MASTER THESIS

Development of the tourism offers for sustainable Cottage housing on Pico Island, Azores

SHOTA NATROSHVILI

Internship developed at
“Azores wine company”
Pico Island, Açores

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Abstract

The goal of the given project is to explore possibilities and opportunities of cottage housing development for a winery located on the island of Pico, which represents one of the nine islands of the Azores archipelago in the middle of the Atlantic Ocean. Research analyzes will be done to define the benefits and advantages that cottage accommodation can bring to the winery, additionally developing complementary tourism experiences that will increase the attractiveness and interest for the destination.

As the winery already has well developed wine tourism experiences and owns six apartments for guests, during the negotiations with a professional advisor, a decision was made to tackle the yet unoccupied tourist segment in the form of family tourism. Project will be focusing on understanding the structural complexity, holiday perception and decision making process of families. Additionally, during the research, I will review possibilities of integrating wellness tourism as a secondary product into the proposal, as it can be a potential tool for combating the seasonality. Based on the results of research, tourism experiences and proposals will be developed in order to increase customer engagement and loyalty.

Key words: Azores islands, Pico Island, Family tourism, Wellness tourism, Cottage houses

List of Abbreviations:

UNESCO – The United Nations Educational, Scientific and Cultural Organization
FWB – Family well being
FLC - Family life cycles
FVDM - Family vacation decision-making
GWI - Global Wellness Institute
CAGR - Compound annual growth rate

1.0 Introduction

Thesis was written throughout the academic internship in “Azores Wine Company” and represents practical execution of knowledge acquired in the course of the International master program of Wine tourism innovation (WINTOUR).

The topic of the thesis was a result of agreement coming from analysis of needs and future plans of the company, with co-founder and manager of “Azores wine company” – Filipe Rocha.

Crucial part of research was done through internal and external semi-structured interviews revealing ongoing tourism activities and experiences on the island of Pico.

1.1 Cultural context and history of Pico Island

Pico island is part of the Azores archipelago, located in the north Atlantic ocean, approximately 1600 km from west of mainland Portugal. It’s known as the youngest island of the archipelago, with an estimate of 300 000 years old. With one glance, from the human perspective, it might sound like a big span of time, but if we compare it with the island of Sao Miguel, which was formed from 3 million to 4 million years ago, we will see that Pico is truly a young piece of land born in the middle of the ocean (Wallenfeldt, 2023).

Azores islands were first discovered by Portuguese explorers in 1427, but the first settlement on Pico appeared only in 1460, due to the problems connected to drinking water. In order to have a possibility of planting vines, the Portuguese created a very unique style of viticulture, called “*Currais”*. A network of dry basalt stone walls were meant to protect the vines from winds coming from the ocean. Salt sprays are destroying the green parts of the plant and are especially dangerous during the budding period (Vouillamoz, 2023).

Viticulture and wine production was flourishing until 1852, when American plagues arrived on the island. Specifically powdery mildew, which significantly decreased the vineyard areas. As it was not enough, additionally, in the 1870s devastating vine root insect, Phylloxera, invaded the island and stopped the production of wine for decades. As Pico lost its function, people started to leave the island. “*Currais”* got abandoned and covered with forest (Vouillamoz, 2023).

In 2004 UNESCO listed “*Currais”* in the World Heritage and developed the laws protecting vine growing areas of Pico (Tavares, Costa, Bettencourt, & Pacheco, 2004). This fact brought back the attention and interest to the island and became a foundation of the reawakening process, as the Portuguese government sent scientists from *Agricultural services of Sao Miguel* to analyze the ongoing case of the island. The results caused mixed feelings, as on the positive side, researchers found indigenous grape varieties from Pico, but on the other hand, they were close to extinction and disappearance. For instance, there were only 89 vines of the native grape variety *Terrantez do pico,* survived abandonment and distortional consequences of diseases that

occurred in the end of 19th century. Samples were brought to the research center in Sao Miguel for replantation. These days you can find more than a hundred hectares of this unique variety on Pico. Apart from this example, there are more instances where positive changes were caused by timely decisions made by the United Nations in 2004.

1.1 Azores wine company

The idea of the company came from the interest of two co-founders: Filipe Rocha and Antonio Maçanita. They both share the love and family ties with the Azores Islands. In 2010 they made the first samples of wine from *Terrantez do Pico* with the help of *Agricultural services of Sao Miguel*. After assuring a potential of Pico wines, in 2014 they founded the company alongside with local viticulturist Paulo Machado. Simultaneously, partners acquired abandoned and mostly destroyed "*Currais"* vineyards and started a long process of rebuilding and replantation. In 2018 construction of the current winery started. As the estate is located in the heart of UNESCO protected vineyards, it took a special project to get the approval of various European authorities. Estate is built under the idea of "*Adega on Pico.*" As a common tradition, locals are hosting guests at their "*Adegas."* A place where they can drink the wine, eat the food and in most of the cases, have the overnight. Winery provides wine tasting, dining at the restaurant and apartments as the form of accommodation. In addition, architecture of the winery is the pure representation of Pico housing style and despites its modernity, fits perfectly with the local landscape. Construction was finished in 2020. These days the winery owns 120 hectares of vineyards and has the limited production of premium wines made from local varieties. Due to its unique story and high quality of products and services, the brand shortly found recognition and gained big popularity on the world market of wine and gastronomy.

1.2 Duties during the internship

Internship was carried out from 13th of February, till 30th of June of 2023. I was involved in all three departments of wine tourism services, including: Tasting room, restaurant and hotel. My responsibilities were: hosting visitors, guiding tours and providing wine tastings. Delivering historical background of the island and winery, geographic features and its influence on viticulture and winemaking. Also I took part in the management of the restaurant, alongside providing sommelier services. I was helping to run and conduct breakfast and lunches for the guests of the apartments. Additionally, I was involved in maintenance of the restaurant, wine stock checking and food matching during the dinners. Furthermore, I was supporting the housekeeping supervisor and helping the reservation manager.

Variety of experiences listed above, gave a full scope of the general state in the winery, which helped to understand actively used tourism models and approach to business. Conducted tasks helped to acknowledge the reality, which later brought out the relevant aspects for emphasizing, which helped to shape the project.

1.3 Aim of the project

Aim of the thesis is to structure and develop the already existing idea of cottage housing. At current times, the winery owns 6 apartments (5 apartments with one bedroom and 1 double bedroom accommodation) which are fully booked during the high season and are mostly suited and occupied by couples traveling without children. Winery management has the goal to expand the current accommodation offer in the form of private cottage housing in the middle of vineyards, located closer to the winery. During a discussion with a professional supervisor, it became clear that new arrangements can be the opportunity to attract a new and yet not tackled customer segment - Families. Project aims to understand the important aspects of family tourism and develop new proposals specifically targeting a given segment. Additional goal is to find the tools to decrease the effect of seasonality and imply possible sustainable solutions.

2.0 Literature review

2.1 Motivations

Family tourism is the fast growing sector of the industry, which takes approximately 30% of the whole market (Schänzel, Yeoman, & Backer, 2012). In the present times, when the tight schedules and daily routine takes a big part of our life, family tourism has become a significant solution for reinforcing family bonds, enhancing communication between family members, strengthening marriages and positively influencing the overall happiness of the family (Backer & King, 2016). Schänzel, Yeoman and Backer (2012) define family tourism as an activity, involving leisure travel away from home for more than 1 day, within the context of a family group (at least one child and one adult). There is a very sensitive balance between changing the daily routine and detachment from family life, but at the same time having the opportunity for family togetherness.

There is an increasing attention to children's satisfaction during the holidays as they have become a major target audience in the family market. Happy children positively influence their parents' experience and memorize connecting to specific family trips, shaping the overall image of the destination (Khoo-Lattimore, delChiappa, & Yang, 2018). Even though children may not have any specific motivation for tourism activity, they still hugely impact the entire holidays, just with their presence (Blichfeldt, 2015). Additionally, school children in developmental stage, between ages 7 and 11, prefer to stay in more well-developed destinations as it is perceived as a more familiar and safe environment (Blichfeldt, 2008). Furthermore, children's ideal holiday experience suggests that they remain attached to familiar people or activities. Additionally, family tourism is mostly seen by parents as a chance to invest in the personal development of their children and the way of having meaningful activities connected to education (Shaw, Havitz, & Delamere, 2008). According to these authors, these days, parents take more active parenting roles. Planning and organizing the leisure time in such a way that children learn important values and at the same time being less exposed to negative influences. Families are more involved in recreational

activities, such as hiking, climbing, etc. This vision of holidays is directly connected to health, well-being, spending quality time together and creating memories. Exploring exotic and unknown places as a family (Cheong, 2019).

At the same time we have to take into consideration hedonic needs of parents. Specifically, the opportunity to break daily routines and enjoy freedom from family commitments at certain points of holidays (Pomfret, 2021). Children's needs have been a focal point of the Family tourism industry, meanwhile parents' desires have been ignored, despite the fact that they are the final decision makers. The overall tourism experience will be improved when parents' individual and family roles are separated and recognized (Chen, Jiao, Li, & Zhang, 2021). Great importance must be given to parents and children's “own time“ and “family time,” as the balance of these interdependent units will maximize customer satisfaction. As one of the solutions, researchers suggest tourism destinations to have trained staff to take care of children, while parents will unload their family responsibilities and enjoy privacy (Chen, Jiao, Li, & Zhang, 2021).

During holidays, few aspects of a family's daily life are more amplified and intensified, such as sharing food and living space. These two features can have both, negative and positive impact on customer satisfaction and overall image of a tourism destination. Shared meals represent symbolic celebratory characteristics and are very important for families (Schänzel & Lynch, 2016). The subject is very sensitive, as the bad food experiences can be especially memorable, than recollection of pleasant dining (Holtzman, 2010). In the study of Schänzel and Lynch (2016), three main commensality aspects emerged, as follows: novel and nutritious food experiences, public display, and highlights. During the holidays families are more motivated to try new, exotic meals and they are always considered as a positive experience. Furthermore, occasional public displays are important, as the message of “this is my family and it works” is the fundamental driving force in presenting family in an external audience. Additionally, shared meals always initiate conversations and engagement within the family and are generally remembered as a highlight of the holidays. But on the one hand family holidays give an opportunity to share the meals, but on the other hand restricts the living spaces as well. Usually, accommodation during the holidays is smaller than family homes (Lehto, Lin, Chen, & Choi, 2012). It may cause some level of discomfort and stress for family members. Togetherness can be the goal of the vacation, but it can easily turn into over-intimacy for both children and parents. This is the reason why it is very important to create the accommodation that allows guests to have a shared time with family members, but also having a possibility of privacy. Big conflicts and negative dynamics can be caused by a bedroom shared by siblings. We can differentiate problems in external and internal. For instance, accommodation not living up to the standards shown in advertisement or low level of cleaning standards of the facility. As research shows, external problems can be easily solved and discussed by all members of the family. On the other hand, internal problems are more complex and can reveal in the form of rejection and irritation. Tendency shows that because of the reasons above, families prefer to choose accommodations with bigger spaces, home-like facilities and less restrictions (Schänzel & Lynch, 2016).

It has to be understood that families are complex groups consisting of intergenerational members, with different genders. These aspects cause a wide range of interests and needs that have to be

satisfied during “ideal vacations.” Parents are mostly motivated by developing emotional bonds with children, seeking for a perfect version of life. Safe and uninterrupted time together as a family. At the same time, younger children are mostly looking for outdoor, immersive and sensorial activities, while teenagers search for more adult-like experiences to satisfy their social needs (Carr, 2011). Family operates as a unit, therefore with the constant influence on each member of the family, it is important to consider family well-being (FWB). Physical, mental and social health of family members, self-efficacy and resilience (Newland, 2015). The quality of family tourism, both emotional experience and satisfaction are all related to the interpersonal interaction among family members.

2.2 Decision-making

As the family is structured by various members with individual features, it’s important to understand the decision making process and hierarchy within the family. It is interesting to notice a tendency of gradual shift in the decision making process during the years of research. Jenkins (1978) said that husband and wife are dominant in influencing vacation decisions, while children are passive in these processes. Later Nichols and Snepenger (1988) stated that decision making in families is based on three modes: husband dominant, wife dominant and joint decision making. Interesting outlook was given by Wang, Kim, Choi, Agrusa and Kim (2010), as they analyzed the cultural influence on families' decision making process. They found that Korean children tend to obey their parents, while western children have more freedom of speech in the family. In more recent studies of Illum (2013) on families' vacation decision making, it was showcased that process in family institutions may be influenced by other family members’ behavior and the rise of children's involvement also plays an important role in influencing adult decisions. We can breakdown decision making behavior into Family life cycles (FLC). This system is formed by eight cycles: bachelor, young couples, full nest I, full nest II, full nest III, empty nest, elderly and solitary survivors (Hong, Fan, Palmer, & Bhargava, 2005). By this system it is easier to understand or predict a family's decision making process. While a young couple could choose more active and effectual experiences during the vacation, full nest II might be in the need of more undisturbed and safe activities. This system also helps us to understand the complexity of family structure and its gradual changes due to time.

Bronner and Hoog (2008) stated that family holidays have evolved significantly over the last 30 years. Research focused on the family vacation decision making process between husband and wife. They found that it is a joint decision, where preferences of each family member is considered and discussed. Equality was partly caused by the presence of additional, second income, as women became more educated and could provide supplemental resources for the family, while men became more involved in domestic responsibilities. Researchers came up with the notion of *dyadic disagreement*. As they share: “*dyadic disagreement* happens, when a family member gives more or less influence to another family member than that member gives to her/himself. A balanced (50–50) distribution and symmetric imbalances should be interpreted as cases of dyadic agreement” (Bronner & Hoog, 2008). As a result, the decision making process becomes more unfitting into the short time frame and takes the shape of a longer process, because of its higher

risks, higher personal involvement and more effort. As a cause, services configurability and customizability is highly relevant to satisfying the needs of all family members despite their age and gender. In addition, having both parents with higher income, will result in less time for children and eventually higher motivation for family vacation for reconnection and sense of togetherness. Communication campaigns should provide the different aspects of services that attracts both men and women and in addition, tourism offers should be presented in the channels which are not focused specifically on one gender (Rojas-de-Gracia & Alarcón-Urbistondo, 2018).

The complexity caused by multiple family members, regarding the vacation decision making process is referred to as FVDM (Family vacation decision-making) (Chiang, Su, & Chaudhary, 2022). In the recent past, children's influence has significantly increased on FVDM. That is why, it’s consequential to take into consideration their interests and behavior. Especially importance should be given to the motivations of adolescent children, as they are more developed cognitively and more mature than younger children. Children can compete on the final decision, as usually parents are more involved in operational aspects of vacation, such as transportation, accommodation and budget. Children's influence can be noticed in the process of choosing the experiences and attractions for vacation (Hu, 2006). According to parents, during the holidays, the problems within the family arise when children get bored and start fighting with parents or in between (Gram, Therkelsen, & Larsen, 2018). Given fact consequently effects negatively on overall perception of the vacation. The attentiveness of parents to children's needs and desires is compensated by avoiding the conflicts and disagreement during the holidays (Carr, 2011). The countries that are more developed, tend to have more decentralized FVDM processes. On the other hand, families with children are pressured by an unrealistic image of “the perfect family,” resulting in additional stress during the vacation. Therefore, experiences should be offered in consideration of different dilemmas that might appear during the vacation, creating a more nuanced image of what the vacation will actually be (Gram, Therkelsen, & Larsen, 2018).

2.3 Future Trends

As the project aims to create sustainable, long term products, it is critical to fully understand what lies ahead of family tourism. Chosen segment is shaped by changes in social structure and values. These days relevant topics such as, high female involvement in the labor market, same-sex parents, high number of single parents, rising number of elderly people, etc. are shaping a new version of modern families. Longevity and advanced healthcare leads to an increasing number of vertical families. Consequently, the extended life-span of people gives the opportunity for multi-generations to travel together. Verticalization of families causes higher involvement of grandparents in grandchildren's lives. As people reach a greater age and new lifestyle demands more working time for parents and more expenses of family services, grandparents are expected to take the role of babysitters notably (Schänzel & Yeoman, 2015). As a result, we will see multi-generational groups of travelers with more complex structures. The U.S. Travel Industry Association estimated that 5 million U.S. family tourists a year now span three generations, with grandparents often paying the bill, and grand travel representing 7% of all U.S. adult travel.

Rising rate of divorces and increase of blended families, changes the dynamics of family travel.

Higher number of single parents causes changes in family tourism motivations (Schänzel & Yeoman, 2015). The key attributes that single parents seek in the decision making process are: child-friendly environment, accessible transportation, good climate, and culture, nature, and entertainment options (Alejandra, Iberri, Llano, & Lozano, 2022). Single parents are also expected to choose vacation time around the school break and maximally avoid last minute changes or any cancellations. Naturally, children's opinions are highly influential and are mostly affected on choosing the process of experiences and less on accommodation. The most crucial aspect of positive experiences is a safe environment with the staff members knowing how to interact with children. The negative experiences were mostly resulted by lack of knowledge and assistance about non-traditional families of promotions targeted only on traditional families (2 adults, 2 children) (Camargo, Iberri, Llano, & Lozano, 2021).

SOCIAL
• Family and Kinship Redefined
• Parenting Cultures
• Homelanders, or Generation Z
• Demographic growth slowing?
• School Calendars Changing
TECHNOLOGY
• Persistence of Social Media Sharing
• Google Glass, Wearable Technology and Artificial Reality
• Virtual Customer Service
ENVIRONMENT
• Diminishing Natural Resources
• Ecotourism
• Climate Change
ECONOMIC
• Increased Gap Between Rich and Poor
• Medical Tourism
• Spiritual Tourism
• Space Tourism
• Cashless Society
POLITICAL
• Fragmented Travel Industry Policies
• "Collapse" Tourism

Figure 1: Trends and Emerging Issues in Family tourism (Whittington, 2015).

In addition, social, opposed to biological, parenting is becoming more common practices, as more men and women are raising the children that biologically do not belong to them. This fact transforms the traveling arrangements and behavior of the group.

Whittington (2015) made a few predictions regarding the future of the family wine tourism in 2050 (Figure 1). Diversification of family institutions by the rise of alternative forms of households, specifically the single-parent, the unmarried, the childless, as well as same-sex partners, will decrease the number of nuclear families. Additionally, the future generation of parents will be represented by post Millennials, or in another word - Generation Z. Therefore, it is important to understand their motivations and behaviors as they are the one who will set the trends and new standards for family tourism. Furthermore, education will likely become more virtual and online. This fact gives the hand to flexibility and increases the chances of family vacations outside time boundaries of the school break. Technological advances will also continue influencing in documenting and communicating traveling experiences on social media platforms. New trend of medical and spiritual tourism will be more dominant, as now it's considered as a contemporary segment of the market (Whittington, 2015).

2.4 Wellness tourism

In the framework of the given study, wellness tourism appeared as a complimentary proposal and secondary target of the project, as it fits perfectly into the main idea and can be considered as a

possible tool against seasonality. Therefore, a deeper understanding of the given tourism segment is highly important.

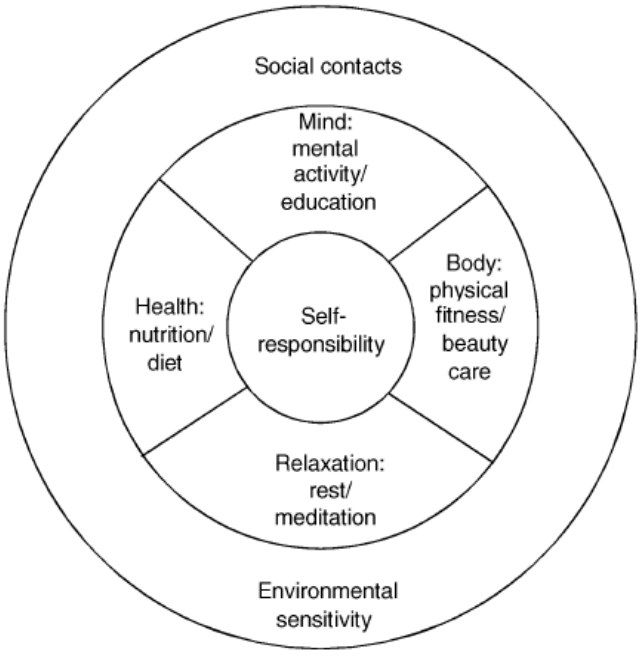


Figure 2: Expended wellness model (Ardell, 1977)

Phenomenon of “Wellness” was first introduced by American Dr. Dunn in 1959. It can be described as an overall sense of health that consists of body, spirit and mind, highly influenced by the environment. Ardell (1977) created a more extensive definition, as he added to Dr. Dunn's explanation a self-responsibility, physical fitness/beauty care, healthy nutrition/diet, relaxation (need for destressing) /meditation, mental activity/ education and environmental sensitivity/social contacts as fundamental elements (Figure 2). Wellness tourism can be also considered as a subpart of health tourism (Mueller & Kaufmann, 2001). The important consideration must be given to the differentiation of wellness vacations from cure stays and illness. According to Global Wellness Institute (GWI), when choice is made on medical tourism, people travel to receive treatment for a diagnosed disease, ailment or conditions. On the other hand, in wellness tourism, travelers are motivated to maintain, manage, or improve their health and wellbeing. Wellness tourism is a lifestyle choice, where individuals are able to achieve an integrated state of health (body and spirit), without medical interference (Wang, Xu, & Huang, 2020). It is focused to reduce stress and manage poor lifestyle habits. GWI institution also predicted that, meanwhile in 2022 the global wellness tourism market size was valued at USD 814.6 billion, in 2030 it will expand at a compound annual growth rate (CAGR) of 12.42% (Allied-Analytics, 2023). This number seems adequate, as in the current, post pandemic times, individuals struggle to keep up with the fast pace of life, caused by heavy workload resulting in mental and physical issues. In the chaos of everyday life, wellness tourism appeared as a convenient solution to these problems (Wang, Xu, & Huang, 2020). Furthermore, three components of the wellness tourism experience can activate creativity and inspiration: education, esthetics and escapism. Consequently, increasing customer engagement and loyalty. Topic of inspiration has been highly relevant for marketing and tourism. Inspiration can be characterized by three facets: evocation, transcendence, and motivation (Thrash & Elliot, 2003). In recent times, more specificity has been given to customer inspiration, describing it as a motivational state that shifts the idea from “inspired-by” to a consumption-related response, “inspired-to” (He, Liu, & Li, 2021). Additionally, a customer's individual trait of being open to new experiences, increases their intensity and frequency (Khoi, 2019). Wellness tourism can inspire more tourist engagement. Destinations to emphasize on “get away” activities, attractive landscapes and novel forms of wellness activities (yoga, massages, spa, etc.) to provoke customers' imagination, creativity, open-mindedness, and novelty (He, Liu, & Li, 2021).

3.0 Methodology

In the process of research, it is important to choose the relevant methodology in order to provide important aspects that can highly influence the outcome of the project. Study is set in the boundaries of the island. For having a full scope of tourism state, two types of quantitative methods are conducted - internal and external semi-structured interviews. The method was used to provoke more engaged and honest conversations for seeking a fulfilling answer from the respondents. The questions are open-ended and mainly focused on understanding “Why” and “How.” Additionally, personal observations carried out during the internship also give an important contribution to the research.

Internal research is dedicated to the host company, for confirmation of their vision and interests. Furthermore, as there is no developed data collection system and official statistical analysis regarding the visitors, internal interviews are relevant to better understand current audience and consumer behavior of the winery.

Main objective of the external research is to find tourism destinations that already have similar facilities and offers and have a successful experience in operating and managing. Through the interviews it has to be clarified, what obstacles and challenges can be revealed during the development and implementation of the project, consumer segments and behavior. It’s also interesting to see their perspective of opportunities that may lie in the future of Pico.

3.1 Internal Research and Analysis

Semi-structured interviews are crucial throughout the internal analysis, since it helps the study to focus on the company’s needs and direction that it wants to lead the project. Two interviews have been conducted. Interviewees being Filipe Rocha (Founding partner of the company) and Judith Martin (head of tourism department). Interviews took place in April of 2023 with a duration of approximately one hour per respondent.

3.1.2. Personal Observations

Since the positions and duties were changing throughout the Internship (providing tastings, managing service in the restaurant, maintenance of apartments and etc.), it was possible to create a full scope and analyze customer behavior from different perspectives. This part of the research can be considered subjective, as it is based on empirical observation, but it has a crucial importance in customer analysis, since winery doesn't collect data regarding their customer attributes.

3.2 External Research and Analysis

Regarding the external analysis, a decision was made to target competitors and possible future partners. As the project's objective is to create a tourism service for private accommodations in the form of the cottage housing, it was important to find destinations with similar characteristics and proposals for further benchmarking and competitor analysis. Additionally, the given project involves various tourism activities for diversification of wineries offers. In this case, there appeared a clear need to find a local tourism agency with well-structured proposals and experience of partnership with destinations. Furthermore, it can possibly be a good opportunity to investigate the overall state and difficulties connected to the tourism of Pico Island. Additionally, the search of the company providing wellness activities is also complementary to the project, as it creates a realistic opportunity for implementation.

3.2.1 Benchmarking and Competitor Analysis

As a part of external analysis, it was important to find destinations with similar offers and characteristics. It is important to understand their perspective, as they are good objects for benchmarking and might be considered as future competitors on the island. In this case, two main tourism resorts were identified and targeted - “Pocinho Bay” (Pocinhobay, 2023) and “Lava homes” (lavahomes, 2023). Located on the different sides of the island, both destinations represent the system of private cottage houses built with traditional architecture.

“Pocinho Bay” is located close to Madelena and borders a viticulture landscape on one side and an Atlantic ocean on the other. Apart from private, luxury accommodation, the destination offers a variety of experiences such as: massages, whale watching, mountain climbing etc. In addition, “Pocinho Bay” produces wine and provides wine tastings for visitors. Interviews were held with owners and founders of the destination: Luísa Terra and José Eduardo.

“Lava homes” is a project also targeted to deliver luxury services in the form of cottage houses placed close to each other, creating appealing destinations for relaxation. In comparison with “Pocinho Bay,” it doesn't have a wine production and wine related services, but has very well developed wellness tourism activities, offering different retreating seasons with well-structured diets. Apart from that, it also provides a variety of outdoor activities, such as: dolphin and cetacean watching, deep sea fishing, boat trips to see the coast etc. Interview was conducted with Benedita Branco (owner and director of the company) who is currently also a head of Pico tourism board.

Both interviews were conducted face to face, in the April of 2023 with the permission of recording the audio. Duration of interviews was approximately one hour, continued with the tour of facilities and accommodation.

3.2.2 Partners

In order to reach one of the important objectives of the study and make it realistic and practical, a decision was made to find possible future partners delivering the needed services. It is important to find a tourism agency providing various services such as whale watching, car tours around the island, hiking, etc. Therefore, an online interview was conducted with Carlos Picanço (CEO and owner of the Futurismo tourism agency) with the duration of two hours in April of 2023. Futurismo is a well-established, 32 years old family-owned tourism agency located in Ponta Delgada on the island of Sao Miguel (futurismo, 2023). Operating a wide range of activities, they focus on culture, wildlife and natural beauty of both Sao Miguel and Pico islands. Company represents the team consisting of travel designers, guides, marine biologists, skippers and photographers. It is also the first company that switched from whale hunting to whale watching and developed the first tours on the boats with this specific offer.

Additionally, the project's secondary objective is to create complimentary wellness activities for combating the seasonality. Finding a local company with already existing wellness offers is highly needed. That being the case, the meeting with Sergio Paulico (Founder of the company “Peak sensation”) was held in March of 2023. “Peak sensation” provides energy treatment, deep relaxation and beauty treatments (peaksensations, 2023). Goal was to understand the possibilities and benefits that both sides can find in this collaboration.

4.0 Results and Discussions

4.1 Definition of enotourism for “Azores wine company”

The main goal of the company is to communicate the sense of place while providing high quality tourism experiences. Showcasing the influence of mountain and volcanic soil, impact of strong winds and salty ocean waves hitting the black stony coast. Transmitting these senses through architecture and ambiance, style and characteristic of wines and local products and recipes in the restaurant. A strive to high quality experiences includes exclusivity and personalisation. There are a limited number of rooms for accommodation, limited quantity of seats for the restaurant and limited time frames for wine tasting experiences. Despite these restrictions, personalized approach to the guests always reflected positive feedback and loyalty from the customers. The tastings are provided only with the private guide spending 1 hour focusing on only one group of visitors, despite its high or singular number. Throughout the stay in the winery all three departments (tasting room, accommodation and restaurant) are interconnected and updated about the experiences of guests and constantly trying to make it more diverse and less repetitive. For instance, employees are always aware of the wines that have been consumed by certain customers, so they can offer new products for increasing interaction and interest. The other main goal of the tourism board is to make the visit throughout all experiences educational. As the winery is surrounded by the UNESCO protected vineyards and history, delivering the interesting historical facts and milestones, helps to create relatability and strengthens the bonds between

winery and visitor. Customers should take a new and unique piece of information that they can share and surprise the surrounding community. Giving the details of unique Pico viticulture, accompanied by its dramatic history, transforms every glass of wine into a special movement and increases the appreciation of the spent time inside the winery. In the aspect of accommodation, the main focus is to deliver the maximum comfort and minimum stress. As the general tourism experience on Pico lacks the quality, high standard accommodation decreases the competition and increases demand. Luxury studio apartments equipped with all needed amenities, including the set of wines, emphasizing the fact that customers are staying inside the winery.

4.1.2 Tourism markets

According to company managers there is no dominance of certain nationalities that they can identify, but they can notice more frequent visits from Germany, Italy, France, USA and Canada. There is a clear superiority of couples, in the age frame between 30 and 50 years. As most of the experiences are above the average price, the customers can be considered with the upper income.

Even though it was obvious that the couples dominate the number of stays, from personal observation, it was clear that there is a high number of families visiting the winery for other experiences, such as dining in restaurants and wine tastings. That brings us to the interesting point, is the superiority of couples general tendency of island tourism or is it caused by the conditions created in the winery through the stay? Is the ambiance and accommodation offers limiting the diversity of customers and suited for only certain segments?

4.1.5 Customer behavior

The average duration of stay is two nights as the island isn't considered as a main destination, but one of the stops during the trip across the archipelago. Filipe Rocha also mentioned that this is not the same case for Sao Miguel, as in some occasions tourists can be interested specifically in visiting the biggest island, while Pico is the secondary option for complimentary experiences such as whale watching, Pico climbing and wine tourism. During the interviews, the tourism manager stated that the interest in Pico wines has significantly increased within the last 5 years and occasionally she meets the customers that purposefully came to Pico for viticulture and winemaking.

4.2 Tourism on Pico Island

Pico Island has a variety of attributes that shapes it as an attractive tourism destination on the market. Piece of land, born in the middle of the Atlantic Ocean, is distinct with its exotic nature, flora and fauna that can only be found in the Azores archipelago. Second biggest island of Azores is also one of the least populated. This can be one of the biggest reasons why the island leaves an impression of wild and raw lifestyle. It can be considered as a place where people learned how

to live and “negotiate” with nature. There are well developed accommodations that can satisfy most of the needs of the customer. Resorts are focusing on a peaceful and quiet environment, creating perfect conditions for relaxation. In consideration of all given points, Pico can be reckoned as a “getaway” destination. After 2004, the time when UNESCO listed “Currais” viticulture in the world heritage, wine has become one of the biggest focal points of the island. It has increased the diversity of offers and given a unique selling proposition to the island on the tourism market. Number of freshly planted vineyards and newly built wineries are increasing annually. Natives saw the potential of winemaking, as they can benefit from wine sales and enotourism at the same time. It has brought the interest of the younger generation for being inspired to keep the traditions of Pico winemaking. This is very important for the development of the island as a whole, as the young generation brings new ideas and innovations. Even though the island has a unique history of viticulture and winemaking, outdoor activities still remain as a main attraction for tourists. According to representatives of the tourism sector of the island, Pico climbing, whale watching and diving are the most popular and requested activities. Visitors can find a diversity of leisure activities with a high number of coastal areas and stable sunny and warm weather which plays an important role during the decision making process. This brings us to the topic of seasonality, which is a very important problem.

Due to the natural resources, outdoor activities are dominating the tourism offers on the island. This makes tourism depend on certain time frames during the year, when these activities are possible to conduct. The beginning of April, until October is the period when tourism is very active on Pico. (Figure 3) Destinations involved in the research, including hosting winery, were fully booked in advance during summer months. But on the other hand, from November to February the frequency of the visits is so low, that most of the resorts and tourism destinations stop working for a certain period of time, sometimes even closing for two months. Seasonality is mostly caused by bad weather conditions. Even though temperatures during the winter don't go lower than 13°C, the island is attacked by constant storms and strong winds coming from the ocean. Humidity goes considerably higher as frequency of rains significantly increases. Obviously, due to bad and sometimes even dangerous weather conditions, the possibility of outdoor activities becomes quite limited and sometimes impossible to conduct. Usually this is the time when tourism destinations give the holidays to their employees and perform the maintenance for facilities. Apart from unsustainable income throughout the year, seasonality causes much more alarming issues, such

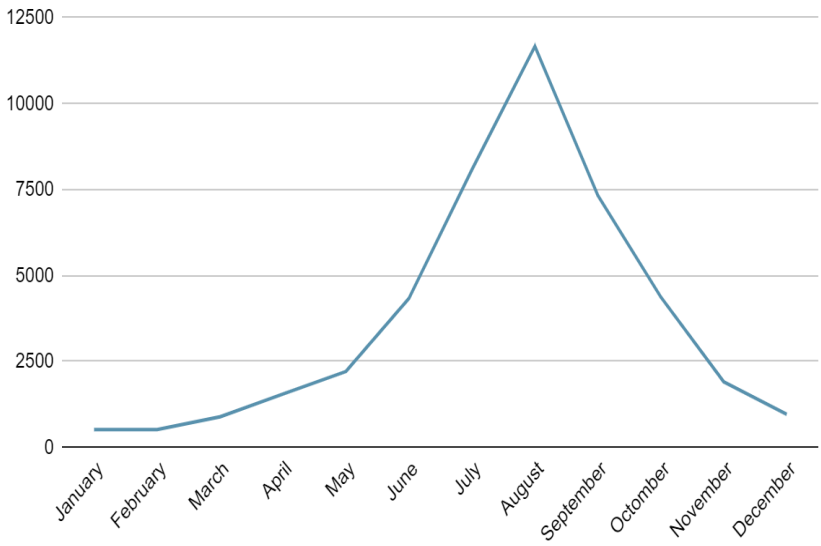


Figure 3: Total visits to Pico according to months of 2021 (srea.azores, 2023).

as wasting natural resources and inconvenience of locals, that later transitions to antipathy for tourists. Additionally, at that time resorts stop their promotion activities and publicity, which also can be considered as one of the reasons for such seasonality. According to local tourism destinations, the tourism board of the island is highly involved in marketing and positioning of the island on the market. That brings us to the tourist segment of Pico and their interests.

According to “Serviço Regional de Estatística dos Açores” due to the latest conducted statistical analysis of 2021, Azores islands has been visited by 627 160 tourists, from which only 172 122 (20%) came to Pico. Coming from this number 44 317 (25,7%) were day visits and 127 805 (74,3%) were overnight stays. When it comes to foreign tourists, an interesting correlation can be found between these two types of visits.

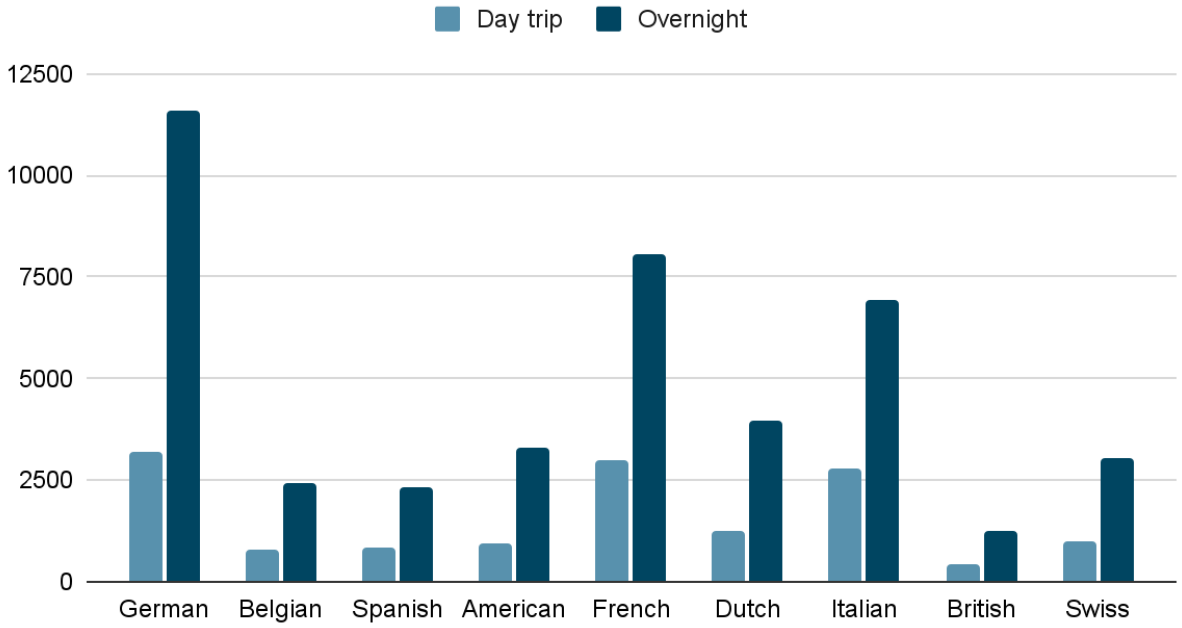


Figure 4: Total day trips and overnights of foreign visitors on Pico Island in 2021 (srea.azores, 2023).

Nine countries were chosen for their dominating numbers in comparison with all the foreign nationalities visiting the island in 2021. From the chart (Figure 4) we can see that in both cases the majority of tourists came from Germany and the discrepancy between day visits and overnights is also highly visible in comparison to other nationalities. From 14 818 visitors 11 601 (78%) decided to stay at least one night on the island. Interestingly, the number of day trips for Belgian, Spanish and American tourists are considerably close (Belgian - 797, Spanish - 818, American - 951), but when it comes to the overnight stays, Americans are dominant. Worth mentioning that, in general, Portuguese visitors completely dominate both aspects of statistics by reaching almost 60% of total visits. According to main tourism destinations, there are two types of tourist behavior identified. On the one side we have tourists with an active lifestyle, as most of them come to the island to climb the Pico mountain. They are interested in outdoor activities and frequently ask for a variety of experiences connected to hiking, diving, whale watching, etc. On the other hand, there are a significant number of people visiting for relaxation, seeking a quiet

and peaceful environment. Looking for a place where they will be able to recharge and be inspired by nature. But unfortunately during the high season it is complicated and sometimes impossible to book a restaurant or go to the coastal areas as they get overcrowded. This raises the topic of threats that Pico can face caused by tourists.

Tourism has brought active interest to the island, but as we know coin always has two sides. It's an especially sensitive subject, as the topic is connected to the remote island with a highly interconnected community. Any issues that might seem manageable in the mainland, increase its scale and impact on the island. The inflow of tourists is significantly raising the prices of housing and land.

Table 1: SWOT Analysis of Pico Island

Strengths	Weaknesses
● Unique flora and fauna ● Diversity of outdoor activities ● Coastal areas ● Long warm season ● UNESCO world heritage vineyards ● Unique history (Wine and Whales) ● “Get away destination” image ● Notion of slow “island lifestyle” ● Peaceful and quiet environment creating conditions for relaxation ● Location ● Mountain climbing	● Bad connectivity ● Remoteness ● Poor time management ● Low experience in tourism ● Difficulty with finding employees ● High seasonality ● Low quality of experiences ● Seasons of insects ● Delayed products delivery ● Difficulties with constructions and maintenance ● No hospital ● Weather conditions
Opportunities	**Threats**
● Increasing interest of tourism market ● Government funds for tourism development ● External private initiatives for investment ● Considered as World’s First Leading Sustainable Tourism Destination ● Increasing quality of product and services ● Direct flights from the USA to Sao Miguel	● Wasting natural resources ● Rising prices for housing ● Mass tourism ● Untargeted strategy of tourism board ● Losing friendliness of locals ● Cheap tourism experiences

Eventually it causes two problems: locals are limited and in some cases, can't afford new houses and second, natives sell their homes for higher prices to move to the mainland. Furthermore, tourism has brought the attention of investments coming externally. According to Luisa Terra (Founder of Pocinho Bay) the government is initiating the building of new housing by funding 35% and loaning 35% of construction coasts with the ability to sell it after 5 years. It allows outside interests to build houses and sell them later for higher prices having a short term profit. Eventually, it leads to wastage of natural resources and unables locals to benefit. Topic of natural resource wastage was also underlined by Carlos Picanço during the interview. As he said, tourism activities on Pico, such as day trips around the island, are significantly cheaper in comparison with the rest of the archipelago. As he stated, it is caused by unawareness of locals caused by low knowledge regarding tourism in general. Luisa Terra mentioned possible future problems, caused by inefficient actions of the government. This includes non-guided marketing and frequent changes in targeting, which lends to unsustainable development of tourism. In general, the majority of the inhabitants are worried and alarmed about the future of the island. As the interest of tourists is annually rising, there is a high risk that this uncontrolled process can be transformed into mass tourism, which eventually threatens the identity of the Pico community and safety of natural resources of the island. For finalizing the tourism state on Pico Island, S.W.O.T analysis was conducted. (Table 1)

4.3 Benchmarking

During the benchmarking it was identified that both leading resorts had certain common and different characteristics. For more clear evaluation, a table of comparison was created. It includes seven important features that can be important during the development of tourism offers throughout the given project: Private housing, restaurant, swimming pool, outdoor activities, wine production, wellness tourism and price per night. As it is illustrated both resorts own private housing and a swimming pool. Additionally, both destinations offer outdoor activities. The providers of the experiences are individuals specially working on specific activities such as hiking, whale watching, diving, etc. José Eduardo (co-founder of "Pocinho Bay") stated that they don't take any commissions from the tour operators and they are giving the services as complimentary recommendations to the guests.

Table 2: Comparison of two leading cottage resorts on Pico

	Private housing	Restaurant	Swimming pool	Outdoor activities	Wine production	Wellness tourism	Price Per night
Pocinho Bay	Yes	No	Yes	Yes	Yes	No	€580
Lava homes	Yes	Yes	Yes	Yes	No	Yes	€397

Benedita Branco (owner and director of “Lava homes”) affirmed that during the time, she narrowed down the number of tour operators, as guests were unhappy with the quality of provided services and currently she only works with a limited number of tour guides on the island. In both cases, the majority of outdoor activities are showcased in the offers of both destinations. Wine production is presented in only one resort. With the limited amount of 5 hectares, “Pocinho Bay” is growing local white grape varieties and producing wine, which is offered to the guests on the site. Visitors can buy a bottle or book a wine tasting. Wellness tourism is a recently developed experience at “Lava homes” and also can be considered as an innovation on the island. There are many cases when destinations offer massages and relaxation treatments (including "Pocinho bay”), but structured and scheduled retreat seasons can only be found at “Lava homes”'. Project was first launched last year and it included a 5 day program of diet and natural medicine, authentic movement and expression with dance exercises, hypnotherapy sessions, guided health meditation, yoga classes, etc. The price of participation varied between € 1900- €2100, depending on the time of booking. For the project three trainers were commissioned from Spain, as well as Portuguese Chef, specifically focused on retreat and recovery diets. From the prices of accommodation it can be understood that destinations are focusing on luxury tourism, but also each house can fit up to 4 persons.

4.4 Competitor analysis

The units taken for benchmarking can also be used in competitor analysis. As the project's goal is to create tourism offers for private housing of “Azores wine company”, the direction must be compared with the destinations with the same approach to tourism. Furthermore, selected resorts can be considered as the leading and important tourism accommodations on the island. Worth mentioning that, none of the wineries on Pico offers this type of accommodation and for “Pocinho Bay'' (only destinations with both, wine related activities and private housing proposals) wine is not a core product, but a secondary and complimentary experience. This is the reason why a given project can create a unique selling proposition, by combining all the relevant experiences in one place, which can satisfy the needs of the majority of customers. Throughout the benchmarking six already existing important features were underlined: private housing, restaurant, swimming pool, outdoor activities, wine production and wellness tourism. It was also obvious that half of the offers were only presented in a single destination. Within the competitors, wellness tourism activities and restaurant can only be found in “Lava homes,” meanwhile enotourism is only provided in “Pocinho bay.” Currently “Azores wine company” already owns and runs one of the most well-known restaurants on the island. It is focused on creating a fine dining experience using local products and showcasing modern vision of traditional recipes. Despite limitations in guest number and high price, the restaurant is extremely popular and fully booked during the high season. In terms of enotourism, it can be considered as one of the main pillars of the “Azores wine company.” It is well organized and managed by the tourism department of the company and provides a variety of experiences. They are also open to new ideas and innovations that can improve the quality of tourism offers. In comparison with selected competitors, “Azores wine company” doesn't provide outdoor activities as it hasn’t negotiated with local tour operators yet. The range of offers are limited and based on enotourism, delivering wine tastings and food

pairings in the restaurant. Additionally, there is an absence of wellness activities and a swimming pool which is presented in both cases of competitor destinations.

5.0 Tourism product

5.1 Cottage housing

The project involved building ten houses spreaded in the vineyards around the winery. As the houses will be built in the middle of UNESCO protected vineyards, all the restrictions and limitations will be considered. Additionally, two of the ten houses will be equipped and suited for people with disabilities taking into consideration the technical aspects that need to be provided (Appendix A).

The cottages will be presented as single-story houses with 50 m^2 indoor and 30 m^2 outdoor space. The houses will include 2 bedrooms with private bathrooms and one Kitchen-living room with access to the terrace. 1 bedroom will be accommodated with 1 king size bedroom and second bedroom with 2 single beds with the possibility of uniting them. Both bedrooms will have private access outside. Cottages will be fully provided with household equipment (Appendix B).

5.2 Supporting building

Worth mentioning that in order to operate ten cottage hoses and in some cases conduct the newly offered tourism experiences, it will require building additional supporting space located in approximate distance from the cottage houses. The space must provide all the necessary needs that will be essential during the stay of the guests. The building must be equipped with:

Table 3: Units of operational building for cottage houses

Laundry	In order to change and prepare clean bed sheets, robes and towels on a daily basis.
Storage	The space is needed to keep the cleaning materials and extra utilities in case of dysfunction and accidents.
Kitchen	In order to prepare breakfasts for delivering into the cottage houses
Multifunctional space	For conducting wellness activities

5.2.1 Staff

In order to operate the cottage houses 10 additional employees will be needed:

- 2 Housekeepers
- 1 Technician
- 1 Chef
- 2 Kitchen staff
- 2 Room service
- 2 Porters

Additionally, 3 supporting vehicles will be needed for staff members to move around the cottage houses quickly and efficiently.

5.3 Sustainability

Construction of cottage houses should be conducted in a sustainable way, aiming to create self-efficient houses which will perfectly blend in the local landscape and showcase the traditional architecture by using local materials. In order to lower the cost of the maintenance and operation of cottage houses, it needs to be built considering the basic ideas of sustainability. This means that houses should be able to conserve the resources, optimize energy and water usage. It needs to be built with high performance and low impact materials, with the potential of lasting longer, in order to minimize maintenance costs and waste of materials. In the next table will be listed the ten possible sustainable solutions for reaching the goals mentioned above according to “Constellation” (Constellation, 2023)

Table 4: Sustainable ways of construction according to “Constellation”

Passive solar design	Minimizes a usage of the electrical or mechanical equipment relying on materials that absorbs, reflects or transmits the sun radiation. Helps to capture energy from the sun to heat or cool a living space.
High- performance windows	Double glazing, special coatings, nonconductive framing materials and higher-quality, air-tight construction helps to cut down the energy usage.
Energy-efficient appliances	As appliances are one of the biggest energy consumers in the house, energy efficient versions will cut down the cost of using them. Appliances include: refrigerators, dishwashers, stoves, water heaters etc.
Eco-paint	Reducing indoor pollution.
Cool roof	Reflecting the heat from the sun, consequently reducing the cooling usage.

Renewable energy options	Generated from replenishing resources such as sun, wind and water provides needed power with less harm to the environment.
Insulation	Insulation of the floor, walls and ceiling refuses the energy used for heating or cooling.
Solar panels	Generates the electricity for powering the house.
Water filter	Keeps the tap water from micro plastics.
LED bulbs	Longer life, greater energy efficiency and less toxic metals.

5.4 Tourism proposals

In this section of the study, I will discuss possible tourism proposals in more depth and details. Tourism products will be based on the research and analysis provided in previous parts of the thesis. It will also be targeted toward the family tourism sector and will be aimed to increase and diversify existing tourism experiences of “Azores wine company” (Appendix C)

According to benchmarking and services that will be provided during the stay in the cottage houses the price will vary depending on the time of the season.

Table 5: Prices for cottage houses per night according to season

Time frame	**Price**
From 15th of February until 15th of April	€430
From 15th of April until 15th of November	€480

Additionally, there will be a limitation in the amount of nights with a minimum stay of 2 nights.

The goals of proposals:

- Increase the wine sales
- Increase the duration of stay
- Attract families
- Combat the seasonality
- Diversify the offers
- Increase the interaction of customers
- Increase the customer loyalty

5.4.1 Family dinner

In a given study it was already mentioned how family meals can become an important and crucial part of the holidays, as in some occasions it can be the highlight of the vacation for every participant generation. Shared meals represent symbolic and celebratory characteristics, but due to modern lifestyle and lack of time it happens less and less. Dining has always been a time of exchanging thoughts and feelings, so family vacation can be a great period to return this tradition into the daily lives and strengthen the bonds between family members.

Traditional, Portuguese, family size, 3 course dinner can be delivered to the cottage houses. Setting the big table in the living room and gathering all family members around it. Dinner will be paired with the “Azores wine company” wines and explained before dining. Combination of local product and local wine on the terrace of the cottage house overlooking the “Currais” vineyards and the ocean, creates a memorable and unique experience that has a potential to be remembered for a long time.

As the cleaning during the holidays can be an irritating procedure for the guests, after the dinner, room service will visit the cottage and take all the used utensils and clean the living room afterwards.

Table 6: Technical information of “Family dinners”

Staff needed	1 chef, 1 cook, 1 room service, 1 housekeeper
Duration	2h - 3h
Availability	Every day except Tuesday and Wednesday
Time of the service	7pm - 10 pm
Deliverable	3 course menu with traditional Portuguese recipes
Included	Delivery of food, setting the table, explanation of food and wines, cleaning
Observations	- Service should be ordered at least 12 hours earlier with the information of any food allergies and restrictions. - Wine and soft drinks are not included into the price - Minimum 3 persons
Price	€ 50 per person

5.4.2 Cooking class

In this offer guests will have a chance to participate in cooking class inside their cottage house. It will help to dive deeper into the local cuisine, get familiar with the exotic products and understand how they can be used in cooking. Learning the lifestyle and history of Pico, as well as influences of different cultures through cooking can be interactive and educational for children as well. The session will also help to strengthen the family bonds as the group will set the common goal and enjoy its plots together in the end.

The class will be given by the Chef at the cottage house, bringing with him/her all the products needed for cooking. Additionally, it will be recommended what style of wine can be perfectly paired with dinner which can be chosen from the wine fridge of the cottage house.

As in the previous offer all the cleaning procedures will be provided by housekeeping services.

Table 7: Technical information of “Cooking class”

Staff needed	1 chef, 1 room service, 1 housekeeper
Duration	3h - 4h
Availability	Every day except Tuesday and Wednesday
Time of the service	6pm - 10 pm
Deliverable	3 course menu with traditional Portuguese recipes
Included	Delivery of products needed for cooking, cooking class given by Chef, explanation of Pico cuisine and historical background, setting the table, cleaning
Observations	- Service should be ordered at least 12 hours earlier with the information of any food allergies and restrictions. - Wine and soft drinks are not included into the price
Price	€ 100 per person

5.4.3 Family picnic in the volcanic vineyards

In this offer guests will have a unique chance to have a family picnic in the middle of UNESCO protected vineyards. It’s a great opportunity to see and touch the volcanic stones, feel the soil and be protected from the ocean winds by “Currais” walls built 500 years ago. Tasting wines in the

vineyards where they were born, will help to better understand its characteristics. Additionally, it's a great family activity that is familiar to all the family members.

Guests will receive the basket with all the necessary products, utensils and equipment for the picnic. Additionally, guests will be provided with the map of the vineyards with the marked locations which will be recommended by the winery. They will be able to reach the locations with the private buggy cars that will be individual to the cottage house. But if the family decides to do short hiking in the vineyards before picnic, the marked locations will be within 15 minutes of walking distance from the cottage house.

Picnic baskets will be delivered to the cottage house and it can be left at the same place after the experience. Empty baskets will later be taken by room service.

Table 8: Technical information of "Family picnic in volcanic vineyards"

Staff needed	1 cook, 1 room service
Duration	-
Availability	Everyday
Time of the service	1pm - 3pm
Deliverable	Picnic basket
Included	- Food: 2 types of Charcuterie, 2 types of Cheese, homemade bread, olive oil, seasonal fruit, wine, soft drinks - Equipment: Bottle opener, cutlery, cutting board, blanket, glasses (wine and water), napkins - Map
Observations	In the time of the booking all the needed information of any food allergies and restrictions must be given
The price	€ 30 per basket

5.4.4 Outdoor activities

All the outdoor activities outside the winery will be conducted by tourism agency Futurismo. Company has a big assortment of experiences that involve different outdoor activities. For more simplification of the offers, the most suited experience can be chosen. By partnering with the agency, the winery will diversify the options for tourists and extend the occupancy duration in

cottage houses. It has to be mentioned that in all the activities, wine can be considered as a complementary product that can be easily fitted in the tours (futurismo, 2023).

Additionally, Futurismo is using FareHarbor online booking system which is the same booking platform of “Azores wine company”. Given fact is extremely important, as it increases the efficiency and communication between the companies. All the booking procedures, including checking the availability, cancellation, changing the dates and additional notes can be easily managed online and it will be reflected in both profiles of the companies.

As Carlos Picano (Head of Futurismo) stated, the company has the experience of working with destinations and resorts and usually they are offering 15% from the price of the experience.

5.4.4.1 Whale watching

The main goal for the majority of the visits on Pico is whale watching. Therefore, it is important to integrate it into the offers. Pico was always considered as a heart of whale watching in the Azores archipelago and can be viewed as a once in a lifetime experience. It is also very adventurous and exciting for children.

Table 9: Technical information of “Whale watching”

Staff needed	-
Duration	3h
Availability	High season
Time of the service	8:30am and 13:30pm
Deliverable	Boat trip to see the whales in the ocean
Included	- Insurance - Life jacket - Pre tour briefing - Raincoat and pants
Observations	- Restriction may apply for pregnant women and people with the lower back problems - Children likely above 6 years - Trip doesn't include food or drink
The price	€ 55 per person

5.4.4.2 Hiking Santana to Lajido

Half day hiking trip with an easy level of difficulty is perfectly suited for families with multigenerational members. Healthy outdoor activity can be also considered as an educational experience. Trail goes through UNESCO protected areas with breathtaking landscapes.

Service also includes free pickup from the winery, but does not provide the food or drinks. It can be a great opportunity for offering the products of the “Family picnic in the volcanic vineyards,” including wine to relax at the end of the hiking trip and enjoy the landscapes with the glass of wine.

Table 10: Technical information of “Hiking Santana to Lajido”

Staff needed	-
Duration	3h30
Availability	Every day
Time of the service	9am
Deliverable	Hiking in the historic areas of Pico island
Included	- Certified guide - Insurance - Transportation
Level of difficulty	Easy
Observations	-
Price	€ 40 per person

5.4.4.3 Van tours around the island

A full day van tour will offer a trip around the island, exploring the volcanic cones,caves and biodiversity of various lagoons and lakes scattered around the island. It’s a great way to be immersed in the exotic nature of the island and understand deeper its flora and fauna. The tour is quite adventures for children as well. With the medium level of difficulty it can appear as a little challenge that family can overcome together as a team.

Table 11: Technical information of “Van tours around the island”

Staff needed	-
Duration	7h30
Availability	Every day
Time of the service	9am
Deliverable	Tour around the island exploring it’s flora and fauna
Included	- Certified guide - Insurance - Light meal - Entrance and equipment to Gruta das Torres
Level of difficulty	Medium
Observations	Sunscreen, backpack and hat are recommended
Price	€ 85 per person

5.4.4 Wellness services

Throughout the study it was already mentioned how important the hedonic needs of parents can be. Possibility of having their “own” time, to separate themselves from everyday routine and family commitments. Therefore, wellness activities can be seen as an optimal solution to this issue. Additionally, given experiences can be also interesting for the current customer segment as well.

Wellness services will be provided with the partnership with “Peak sensation” (peaksensations, 2023) based on Pico Island. Through the internship, test examples of the experiences were already conducted in the different locations of the winery (apartments, barrel room and in the vineyards). Wellness treatments accompanied by bottles of wine from “Azores wine company” were quite popular during the season. It has to be mentioned that the addition of wine in this experience fitted well into the idea of relaxation and rejuvenation, which is the main concept of the services. So far experience can be provided on call and all needed equipment and products are brought by the staff members of “Peak sensation.” Even though the current offer works efficiently, there are many ways that given experience can be transformed into a more interesting and engaging offer that can become a tool to combat the seasonality.

To approach a given offer more professionally, suitable infrastructure is highly recommended. There is a need to create a specifically designed space that will be fully provisioned with all the needed equipment such as: massage table, stool, bolsters, cleaning products, massage cream

and oil and music for creating a relaxing atmosphere. Additionally “Peak sensation” offers movement exercises that are perfectly suited for older adults that, as it was mentioned above, are more often involved in family holidays. Offering assessments and different physical exercise helps to improve strength, balance and energy level. To provide given experience, basic fitness equipment will be needed: yoga mats, stability balls, elliptical and wrist weights.

Furthermore, with listed offers below, there is a possibility to create “Azores wine company retreat seasons”. It involves all the given wellness experiences spreaded across five days with addition of a healthy diet specifically created for this experience. The goal of the diet is to remove carbohydrates, hydrogenetic oils, sugar and artificial sweeteners from daily life.

For the retreat season specific time frames can be chosen. Given experience can appear as one of the solutions against seasonality, as the experience can be offered in the low season, such as the beginning of March. As the core product of the experience is relaxation in the quiet and peaceful environment, low season can be promoted from that specific perspective.

Table 12: Wellness tourism offers

Treatments	**Deliverables**	**Duration**	**Price**
4 hand massages	- Performed with essential oils this massage becomes a unique treatment, in addition to changing and improving states of mind, contributing to the relief of various types of pain and / or physical discomforts. - The bottle of Verdelho 2nd ed	1h30 min	€ 175 per person
Energy treatment	- In an Access Bars session, brain waves slow down, allowing patterns of behavior, belief systems and points of view that we have repeated from childhood or other lifetimes, to be unblocked and cleared. - The bottle of Espumante	1h	€ 160 per person
Movement	- Assessment - functional physical exercise.	1h	€ 80 per person
Body treatment	- Massage technique that aims to stimulate the lymphatic system to work more quickly. - The bottle of Arinto dos Acores	1h	€ 160 per person

Facial treatment	- Doing a skin cleansing promotes natural beauty, eliminating impurities and leaving the skin healthier. Each skin type requires the most suitable products to be used.	1h30m	€ 80 per person
Retreat seasons	- Retreat and relaxation season for cleansing the body and mind.	5 day	Low season: € 1700 per person High season: € 2300 per person

6.0 Conclusion

To conclude, it is clear that the addition of ten cottage houses to the “Azores wine company” offers will positively influence the tourism of the winery. On the other hand, we have to take into consideration the fact that the project demands a massive investment and can be seen as a statement that the winery is capable of managing an increased scale of tourism. Since the stakes are high, the project must be directed and guided specifically and carefully. New type of accommodation gives the opportunity to reach the increasing segment of family tourism, but also pushes the company out of its comfort zone, as the given part of the industry is yet unknown to the winery and significantly complicated to manage in comparison with the current tourism segment. To minimize the risks, all the tourism offers were created to be flexible and applicable to the current tourism segment visiting the winery (Also including the private accesses from the bedrooms of the cottage hoses to offer them to two different groups).

During the benchmarking it was clear that the leading resorts and tourism companies on Pico have a variety of offers fitting the family segment, but all of them lack in certain aspects. It shows that the needed experiences are manageable and realistic to conduct on such a remote location as the island of Pico. By gathering these offers in one location, will create a unique selling proposition that will be attractive and easy to promote.

Additionally, the thesis showcases the difficulties connected to the construction and maintenance of the accommodations on Pico and therefore offers a sustainable and self-containable solution that can not only minimize the costs, but also make it easier to operate them.

7.0 Limitations

It must be noted that family vacations are in most cases directly connected to the school break of children. These periods are matching the time frames of the high season, therefore increasing the seasonality. Additionally, the winery is focusing on the luxury segment of the tourism market

and the prices of current offers are above the average. Thesis shows how high pricing can be negatively influential on the decision making process of families.

Furthermore, even though the location of the cottage houses might be intriguing and interesting for tourists, there are constant vineyard works which are conducted during the high season, which involves using the fungicides and livestock manure, which can be an unpleasant experience for most of the guests and especially for children.

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APPENDICES

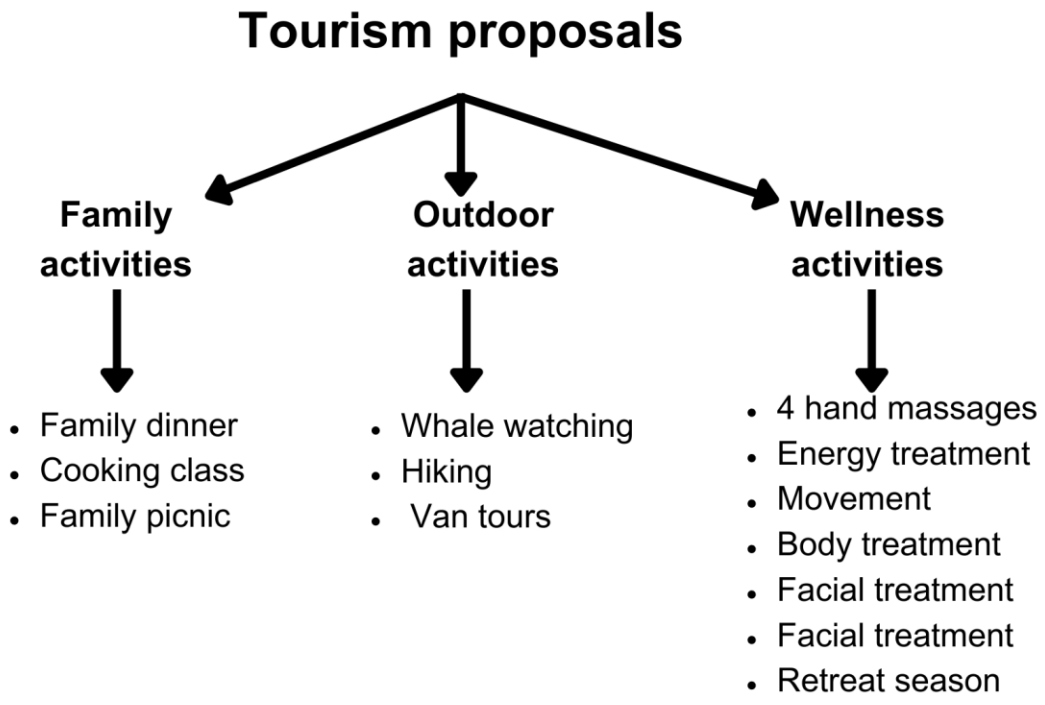
Appendix A: Standard guideline for persons with disabilities according to World disability foundation (worlddisabilityunion, 2023)

Ramps	Gradient 1:20, width 1200mm clear between handrails, 10 meters maximum length between resting platforms, non-slip surface, platforms at every change of direction and at door or gate 1500mm square or 1200mm x 1500mm
Rails	Where there is a drop to the side of a path or ramp, midrail at 550mm and top rail 900mm extending 300mm horizontally beyond top and bottom ends of ramps. A protected edge is still required but may be part of the railing
Approach space outside external door	1500mm x 1500mm platform extending 550mm from the lock side, and increased by the space used by an outward opening door, slip resistant surface with slight drainage falls.
Balconies	Wheelchair accessible threshold, door 900mm clear opening, if double doors 1 leaf to be 900mm clear (Not Sliding doors). 1500mm min. turning circle unobstructed by door swing
Car parking	One allocated parking bay is required for each wheelchair unit. 4000 x 6600mm slip resistant level surface where possible covered, height 2300. Any proposed variation needs to be negotiated and agreed with the HCA
Flooring	Where floor covering is provided it should be a material with low friction and low glare. Slippery and polished surfaces should be avoided.
Space for bath and shower	Will vary between 1/2 bed dwellings and 3+ bed dwellings
Rail fitting space	To wall side edge of WC pan and shower seat 250mm minimum and 350mm maximum.
Fixings	Structural capacity shall be provided in every bathroom and shower room for: 1. ceiling track hoists (and ceiling shall be horizontal), 2. rails by WC, 3. shower seat and rails, 4. floor fixed equipment, 5.over bath rails

Appendix B: Equipment for cottage hoses

Equipment
Kitchen utensils
Outdoor grill
Heating and cooling system that does not require the customer to take action
Gas and water supply (Cold and hot water)
Wi-Fi connection
Home appliances: microwave, fridge, wine fridge, laundry washing machine, dryer, TV, Electric cattle, toaster, coffee maker
Health kit box
Feeding chair for children
Parking space
Private Buggy car for transportation inside the territory of winery

Appendix C: Tourism proposals



Appendix D: Possible design of cottage houses by local architect from Pico - Diogo Mega



Appendix D: Azores wine company





