lead trips on.

Customer Journey

The OWA customer journey starts with a phone reservation. Within two weeks of the reservation fifty percent of the trip charge is required for a deposit. The remainder must be paid in full two weeks before the trip. Customers meet at a pre-designated spot by the river and park their cars. There is a shuttle from parked cars to the launch location. Customers will sign a liability release then they are able to load up and go on with their adventure. At the conclusion of the trip, they will be shuttled back to their cars.

Disadvantages

OWA's greatest disadvantage is its pricing structure. It is more expensive than some competing brands. However, it is all-inclusive and has a high safety standard, meaning that trips with OWA are guaranteed to be safe and fun.

Colorado: Western River Expeditions

Description

Western River Expeditions, or Western, is a Utah-based rafting tour company. Founded in 1961, Western pioneered the concept of leading all-inclusive rafting trips. Since then, the company has led more people down rivers than any other competitor. Western has proven quality service through thousands of repeat customers and by word-of-mouth recommendations. 75% of new guests were recommended by past guests. Western has won many awards including USA Today's best white water rafting tour and National Geographic's best adventure travel company.

Western is focused on "quality, excellence in trip safety, integrity, and experience of guides." They have a rigorous selection process and in-depth training. For example, each guide experiences more than 300 hours of training before they guide their first guest down a river. Western is also all-inclusive: each trip includes top quality, consistently upgraded equipment. They only use high quality, comfortable camping equipment and safe rafting equipment. Western advertises "vacation planning made easy." All guests have to do is show up. Western is family friendly and youths ages 5-12 are welcome on most trips. They also have a Guiding Green initiative where they work hard to protect and preserve the wildland they lead trips to for future generations.

Target Market

Western's primary target market is unexperienced rafters and family groups. Their secondary target market is returning customers. Western has a high customer retention rate due to its high-quality service and emphasis on familiarity and repeat customers. Safety and inclusion are very important to Western's business model, meaning that they try to make trips accessible to as many people as possible.

Trip Offerings

Western offers trips through the Grand Canyon, in Utah and Colorado along Cataract Canyon, Desolation Canyon, and Moab, in Idaho along the Salmon River, in Oregon along the Rogue River, and one 9-day trip in Costa Rica. Western does not offer day trips. Instead, all trips are two to nine days and include camping. Western's prices are much higher than competitors, and their offering is more inclusive. They offer delicious, hot, homemade meals the entire time guests are with them and provide the highest quality tents, sleeping bags, and sleeping cots. They refresh their equipment regularly.

Western trips are not very customizable. The company will arrange for dietary restrictions and some medical needs, but the duration and location is predetermined. However, they also guarantee experience and quality in every trip. Each pre-planned trip is different. For example, the Grand Canyon trip includes some day hiking trips, helicopter rides, and chartered flights back to the starting point.

Competitive positioning

Western is positioned as more for more. It offers more options with more amenities, at a higher price. They emphasize the all-inclusiveness of the offerings and don't hesitate to charge a sufficient price for that offering.

Customer Journey

Western's customer journey starts on their website. Customers can also call the company, although an online booking is preferred. They can peruse the catalogue of trip offerings and click on each option to learn more about it. They can then book their expedition according to the dates available. Bookings include a \$750 non-refundable deposit per person. Trips are truly all-inclusive: bookings include flights to and from the Marble Canyon, ground transfers to the

airport, the rafting trip, all equipment, and all meals. Customers just have to show up and Western takes care of all the logistics.

Disadvantages

Western's greatest disadvantage is the pricing strategy. Their price is almost 50% more than competing companies, which will discourage some adventurers. However, they offer all inclusive trips that include transportation, meals, equipment, and an educated, experienced guide, which other companies do not.

Panama: Aventuras Panamá

Description

Aventuras Panama was founded in 1994 as the first adventure specialized outfitter in Panama. The company entered the market as tourism, especially ecotourism, was taking off and growing rapidly.¹⁰⁴ They lead all-included adventures in Panama as well as tutoring and guidance in rafting and kayaking. Aventuras Panama's mission is to "provide quality adventure tours," "provide people, logistics, and knowledge required to enjoy nature in a safe way" and to "involve local people of remote areas, providing them an alternative to improve their living standard while protecting nature." They employ local bilingual guides that are intimately acquainted with the areas they are leading tours in.

Aventuras Panama offers more than just river rafting. They also lead expeditions in mountain biking, hiking, caping, snorkeling, and cultural immersions with rainforest tribes. Guests can choose from over 36 different trips. They provide a full experience. Guests are picked

¹⁰⁴ World Bank, "International tourism."

up at their hotel, driven to the adventure launch point, accompanied on the adventure, and returned to their hotel at the conclusion of their trip. Food and equipment are also included.

Target Market

Aventuras Panama targets multi-generational adventurers in good shape. Their Panama City and Panama Canal trips are offered to everyone. However, for more athletic trips, longer trips, and riskier trip such as whitewater rafting or sea kayaking, only people ages 12-70 may attend, and they must be in good shape. Minors must be accompanied by an adult.

Trip offerings

Aventuras Panama offers four options to tour the Panama Canal. In the Panama City Tour, guests are picked up at their Panama City hotel at 9:00 AM and taken on a 4-5 hour guided tour of Panama City. They will visit Amador Causeway, a place where three islands were added to the city by filling in using materials from Panama Canal excavations. They will also visit Casco Antiguo (San Felipa), the historic district of Panama City, and the Old Panama Ruins. This tour costs USD \$120.00 per person, is offered year-round, and all ability levels are encouraged. The Panama City and Panama Canal trip is similar to the Panama City Tour but also includes a visit to the Miraflores Locks Visitor Center and USD \$125.00 per person. Both of these trips are walking trips led by tour guides.

The Panama Canal Partial Transit trip and the Panama Canal Full Transit trip are both on the water. Guests meet at a pier and board a large, 200-person boat (the Pacific Queen or the Isla Morada). They are then taken partially or fully down the Panama Canal and driven back to the pier at the end of the trip. Lunch, snacks, and water are included. As with the other Panama Canal trips, these trips are led by seasoned tour guides and everyone is encouraged to attend.

Trips are offered year round. Prices range from USD \$135.00 for partial transit to USD \$195.00 for full transit, with slight variations depending on the season.

Aventuras Panama also offers trips to Guna Yala in the San Blas Archipelago, Boquete, the Pearl Islands Archipelago, and Mamey Island. These trips are more vigorous than the Panama Canal trips and request that attendees are in good health. These are multi-day trips that include kayaking, snorkeling, and camping. All equipment and meals are provided by Aventuras Panama. These trips are offered year-round as guests sign up for them. Overnight trips range in price from USD \$375.00 to USD \$625.00 per person.

Competitive Positioning

Aventuras Panama is positioned as an all-inclusive tour company. They compete on convenience and quality. When consumers book with Aventuras Panama all they have to do is contact the company about when and where they wish to explore. Aventuras Panama takes care of everything else.

Aventuras Panama also competes on accessibility. The company has long-term dedicated relationships with popular adventure destinations so they can provide the most immersive experience. For example, Mamey Island is a privately owned island off the Caribbean coast of Portobelo, Panama. The owners allow visitors, especially visitors with Aventuras Panama. However, the company warns that the owner could change their visiting policy whenever they want. Aventuras Panama has VIP access to adventure locations, contributing to its competitive position of fully immersive quality.

Customer Journey

Aventuras Panama's customer journey has four main components: registration, pickup, adventure, and return. Consumers contact Aventuras Panama through the internet or via phone.

They do not have a physical office location. Guests choose the adventure they wish to attend from Aventuras Panama's comprehensive list. They are then asked to provide a down payment and to sign a waiver. On the first day of their adventure guests are typically picked up from their hotel by Aventuras Panama's employees. Panama Canal trip goers are expected to meet at the dock to board their boat.

During the adventure tour guides take care of all logistics. Guests are registered at third party resources such as hotels under "Aventuras Panama" and the guide helps them check in. Aventuras Panama also provides equipment such as kayaks, paddles, or bikes. Trips are entirely provided for, including lodging and meals.

At the conclusion of their trip, guests are dropped off back at their hotel.

Disadvantages

Aventuras Panama relies on inbound marketing techniques. For example, they use their website to invite guests to reach out to them. They don't publish marketing communications and they don't engage much in social media. For example, their Instagram page is rarely active, and most posts generate under ten interactions.¹⁰⁵

Panama: Boquete Outdoor Adventures

Description

Boquete Outdoor Adventures, or BOA, was founded in 2004 to support a rapid increase in adventure tourism in Panama. Tourists in Panama doubled between 2000 and 2004,¹⁰⁶ and

¹⁰⁵ Instagram.com

¹⁰⁶ World Bank "International tourism."

providing BOA with a huge growth potential when it entered the market. BOA boasts professionally trained, certified guides and competes on price and quality.

BOA has an office in Boquete, Panama in a plaza with several other tourist-focused businesses such as Boquete Tree Trek Canopy Zip Line and Kotowa Coffee Shop. They hire local guides and import guides from the United States to best maximize their target market of American tourists. BOA's offering is focused on an "experienced team," "tailored vacation," and "happiness guarantee."¹⁰⁷ They also claim to be the most affordable all-inclusive adventure company.

BOA communications centers around customer satisfaction and being highly certified. They ensure each guest receives the experience they desire and are willing to go above and beyond to meet specific requests. They are also highly qualified, maintaining certifications in wilderness first aid and CPR, as well as any other trip-specific certifications.

Target Market

BOA targets American tourists. They hire American guides and emphasize that they are tourist friendly, and Spanish is not a necessity. There are not any stated age or ability stipulations, however it is assumed that if a guest is registering for a trip they will be physically capable of actively participating.

Trip Offerings

BOA offers several different trips ranging from one to eight days. BOA is all inclusive so each cost per person includes equipment and food. BOA outsources lodging to local hotels such as Buena Vista Boquete or the Guest Suites at Manana Madera Coffee Estate.

¹⁰⁷ Boquete Outdoor Adventures.

Day trips are all inclusive. They begin and end at the BOA office. Each trip includes roundtrip transportation, snacks or a lunch, guides, and gear. Day trip offerings include a tour of a coffee plantation, whitewater rafting, a tour of an island, a trip to the Cangilonos Canyon, a cloud forest hike, and horseback riding. Prices range from 30 to 75 USD. These are just some examples. In total, BOA offers 21 different all-inclusive day trips. They all begin and end at BOA's office in Boquete and feature local adventures in the Chiriqui region.

Multi-day trips are typically a combination of day trips offered as a package for a reduced price. For example, the Boquete Combo is a 2-day package where guests experience rafting, birdwatching, and a wildlife cloud forest hike as well as either a canyon tour or a coffee tour. The two-day trip is \$120 per person and also includes equipment, transportation, lunches, drinks, and park entrance fees. Each trip is led by an experienced tour guide.

BOA also offers a five-day trip called Totally Chiriqui for \$260 per person. On this trip guests experience whitewater rafting, an island tour, snorkeling, ziplining, hiking, a coffee tour, and horseback riding. Similarly, they offer an eight day trip called Rumble in the Jungle for \$380 per person. This trip includes all the things in the Totally Chiriqui trip plus explorations of the Panama Canal, the historical district of Panama City, Monkey Island, and Soberania National Park. Neither of these trips include lodging and they only provide a few meals.

Competitive positioning

BOA mainly competes on price and flexibility. They offer five main adventures: hiking, rafting, horseback riding, and guided tours of a coffee plantation, Gulf of Chiriqui National Marine Park, and Cangilonos Canyon. These adventures can be mixed and matched by each guest so they receive exactly the experience they desire. BOA is able to compete on price because they do not provide an entirely immersive experience. Guests are expected to book their

own lodgings and provide their own dinners and breakfasts. However, the company offsets the challenge for its guests by recommending a group of qualified hotels and restaurants to their guests.

Customer Journey

The BOA customer journey has four main checkpoints: reservation, check in, adventure, and check out. Consumers book their tours online. They can also call; however they are encouraged to reserve a tour online by offerings of online deals that increase savings. They are expected to pay in full at the time of booking.

On the day of their adventure guests meet their guide at the BOA office in Boquete. They are led through a safety orientation then transported to the location of their adventure. The guide will lead the guests and ensure their experience is stellar. At the conclusion of the journey BOA will bring guests back to their office. Lodging is not provided or arranged by BOA, nor will guests be transported to and from their hotel, even on multi-day adventures.

Disadvantages

Boquete Outdoor Adventures claims to be an all-inclusive trip guide. However, they do not provide lodging and only a few meals. This is a disadvantage because BOA targets American tourists who are seeking an all-inclusive experience. Consumers are not familiar with Panamanian culture or the Spanish language and planning their experience around day trips may be confusing for some consumers. BOA does offer a list of verified, highly recommended hotels and restaurants, however they do not book anything for guests despite advertising as all inclusive.

Panamanian competition

There are few dedicated watersport companies in Panama. Aventuras Panamá and Boquete Outdoor Adventure are the biggest ones, followed by Panamá Travel. There are also other ecotourism outfitters such as TreeTrek Gamboa who lead adventurers through the canopies on ziplines¹⁰⁸ or HelloTravel Panama, who leads island tours, snorkeling and farm tours.¹⁰⁹ Panama features many adventure tourism and ecotourism travel agencies, but has a market gap in specifically water sports. Río Barco's direct competition will be Aventuras Panamá and Boquete Outdoor Adventure. Its indirect competition will be other adventure tourism companies.

Since Río Barco is targeting American tourists who travel to Panama, it should model its offerings after those of American companies that also target American tourists. This encompasses a customer journey that starts online, has all-inclusive offerings, and customization. American adventure tourists want convenience and comfort.

¹⁰⁸ Tree Trek Gamboa.

¹⁰⁹ Hello Travel Panama.

Chapter 5: Market Analysis

Concept

Río Barco will be a watersport tour guide travel company. Guests will book their stay online and Río Barco will take care of every part of their visit. Guests will be picked up by a Río Barco van outside Tocumen International Airport and brought to their hotel, which has been booked by Río Barco. They will have a relaxing evening before being picked up the next morning to begin their adventure. Rafting trips will be customizable in length and destination and each group will be led by an experienced and highly educated tour guide. Smaller groups and individuals will be matched into larger groups.

While on the adventure, all amenities will be provided. Río Barco will organize meals, lodging, equipment, and any other attractions guests wish to visit on their adventure. For example, if a group wants to traverse the Chagres River into the ocean and spend a couple nights on the coast before returning home, Río Barco will assist them in planning the river rafting segment of their trip and drop them off at their coastal destination.

Río Barco's service is all inclusive. Each group will be assigned an agent to work with, and that agent will ensure their needs are met and that their adventure requires little planning on the part of the guest.

Marketing Objectives

Río Barco's main objective in the first five years of operation is to successfully lead 150 adventures. The secondary goal is to create a brand image online and over social media, leading to daily engagement with guests and followers. The third goal of the marketing plan is to create

positive experiences and generate positive reviews. Río Barco seeks for 80% of adventures to be reviewed on third party sites with an average ranking of 4.5 stars.

Segmentation

Río Barco's market can be segmented by three variables. Primarily it will be segmented demographically by citizenship. Secondly the market will be segmented by familial status, and thirdly it will be segmented psychographically by travel style.

Variable 1: Tourism Status

The market will first be segmented by tourism. Before the pandemic, Panama welcomed a steady rise of tourists, capping at around 2.5 million before plummeting.¹¹⁰ While post pandemic recovery is still in full swing, Panama expects to recover from the crisis in five years.¹¹¹ Furthermore, the Panamanian government is encouraging a return to a focus on tourism, as the tourism industry is essential to Panama's economy. Inbound tourism accounts for over 11% of Panama's GDP on average¹¹² so a return to post pandemic levels is necessary.

Americans enjoy traveling to Panama because of the close cultural and economic ties. For example, the American dollar is the official form of currency in Panama, so travelers don't have to worry about conversion rates or learning a new currency system to buy things. Also, many Panamanians speak English, especially in the service industry and the tourism industry. Of the 1.5 million international visitors in 2022, 21.8% were Americans. Over the last decade, the number of American tourists has hovered around 20-25%.¹¹³

¹¹⁰ World Bank "International tourism."

¹¹¹ López, "Inbound tourism."

¹¹² Ibid.

¹¹³ Autoridad de Turismo de Panamá, "International Visitors."

Variable 2: Familial Status

The final segmentation is by familial status. The competitor analysis shows that most American guide companies encourage the whole family to attend. For example, Oregon Whitewater Adventures accepts youths ages 6-12. However, rafting companies based in Panama are less welcoming to younger guests. They are not outrightly prohibited, but families are not encouraged to attend as a group. Furthermore, the presence of youths will determine the equipment necessary because children need special protective equipment because they are smaller than adults. Familial status will affect operations and thus needs to be considered as a market segmentation variable. 70% of parents who traveled internationally traveled abroad with their kids in 2022, a trend that is expected to continue,¹¹⁴ especially in adventure tourism, where families are the second highest travel groups behind couples.¹¹⁵

Variable 3: Travel Style

The final segmentation variable is vacation lifestyle. River rafting is an intense outdoor adventure, so segmenting by adventurous and comfortable travel preferences is important. A guest who wants a relaxing vacation with luxurious amenities and no discomforts would not enjoy a river rafting trip. Adventure tourism must include two of these factors: physical activity, nature, or cultural immersion. Furthermore, an adventure tourist doesn't have to only engage in adventure tourism. For example, if a traveler goes on a hike during their vacation, they are an adventure tourist.¹¹⁶ The global adventure tourism market is predicted to grow at a rate of almost 30% over the next ten years.¹¹⁷

¹¹⁴ American Express Travel, "2023 Global Travel Trends."

¹¹⁵ Sumesh, "Adventure Tourism Market by Type."

¹¹⁶ Swarbrook, "Adventure Tourism."

¹¹⁷ Statista Research Department, "Market size."

The market is segmented by soft adventure tourism and hard adventure tourism. Soft adventure tourism encompasses moderate to low risk adventures such as kayaking or floating down a smooth river. Hard adventure tourism has higher risk and requires more physical exertion, such as mountaineering or backpacking. Soft adventure tourism is expected to grow the most rapidly by 2028 to nearly six times 2020 levels. Hard adventure tourism is also predicted to increase dramatically as more consumers are willing to take on more risk.¹¹⁸

Target market

Río Barco's target market is American tourists, interested in soft adventure tourism, who are traveling with their family.

As an American investor, Río Barco's managers will be intimately aware of American desires trends and customs. They will be used to interacting with American tourists and will be able to easily adapt to American customs and teach them to tour guides, ensuring the guests feel comfortable. Furthermore, Americans are the largest group of tourists entering Panama, can use their own currency, and generally seek convenience in travel, making them the most attractive segment.

Río Barco's competitive edge is their all-inclusive adventure trips. Guests are provided with meals, lodging, and entertainment, and don't have to worry about planning their own logistics. This means that guests who would previously not consider adventure tourism will be more likely to want to attend, since the unfamiliar aspects will be taken care of. Furthermore, soft adventure tourism is the quickest growing market segment, meaning targeting soft adventures tourists offers Río Barco the most opportunity for growth.

¹¹⁸ Sumesh, "Adventure Tourism Market by Type."

Finally, Río Barco should target families because it is a large segment of the adventure tourism market that is underprovided for. Panamanian travel agencies do not advertise family offerings and some competitors prohibit youth attendees, creating a gap in the market offering that doesn't exist in American markets. As Americans increasingly want to travel with their kids, they will search for companies that offer all-inclusive youth options.

New entrants

The rafting market in Panama is an opportunity for new entrants because it is fragmented and experiencing growth. Many companies offer rafting as an option, but they are focused on providing all types of adventure tourism. Furthermore, the adventure tourism market is growing at a rapid pace. The market is growing faster than the offerings.

Río Barco should use a concentrated targeting strategy that focuses on gaining a large market share of new guests. The adventure tourism market is growing rapidly, and Río Barco's goal should be to capture as much of the new market as possible. They can do that by focusing on first time travelers and by providing a rich and rewarding experience that influences return customers.

Positioning

Río Barco will be positioned as a category leader in both price and inclusivity. It will be an expensive option for guests, but it will also provide the most amenities and the most convenience to consumers. In exchange for a higher price, guests will enjoy a fully planned trip including transportation to and from the airport or their previous/next destination. Río Barco will provide a more for more value proposition since guests are paying above competitors' prices but are receiving higher quality trips where they don't have to do their own planning and logistics.

Río Barco is all inclusive, giving it a competitive advantage as the only Panamanian rafting company to include lodging, meals, and transportation in their trips.

Chapter 6: Implementation Plan

Description

Río Barco is a Type A travel agency specializing in river rafting and other water sports. It will operate out of Panama City, Panama and provide all-inclusive trips to mainly American guests. The most important attributes of Río Barco's offering are personalization and the inclusivity. The case studies of American tour guide companies shows that Americans value customization and want to be able to change the destination and length of their experience to fit their needs. Americans are individualistic¹¹⁹ and value their personalized experiences. Río Barco will also be all-inclusive, meaning each trip is fully planned and all guests' needs are provided for. Furthermore, Río Barco will be accessible to families and people without adventure experience, meaning all guests can use Río Barco to plan their trip to Panama.

Name and branding strategy

"Río Barco" directly translates into "river boat." However, it uses English grammar with Spanish words, symbolizing Río Barco's diverse employees and guests. Río Barco's mission is to provide guests with unforgettable watersport adventures that blend local culture and American-style comfort. Every trip should be stress-free and allow guests to fully immerse themselves into the experience without worrying about logistics. The branding strategy is focused on the competitive advantage of all-included convenience under the tagline "we do the planning, you do the paddling."

Río Barco's branding strategy consists of three goals: creating a strong visual identity, emphasizing cultural immersion, and highlighting the convenience of an all-inclusive package.

¹¹⁹ Hofstede <https://www.hofstede-insights.com/country/the-usa/>

Adventure tourism in Panama is unique in that it mostly occurs in indigenous regions, meaning guests will have the opportunity for cultural immersion. Río Barco will thoughtfully and respectfully lead guests through an immersive experience by partnering with indigenous communities. Río Barco's purpose is to help indigenous communities thrive by emphasizing the value their knowledge adds to the experiences of its guests and to the world at large.

Río Barco will also partner with local brands for supplies and lodging, which will both assist in the all-inclusive package and will increase the cultural immersion aspect of guest experiences. It will also build the credibility of Río Barco, resulting in a wider audience and customer base. Finally, the branding strategy will revolve around online sources such as social media and travel bloggers. Río Barco is targeting American consumers, and the most efficient way to reach international consumers is through the internet.

Customer Journey

As an all-inclusive tour agency, Río Barco will arrange for every part of their guests' visit. The customer journey starts with the first interaction between Río Barco and the guest. This interaction will likely happen online unless the guest visited an event where Río Barco hosted a booth. After the first encounter the guest will visit the Río Barco website, which is the second customer touchpoint. The website will feature beautiful images of Panama's natural areas. Guests will be able to click on the images and learn about Río Barco's offerings. The website will have a popup asking guests to enter their email address to learn more and receive special offers. Once they do, they will be added to a list of Río Barco guests, and they will be emailed regularly about the company and its offers.

Once guests have proceeded through the previous checkpoints and have shown interest in Río Barco, a Río Barco employee will reach out to them personally. Río Barco's philosophy is

that each guest is valuable and deserves a high-quality, personalized experience. Each guest will have a personal contact at the company that will lead the rest of their customer journey.

Guests can ask their contact about offerings, prices, and any other things they have questions about. Once they decide to book a trip with Río Barco, they will be helped through the process. Trips are entirely customizable. Guests can choose their destination, their duration, and the amenities that are provided. Río Barco has many services guests can pick and choose from: plane bookings, hotel bookings, equipment rentals, transportation, and meals, as well as guided adventures. For example, if a guest wants to be entirely hands off and let the company do all of the planning, Río Barco will book plane flights and organize their trip from the very beginning to the very end. On the other hand, if a guest only wants to book the adventure itself, that is also an option. Group sizes are also customizable.

Upon booking a trip guests will be asked to pay 50% of their deposit up to \$600 per person. Payment is electronic, either through a credit or debit card or through a wire transfer. Guests will be asked to pay the remainder of the balance two weeks before their adventure begins.

If a guest chose to have a hands-off experience, their experience with Río Barco will start when they arrive at their local airport. Río Barco will book flights and arrange for transportation once guests enter the country. On the launch day, Río Barco will pick guests up from their lodging in the city and bring them to the Río Barco office. At the office they will be outfitted with the necessary equipment and safety devices, which are included in every adventure. They will then be dropped off at the launch point and guided through their adventure. During multi-day adventures, guests will be provided with lodging and meals throughout. At the conclusion of their adventure, guests will be brought back to Panama City and dropped off at the airport or at

their next destination. As this trip is customizable, guests may also request a different drop off location.

Unique Value Proposition

Río Barco's mission is to provide guests with unforgettable watersport adventures that blend local culture and American-style comfort. Guests do not have to worry about logistics, which will lead to a stress-free experience. This mission extends to tour guides and local partners as well. Río Barco will take care of logistics so that its partners and guests can easily and conveniently connect. Río Barco's tagline is "we do the planning, you do the paddling." This tagline will embody all of its marketing strategies and communications. Guests should feel taken care of and supported when they adventure with Río Barco. The tagline will also be used to establish a strong brand image of convenience and adventure tourism. Río Barco should be the visually recognizable brand American tourists plan their Panamanian adventures with. The unique value proposition is an all-inclusive, immersive, fully planned adventure.

Offerings

In the first five years Río Barco will offer two adventure offerings: one rafting trip and one kayaking trip. Both trips will begin and end at a comfortable resort-style hotel and include equipment rentals, transportation, and any other amenities guests request.

The rafting trip will be lead along the Chagres River through Chagres National Park. This is a one-day trip that will start with a 45 minute car ride to the park entrance, a short hike to the river, and a full day of rafting. Río Barco guides will bring the equipment and lead an interactive tour, complete with personal stories and engaging facts about the surrounding area. The Chagres River has a whitewater rating of II-III, meaning it is relatively calm with a few rapids and is safe

for children. All guests will need to be registered with the Sistema Nacional de Áreas Protegidas or SINAP, a part of the Ministry of the Environment.¹²⁰ Río Barco will carry out this function.

Chagres National Park is home of the indigenous Embera people. The Embera Drua village formed a tourism cooperative in 1996 and has welcomed visitors since then.¹²¹ As part of Río Barco's emphasis on immersive experiences, this rafting trip will include a visit to the village of Embera Drua. Río Barco will work with the tourism cooperative, and they will lead the Embera Drua section of the trip.

The kayaking trip will take place in Guna Yala, also known as the San Blas Islands. Guna Yala is a Comarca Indígena, or an independent indigenous nation within Panama. The Guna community, similar to the Embera community, has embraced ecotourism as an industry and also encourages visitors.¹²² Río Barco will register with the Guna government, granting Río Barco access to the archipelago. The kayaking trip will start with a car ride to the archipelago, where guests will be led on a kayaking tour. At the conclusion of their adventure, guests can choose between being brought back to Panama City or staying in the archipelago.

Growth Opportunities

Río Barco will only offer these two trips when starting up. However, there are many opportunities for growth and expansion as the company gains more traction and wants to grow. First, Río Barco will expand into the areas it already offers trips. For example, Río Barco could expand into Lake Alajuela in Chagres National Park, or grow into a multi-day Guna Yala trip. After that, Río Barco will expand into new locations such as the Chiriqui River, and also into

¹²⁰ Ministerio de Ambiente. "MiAmbiente Invita."

¹²¹ Lethbridge, "Embera Drua."

¹²² Pereiro, "A review."

new activities. For example, surfing is popular among people living in Panama City¹²³ and would be an opportunity for Río Barco to expand to more water sports.

Organizational Structure

Río Barco will adopt a vertical organizational structure in following with Panama's high power distance and hierarchical society. The owner or boss is expected to be a benevolent autocrat and tell employees what to do.¹²⁴ The owner will lead the administrative function and the first few customer touchpoints. Once a guest has booked a trip, their primary contact will switch to their tour guide. Río Barco will start with two tour guides. Río Barco will also need a local lawyer and a silent partner, both of whom have specific responsibilities. The silent partner will assume a passive role, and the lawyer will be contracted to lead the legal function. These two roles will respond to and communicate with the owner.

Partners and Logistics

Office and Equipment Storage

Río Barco will operate out of Panama City. Panama City is Panama's central and biggest urban area and the place where most business occurs. Popular adventure tourism destinations are within a couple hours' drive. Panama City is close to Tocumen International Airport, which is where guests will arrive in Panama. Panama City's crime rate ranges between 9% and 11%, which is significantly lower than most urban crime rates.¹²⁵ Panama City is central and safe, presenting Río Barco with an opportunity to strategically host adventures for international guests. Furthermore, businesses and governmental organizations within the city operate much

¹²³ Rodriguez, R., interview.

¹²⁴ Hofstede Insights.

¹²⁵ Macro Trends, "Panama Crime Rate."

quicker than their rural counterparts, meaning Río Barco will be able to expedite licensing, registration, and other official business quicker than it could in other areas.

In Panama City, Río Barco will rent a space to keep an office and to store equipment. As the administrative center of the business, this space will need to have a front-facing office that is warm, comfortable, and welcoming to guests. It will also need spaces for employees to work from. The back area will be used for storage. It should be inside, as Panama's sunny weather can damage the equipment if it is stored outside.

Plane Flights

Booking plane tickets and transportation within Panama City can be stressful for guests. As part of the all-inclusive offering, Río Barco will book plane tickets for guests. Río Barco will mainly use Copa Airlines, American Airlines, and Delta to book seats for guests. These airlines were chosen because they offer direct flights from many US cities to Tocumen International Airport.¹²⁶ Río Barco promises convenient luxury in guests' visits and so will book flights with the least number of segments and limited layovers. The goal is for guests to arrive in Panama feeling rested and taken care of.

Panama City Lodging

Río Barco guests will be booked in a luxury hotel in Panama City. The chosen hotel will depend on the location of Río Barco's office, as it should be close to minimize travel time on the day of the adventure. Some options include the Hilton Panama, Sandos Papagayo, and the Santa Maria.

¹²⁶ Kayak.

Transportation

Río Barco will need vehicles to transport guests in. Guests will need to be transported from the airport to their hotel, from their hotel to the Río Barco office, from the office to their adventure launch location, and from the end of their adventure to their next destination. Two 12-person vans will be used for this function, both of which will need to be registered to transport tourists. 12-person vans are necessary because they are big enough to hold the entire tour group and their equipment.

Employees

Río Barco will start with one tour guide employee. This individual will be a local who speaks English, Spanish, and an indigenous dialect, and who is experienced in outdoor water sports in Guna Yala or the Chagres River. They will need to pass several safety certifications before they can lead groups on their own. Río Barco will provide or fund any trainings guides do not have when they are hired. The employment contract will explicitly state the locations, times, and duties of tour guides, adhering to strict Panamanian labor laws.

Employees will work for a maximum of 40 hours a week. This will be several trips per week. They will be paid a base rate of \$6.50 per hour, which is average for a tour guide in Panama with 1-3 years of experience.¹²⁷ They will be paid \$11.38 per hour for all hours worked after 6:00 PM and before 6:00 AM, and \$8.13 per hours for all hours worked over 40 hours per week. Wages will increase as tour guides gain experience and expertise.

Río Barco will also employ a lawyer as an independent contractor. This individual will work with Río Barco to develop legal documents, register as a company, employment contracts, and all other legal manners.

¹²⁷ Salary Expert, "Tour Guide."

Equipment

Río Barco will need to purchase equipment. As part of its comfortable and convenient offering, Río Barco will maintain the highest quality equipment. It will also update the equipment regularly to account for new innovations in comfort and safety. Equipment needed will include rafts, paddles, kayaks, life vests, helmets, and waterproof bags. All items will need to be available in many sizes and weight classifications so Río Barco can outfit any guest.

Relationships

Río Barco will need to form strong relationships with many different entities. First, it will need to negotiate with the Guna people and the Embera people to create a symbiotic relationship focused on bringing guests into the villages. Río Barco will also need to form a relationship with local officials in Chagres National Park and other parks Río Barco decided to expand into. Finally, Río Barco will need to plan with a resort-style hotel in Panama City.

Timeline

The timeline for applying and being approved for all the necessary permits and licenses will take at most 18 months. The first step will be for the owner to secure a business visa from the government of Panama. Processing will take up to 60 days, at which point all other applications for permits or registrations can occur. The business license will take the longest, followed by the application for an employer number. Registration and licensing around health, transportation, and with the Panama Tourism Authority will take 30 days. Río Barco's registered attorney will facilitate licensing and keep Río Barco up to date with renewable licensing. Furthermore, the attorney can run point on registration from Panama before the owner receives their visa, which will speed the process along. Once incorporated, Río Barco will start renting the office space and purchase outdoor gear, vans, and other necessary operational equipment.

Marketing Plan

Objectives

The main objective of Río Barco's marketing strategy is to gain awareness and establishment as a travel brand. As a new brand, consumers aren't aware of Río Barco's existence or superior product offering. This will be achieved through several smaller goals. First, Río Barco will establish an online presence through social media and travel bloggers. A secondary goal is to leverage growing interest in adventure tourism by encouraging inexperienced guests to try a short adventure as part of their planned trip to Panama. The final objective is to generate loyal customers and positive word of mouth through the first ten adventures.

Target Market

Río Barco's target market is American tourists, interested in soft adventure tourism, who are traveling with their family. They want to experience nature and ecotourism but are either unsure or unwilling to plan their own adventure. They are seeking convenience and comfort in an all-inclusive trip.

Marketing Strategy

Río Barco will use a relationship marketing strategy. Individual customer interactions are important to the brand and will be represented at every checkpoint along the customer's journey. Furthermore, Río Barco will concentrate on reaching its foreign customers through online channels such as social media platforms and travel blogs. The startup marketing strategy will be broken up into three segments: Splash, Swim, and Paddle. The Splash stage makes up the initial awareness generation stage where Río Barco will establish its online presence. During the Swim

stage, Río Barco will “jump into the water” of tourism marketing and establish itself as a lifestyle brand focused on convenience and luxury. Finally, the Paddle stage will encompass grand opening activities and kick off the first adventure.

The Splash stage is focused on making a splash in Río Barco’s online presence. Social media accounts will be created on Instagram, Twitter, Facebook and TikTok. Río Barco will engage with this account regularly, posting multiple times a week and reacting to community posts. The accounts will be personally engaging and post exclusive, behind-the-scenes content. On Instagram and TikTok, which are used to fill empty moments,¹²⁸ Río Barco will focus on entertainment content. For example, blog-style videos about the process of preparing a raft for a trip will be posted on Instagram for guests to consume as a pastime. On the other hand, Facebook, which is high in social interaction, will be primarily used to connect with individual customers through comments on their posts, reactions, and invitations to engage. The Splash stage will occur 10 months before opening.

During the Swim stage Río Barco will begin contacting consumers directly using mail and email. Direct communications with consumers who interacted with the brand during the Splash stage will establish a strong customer base and a reputation for being personal and convenient. Río Barco wants to establish from the beginning that it will take care of everything for guests. Río Barco will do all the planning so guests can focus on their paddling.

Finally, the Paddle stage introduces the in-person part of the marketing campaign. Río Barco will go to networking events and fairs to interact with consumers directly. It will use these interactions to further build strong relationships with guests. Río Barco wants to build personal

¹²⁸ Voorveld, “Engagement.”

relationships with guests to encourage them to return year after year and to write positive reviews on third party websites and travel blogs, which are a big source of awareness generation and outreach in the tourism industry.

Channels

The main promotional channels will be online sources, including both social media and travel bloggers. American consumers spend a lot of time online and are greatly influenced by social media influencers and posts. The goal is to be engaging with a younger audience, hopefully engaging with parents as well as with their children. TikTok will be a huge channel as it will generate engagement and direct interaction with younger guests. Online reviews and travel bloggers will be the main channel with which parents are engaged with.

Promotional activity will also include personal selling through email, direct mail, and in-person interactions at events. Río Barco will send a representative to events such as fairs or festivals to engage with guests and create brand awareness.

Key Metrics

Río Barco will analyze success based on these metrics: scheduled adventures, new guests, and social media engagement. In the first year, Río Barco will use social media to engage directly with potential guests. Once it is established and adventures are happening, Río Barco will be able to expand performance analyses for new guests and scheduled adventures.

Objectives are 130 adventures in the first two years, ten repeat guests, and daily engagement and an increase in following by 30% in the first year.

Cost Structure and Revenue Streams

Pricing Orientation

Río Barco will use psychological pricing strategies. Pricing higher than the competition and offering a more for more value proposition will raise the value of Río Barco's offerings in the opinions of guests. Furthermore, the ecotourism industry in Panama has oligopoly competition, meaning there are few competitors and therefore no need to undercut on prices. Price adjustments and discounts will be offered for groups, especially family groups.

The tourism market's price sensitivity is hugely varied. The price-sensitive segment tends to be female travelers younger than 30. This segment also tends to be visiting a location for the first time. Less price-sensitive segments tend to have more experience in higher education and are more likely to have families. They also spend significantly more time on information search, aggressively using online sources to learn about and plan their destination.¹²⁹ Río Barco's all-inclusive offering uses a more for more strategy. Because of this, it will target mediumly price sensitive consumers. These consumers are sensitive enough that they will carefully consider several offering levels and their corresponding prices but are not so insensitive as they desire to plan their own trip.

Adventure Pricing

Revenue comes from adventure trips. Guests will pay \$220 per person per adventure. At startup, both the Chagres River rafting adventure and the Guna Yala kayaking adventure will cost the same. This price includes meals, equipment, and services. As guests add amenities to their trip such as hotel nights or airline booking, the price they pay will increase. There will be

¹²⁹ Kah, "The Effects."

no discounts offered for youth guests, however all groups of three or more guests will receive an automatic 10% discount. At startup groups will be limited to five total guests. Sales predictions for Year 1 and Year 2 can be found in Table One. Each adventure is assumed to include four guests and there is a 15% quarterly increase in bookings.

Sales Budget		QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4
Adventures Sold		10	12	14	16	18	21	24	28
Average Sales Price per Unit:	\$792								
Total revenue (sales)		\$ 7,920	\$ 9,504	\$ 11,088	\$ 12,672	\$ 14,256	\$ 16,632	\$ 19,008	\$ 22,176

Table One: Projected Sales Budget

Guests will pay for their adventure in two installments. Half will be due at the time of booking, which for this projection is assumed to be in the quarter before the adventure is scheduled. The rest of the price must be paid in full two weeks before guests embark on their adventure. A projected schedule of cash receipts can be found in Table Two.

Schedule of Cash Receipts		QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4
Collections from adventure sales		\$ 7,920	\$ 9,504	\$ 11,088	\$ 12,672	\$ 14,256	\$ 16,632	\$ 19,008	\$ 22,176
Less: Credit Card Fees	2%	\$ 158	\$ 190	\$ 222	\$ 253	\$ 285	\$ 333	\$ 380	\$ 444
Total collections		\$ 3,960	\$ 8,712	\$ 10,296	\$ 11,880	\$ 13,464	\$ 15,444	\$ 17,820	\$ 20,592

Table Two: Projected Schedule of Cash Receipts

Cost Structure

The cost structure will directly determine the price guests pay because price will include the costs of amenities guests choose to add to their package. Options include airfare, lodging, transportation, and meals, all of which can be added to the guided adventure. Río Barco will emphasize the all-inclusive capabilities of trip planning, but guests can choose to leave out some logistics to decrease the price they pay. Fixed costs include rent¹³⁰ and utilities, selling and administrative costs, and website fees.¹³¹ Selling and administrative costs include administrative

¹³⁰ Premier Casa.

¹³¹ Leonard, "How much."

costs, marketing costs, employee trainings, insurance, and other various operational costs that are not included elsewhere. Variable costs include wages, adventure supplies and meals, and a 2% credit card processing fee.¹³² Cost predictions for Year 1 and Year 2 can be found in Table 3.

Operating Costs Schedule		QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4
Supplies	\$50.00	\$ 500	\$ 600	\$ 700	\$ 800	\$ 900	\$ 1,050	\$ 1,200	\$ 1,400
Rent and utilities		\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050
Selling and administrative costs		\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Credit card fees	2%	\$ 158	\$ 190	\$ 222	\$ 253	\$ 285	\$ 333	\$ 380	\$ 444
Website fees		\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175
Total operating costs		\$ 5,383	\$ 5,515	\$ 5,647	\$ 5,778	\$ 5,910	\$ 6,108	\$ 6,305	\$ 6,569

Table Three: Projected Operating Costs Schedule

Wages are another cost. Río Barco will employ one employee at startup. More will be hired on an as-needed basis when hours exceed the 40 hour per week maximum or Río Barco's volume increases to include more than one trip per day. A projected wage disbursement schedule can be found in Table Four.

Wage Disbursement Schedule		QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4
Employees		1	1	1	1	1	1	1	1
Paid hours per quarter		120	144	168	192	216	252	288	336
Total wages	\$6.50	\$ 780	\$ 936	\$ 1,092	\$ 1,248	\$ 1,404	\$ 1,638	\$ 1,872	\$ 2,184
13th Month Payments			\$ 154	\$ 154	\$ 154		\$ 154	\$ 154	\$ 154
Disbursements		\$ 780	\$ 1,090	\$ 1,246	\$ 1,402	\$ 1,404	\$ 1,792	\$ 2,026	\$ 2,338

Table Four: Projected Wage Disbursement Schedule

Capital Expenditures

Startup equipment costs are predicted to total \$21,600 and include boats (kayaks and rafts), a 12-person passenger van, accessories and safety equipment such as paddles and life vests, and registration fees. Capital expenditures can be found in Table Five. New equipment

¹³² Leonard, "Credit Card."

will be purchased as Río Barco increases in volume or old equipment reaches the end of its life.

Equipment repairs are included under selling and administrative costs.

Capital Expenditures	Life (years)	Cost
Equipment		
Boats	8	\$ 5,200
Vans	10	\$ 10,000
Accessories and Safety Equipment	4	\$ 5,000
Registration and permits		\$ 1,400
Total		\$ 21,600

Table Five: Projected Capital Expenditure

Analysis of Financial Projections

A projected cash budget can be found in Table Six. Assumptions include a beginning cash balance of \$10,000 provided by the owner. Río Barco will finance through friends and family and will keep \$5,000 cash on hand.

Cash Budget	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4
Beginning cash balance	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Add: cash collections	\$ 7,920	\$ 9,504	\$ 11,088	\$ 12,672	\$ 14,256	\$ 16,632	\$ 19,008	\$ 22,176
Total cash available	\$ 17,920	\$ 14,504	\$ 16,088	\$ 17,672	\$ 19,256	\$ 21,632	\$ 24,008	\$ 27,176
Less: cash disbursements								
Supplies	\$ 500	\$ 600	\$ 700	\$ 800	\$ 900	\$ 1,050	\$ 1,200	\$ 1,400
Labor	\$ 780	\$ 1,090	\$ 1,246	\$ 1,402	\$ 1,404	\$ 1,792	\$ 2,026	\$ 2,338
Operating costs	\$ 4,883	\$ 4,915	\$ 4,947	\$ 4,978	\$ 5,010	\$ 5,058	\$ 5,105	\$ 5,169
Taxes	\$ 5,734	\$ 4,641	\$ 5,148	\$ 5,655	\$ 6,162	\$ 6,922	\$ 7,683	\$ 8,696
Equipment purchase	\$ 21,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total disbursements	\$ 33,498	\$ 11,246	\$ 12,041	\$ 12,835	\$ 13,476	\$ 14,822	\$ 16,014	\$ 17,603
Minimum cash desired	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Excess cash after expenses	\$ (20,578)	\$ (1,742)	\$ (953)	\$ (163)	\$ 780	\$ 1,810	\$ 2,994	\$ 4,573
Financing								
Borrowing (Repayment)	\$ 20,578	\$ 2,154	\$ 1,408	\$ 646	\$ (284)	\$ (1,320)	\$ (2,531)	\$ (4,160)
Loan Balance	\$ 20,578	\$ 22,732	\$ 24,139	\$ 24,786	\$ 24,501	\$ 23,181	\$ 20,651	\$ 16,490
Interest	\$ -	\$ 412	\$ 455	\$ 483	\$ 496	\$ 490	\$ 464	\$ 413
Total financing	\$ 20,578	\$ 25,297	\$ 26,001	\$ 25,915	\$ 24,713	\$ 22,351	\$ 18,584	\$ 12,743
Ending cash balance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000

Table Six: Projected Cash Budget

Conclusion

Following the same assumptions discussed above, Río Barco is projected to be profitable starting in Year Five. The framework of Río Barco establishes a guide for ecotourism ventures in Panama. They must appeal to an audience, provide infrastructure for that audience, and deliver a pleasurable experience. Beyond that, successful and sustainable ecotourism in Panama encompasses a wide range of aspects: it must protect and preserve the environment, adhere to legal regulations, and support and nurture indigenous education and immersion. Ecotourism isn't just about the kayak trip or about the rafting experience; it is about immersion into and preservation of nature through commercial activities. Panama is attractive to entrepreneurial American investors, especially if they invest in sustainable business.

Bibliography

- Alemán, Jaime. "Working with the United States: A View from Panama." *American Foreign Service Association*. Accessed April 2, 2023. <https://afsa.org/working-united-states-view-panama>.
- American Express Travel. "2023 Global Travel Trends." Accessed April 20, 2023. <https://www.americanexpress.com/en-us/travel/discover/get-inspired/global-travel-trends>.
- Autoridad de Turismo de Panamá. "Certificación de Guías de Turismo." *República de Panamá*. Accessed April 12, 2023. https://www.atp.gob.pa/?page_id=1175.
- Autoridad de Turismo de Panamá. "International Visitors YTD 2023 January." *República de Panamá*. Accessed April 12, 2023. <https://tourismanalytics.com/panama.html>.
- Autoridad de Turismo de Panamá. "Panamá." *República de Panamá*. Accessed April 12, 2023. <https://www.atp.gob.pa/>.
- Autoridad de Turismo de Panamá. "Registro de Transportes Turísticas." *República de Panamá*. Accessed April 12, 2023. https://www.atp.gob.pa/?page_id=1180
- Autoridad de Turismo de Panamá. "Registro Otras Actividades Turísticas." *República de Panamá*. Accessed April 12, 2023. https://www.atp.gob.pa/?page_id=2684.
- Autoridad de Turismo de Panamá. "Requisitos de Habilitaciones de Agencias de Viajes Tipo A y Tipo B." *República de Panamá*. Accessed April 12, 2023. https://www.atp.gob.pa/?page_id=2672.
- Blair, Eden S., Tanya M. Marcum, and Fred F. Fry. "The Disproportionate Costs of Forming LLC's Vs. Corporations: The Impact on Small Firm Liability Protection." *Journal of Small Business Strategy* 20, no. 2 (Fall/Winter 2009).
- Boquete Outdoor Adventures. Boqueteoutdooradventures.com.
- Central Intelligence Agency. "Explore All Countries – Panama." *World Factbook*. April 26, 2023. <https://www.cia.gov/the-world-factbook/countries/panama/#environment>.
- Christoff, Janeen. "How Ecotourism is Changing Panama (For the Better)." *Travel Pulse*. December 3, 2015. <https://www.travelpulse.com/News/Destinations/How-Ecotourism-is-Changing-Panama-For-the-Better>.
- Country Reports. "Panama Demographics." Accessed March 30, 2023. <https://www.countryreports.org/country/Panama/population.htm>.

- Dholakia, Utpal M. "A Quick Guide to Value-Based Pricing." *Harvard Business Review*. August 9, 2016. <https://hbr.org/2016/08/a-quick-guide-to-value-based-pricing>.
- Dod, Bronte. "On The River With Oregon Whitewater Adventures." *1859 Oregon's Magazine*. July 25, 2016. <https://1859oregonmagazine.com/think-oregon/business/oregon-whitewater-adventures/>.
- Freedom House. (2022). 2021 Freedom in the World: Panama. <https://freedomhouse.org/country/panama/freedom-world/2021>
- Gobierno Nacional. "Gaceta Oficial Digital." *República de Panamá*. March 30, 2021. <https://kraemerlaw.com/wp-content/uploads/2022/07/law-206.pdf>.
- Gordon, I. Herbert. "Classification of Rapids, Water Levels, and Canoeists." *Paddling.com*. Accessed April 24, 2023. <https://paddling.com/learn/classification-of-rapids-water-level-and-canoeists> .
- Griffith, Ronnie, Kimberly Waithe, and Roland Craigwell. "The Significance of Foreign Direct Investment to Caribbean Development." *Mimeo, Ministry of Finance, Economic Affairs and Energy and the University of the West Indies, Kingston* (2008).
- Hausmann, Ricardo, Juan Obach, and Miguel Angel Santos. "Special Economic Zones in Panama: A Critical Assessment." *Harvard Kennedy School* (2016).
- Hello Travel Panama. Hellotravelpanama.com.
- Hidalgo, Hugo G. and Eric J. Alfaro, "Some physical and socio-economic aspects of climate change in Central America," *Progress in Physical Geography* 36 no. 3 (2012): 379-399.
- Hofstede Insights. Hofstede-insights.com.
- International Labour Organization. "Conditions of Work and Employment Programme." October 26, 2009. https://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_structure=2&p_year=2009&p_start=1&p_increment=10&p_sc_id=1001&p_countries=VN&p_countries=PA&p_print=Y.
- International Labour Organization. "Sharp rise in women-owned businesses in Central America." December 1, 2019. https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_732455/lang--en/index.htm
- International Monetary Fund. "Panama: Second Review Under the Arrangement Under the Precautionary and Liquidity Line - Press Release; Staff Report; and Statement by the Executive Director for Panama." IMF Country Reports. August 2022.
- International Relocation Firm. "Basics of Panama Labor Law." Accessed April 22, 2023. https://www.relofirm.com/basics_of_panama_labor_laws/#:~:text=Panama%20labor%20law%20specifies%20that,will%20earn%20more%20than%20a .

- International Relocation Firm. “Panama Labor Law.” Accessed April 22, 2023.
https://www.relofirm.com/panama_labor_law/.
- International Trade Administration. “Panama – Country Commercial Guide.” *United States of America Department of Commerce*. Accessed April 17, 2023.
<https://www.trade.gov/country-commercial-guides/panama-market-overview?section-nav=5676>.
- Jackiewicz, Edward L. and Jim Craine. “Destination Panama: An Examination of the Migration-Tourism-Foreign Investment Nexus.” *Recreation and Society in Africa, Asia, and Latin America* 1, no. 1 (March 2010): 5-29.
- Kah, Junghye, Seong-Hoon Lee and Jinok Susanna Kim. “The Effects of Travelers’ Price Sensitivity on Information Search Behaviors.” *Sustainability* 14, no. 7 (2022): 3818.
- Kayak. [Kayak.com](https://www.kayak.com).
- Kejriwal, Mayank and Akarsh Dang. “Structural studies of the global networks exposed in the Panama papers.” *Applied Network Science*, 5, no. 63 (2020).
- Kraemer & Kraemer. “Business and Corporations in Panama.” *Kraemer Law*. Accessed April 22, 2023. <https://kraemerlaw.com/en/business-corporations/>.
- Kraemer & Kraemer. “How does Panama Tax Corporations?” *Kraemer Law*. Accessed April 22, 2023. <https://kraemerlaw.com/en/articles/how-does-panama-tax-corporations/>.
- Kraemer & Kraemer. “Law 206 of 2021 that created the Panamanian Food Agency.” *Kraemer Law*. Accessed April 22, 2023.
- La Autoridad para la Atracción de Inversiones y la Promoción de Exportaciones de Panamá. “Quiénes Somos.” República de Panama. Accessed March 22, 2023.
<https://propanama.gob.pa/es/Pagina/QuienesSomos>
- Leonard, Kimberlee and Kelly Main. “How Much Does A Website Cost? (2023 Guide).” *Forbes Advisor*. March 6, 2023. <https://www.forbes.com/advisor/business/software/how-much-does-a-website-cost/>.
- Leonard, Kimberlee, Cassie Bottorff. And Rob Watts. “Credit Card Processing Fees (2023 Guide).” *Forbes Advisor*. March 24, 2023.
<https://www.forbes.com/advisor/business/credit-card-processing-fees/>.
- Lethbridge, Amy. “Embera Drua: The Impact of Tourism on Indigenous Village Life in Panama.” *Antioch University*. September 2016.
https://etd.ohiolink.edu/apexprod/rws_etd/send_file/send?accession=antioch1475762365668354&disposition=inline.
- López, Ana M. “Inbound tourism volume in Panama 2017-2021.” *Statista*. April 4, 2022.
<https://www.statista.com/statistics/718079/number-tourists-entering-panama/>.

- Macro Trends. “Panama Crime Rate & Statistics 1990 – 2023.” Accessed April 21, 2023. <https://www.macrotrends.net/countries/PAN/panama/crime-rate-statistics>.
- Maurer, Noel and Carlos Yu. “What Roosevelt Took: The Economic Impact of the Panama Canal, 1903-29.” *Harvard Business School Working Knowledge* (2006).
- Meister, Chelsea Marie. “Planning for Ecotourism Development in Panama: Using Government Policy and Spatial Analysis to Optimize Ecotourism Success.” *California State University, Fullerton* (2017).
- Ministerio de Ambiente. “MiAmbiente Invita a Conocer Sus Parques Nacionales y Reservas de Vida Silvestre.” *República de Panamá*. February 21, 2020. <https://www.miambiente.gob.pa/miambiente-invita-a-conocer-sus-parques-nacionales-y-reservas-de-vida-silvestre/>.
- Office of the United States Trade Representative. “U.S.-Panama Trade Promotion Agreement.” Accessed April 5 2023. <https://ustr.gov/trade-agreements/free-trade-agreements/panama-tpa>
- Oregon Whitewater Adventures. Oregonwhitewater.com.
- Papaya Global. “Payroll and Benefits Guide: Panama.” April 18, 2022. <https://www.papayaglobal.com/countrypedia/country/panama/>.
- Pardini & Asociados. “Minimum Wage Changes in the Republic of Panama.” Accessed April 22, 2023. <https://www.pardinilaw.com/EN/padela/articles/241/corporation/minimum-wage-changes-in-the-republic-of-panama/>.
- Pereiro, Xerardo. “A review of Indigenous tourism in Latin America: reflections on an anthropological study of Guna tourism (Panama).” *Journal of Sustainable Tourism* 24, no. 8-9 (2016): 1-18.
- Premier Casa. Premiercasa.com/panama/rentals.
- PwC. “Doing Business in Panamá 2022.” *PwC Panamá* (2021). <https://www.pwc.com/ia/es/publicaciones/assets/doing-business/DoingBusiness2022/Panama-ING.pdf>.
- República de Panamá. “Inscripción De Empleadores.” Accessed April 12, 2023. <https://w3.css.gob.pa/inscripcion-de-empleadores/>.
- Rosilena Rodriguez, interview by Eleanor Davis, April 21, 2023.
- Salary Expert. “Tour Guide Average Base Salary.” Accessed April 28, 2023. <https://www.salaryexpert.com/salary/job/tour-guide/panama#:~:text=An%20entry%20level%20tour%20guide,9%2C235>.

- San Blas Frontera. "The ultimate guide to visit the San Blas Islands in Panama." Accessed April 12, 2023. <https://www.sanblasfrontera.com/the-ultimate-guide-to-visit-the-san-blas-islands-in-panama/>
- Smithsonian Tropical Research Institute. "GIS Data Portal." *ArcGIS*. Accessed March 22, 2023. <https://stridata-si.opendata.arcgis.com/>.
- Statista Research Department. "Market size of the adventure tourism market worldwide 2021-2030." *Statista*. January 18, 2023. <https://www.statista.com/statistics/1172869/global-adventure-tourism-market-size/>.
- Sumesh, K. and D. Rohan. "Adventure Tourism Market by Type (Hard, Soft, and Others), Activity (Land-Based Activity, Water-Based Activity, and Air-Based Activity), Type of Traveler (Solo, Friends/Group, Couple, and Family), Age Group (30 Years, 30-41 Years, 42-49 Years, and 50 Years & Above), and Sales Channel (Travel Agents, and Direct): Global Opportunity Analysis and Industry Forecast, 2021-2028." *Allied Market Research*. July 2021. <https://www.alliedmarketresearch.com/adventure-tourism-market>.
- Swarbrooke, John and Colin Beard. "Adventure Tourism: The New Frontier." Oxford: Butterworth-Heinemann, 2003. https://www.researchgate.net/publication/259332779_Adventure_Tourism_The_New_Frontier.
- Travel Professional News. "Panama Underscores Commitment Towards Tourism Of The Future." (2022). <https://www.travelprofessionalnews.com/panama-underscores-commitment-towards-tourism-of-the-future/>.
- Tree Trek Gamboa. Gamboatreetrek.com.
- U.S. Department of State. "2021 Investment Climate Statements: Panama." Accessed January 15, 2023. <https://www.state.gov/reports/2021-investment-climate-statements/panama/>.
- U.S. Department of State. "U.S. Relations With Panama: Bilateral Relations Fact Sheet." *Bureau of Western Hemisphere Affairs*. Last modified November 3, 2022. <https://www.state.gov/u-s-relations-with-panama/>
- United Nations Conference on Trade and Development. "Global foreign direct investment flows over the last 30 years." June 9, 2022. <https://unctad.org/data-visualization/global-foreign-direct-investment-flows-over-last-30-years>
- Voorveld, Hilde A. M., Guda van Noort, Daniel G. Muntinga and Fred Bronner. "Engagement with Social Media and Social Media Advertising: The Differentiating Role of Platform Type." *Journal of Advertising* 47, no. 1 (2018): 38-54.
- Western River Expeditions. Westernriver.com.
- World Bank. "Human Capital Index 2020." Accessed March 14, 2023. https://databankfiles.worldbank.org/public/ddpext_download/hci/HCI_2pager_PAN.pdf.

World Bank. “International tourism, number of arrivals – Panama.” Accessed February 12, 2023.
<https://data.worldbank.org/indicator/ST.INT.ARVL?locations=PA>.

World Bank. “Labor force, total – Panama.” Accessed February 12, 2023.
<https://data.worldbank.org/indicator/SL.TLF.TOTL.IN?locations=PA>.

World Bank. “Panama.” *Climate Change Knowledge Portal for Developing Practitioners and Policy Makers*. Accessed March 22, 2023.
<https://climateknowledgeportal.worldbank.org/country/panama> .

World Bank. “The World Bank in Panama.” Accessed February 26, 2023.
<https://www.worldbank.org/en/country/panama/overview>

Yaneth Rodriguez, interview by Eleanor Davis, April 21, 2023.