Creating Emerging Markets – Oral History Collection

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Audio interview conducted in English

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AS: *If you would just start by talking a bit about your early years, your background, education?*

JD: Sure. Well, originally I came to Costa Rica in 1974. I was a graduate from UCLA in political science, and post-studies in theater arts, but wasn’t sure whether I wanted to continue my studies, especially in those fields at the time, or that I wanted to take a break. And I was invited to Costa Rica by two dear friends, the sisters, Pam and Mary Anne Aden, whose uncle had just been nominated president of Costa Rica—that was Daniel Oduber. We came down with the idea of visiting the country that National Geographic referred to as a country in a sea of turmoil in Central America, basically to celebrate her uncle’s inauguration. What I wasn’t prepared to do was experience an amazing country with wonderful hospitality and biodiversity that just blew me away. My background, besides film production—which I did for twenty years before I came back to live in Costa Rica [in 1993]—back in the ’70s I was fascinated with architecture that had to do with landscaping, using the sustainable and
natural biodiversity of the property. And so when I came down here and saw how amazing the flora and fauna was, and the opportunity to be able to use it to landscape to my imagination’s hilt—there was no limitation here—I said one day I’d come back to Costa Rica and figure out how to make a living here.

So from ’74 to ’92, I was mostly in the commercial and television area that had to do with on-air promotion and TV pilots. While I was there, in between gigs when we wrapped camera, I would get on a plane and fly back to Costa Rica and spend time developing a farm, which is across the street. And we took this piece of the farm and I started a master plan here on, first of all, letting the natural flora recover, by removing the cows and everything else that was here, and then we decided with an architect I found here, whose name was Ronald Zurcher, and Jaime Rouillon—Jaime Rouillon was one of his key architects. We had a meeting in Costa Rica and back in ’92, and discussed developing a hotel that would not remove any of the trees, that would utilize the natural corridors not only for the animals, but for airflow and shade, and at the same time would give us the opportunity to design something that looked like it had been here—that it belonged. So as a result, for instance the lobby you’re sitting in won the Bienal [de Arquitectura, architecture association], the first time a hotel had ever won the grand prize for architecture in the country. And it did so because we were able to not only take advantage of the location and the topography, but the fact that this is not in the hurricane zone, so you can
build like this and not be concerned about a lot of wind blowing the rain through the property.

And so for twenty years now—we started with two villas, and we now have fifty-six units—we built it in stages. So the idea of building a hotel that was designed around someone who was into landscape architecture encouraged my architects and engineers to work with me on a design that felt like it belongs. And that’s been probably one of the most important comments that we get—not only do they [the guests] feel comfortable on the property, but also the animals feel comfortable here. So you have a lot of nature surrounding you on the property because of the fact that, when you can maintain those natural corridors, not only do you have the shade factor, using less energy to air-condition the rooms, but also you can open the windows and doors and the airflow will come through the buildings because they all have exhaust. All that, back in the ’90s, was before even LEED [Leadership in Energy and Environmental Design; green building certification] had created its own standards. So we did it based on thinking through what was here before; having a history on the property that goes back to the mid-’70s, we saw how nature had taken back what farmers had unfortunately destroyed when they deforested much of Costa Rica. And it worked for us and it’s working for many other hotels in the country, especially on the boutique side. Most boutique hotels, which are 80 percent of the industry, have one thing in common: they know our customers are here for nature, more than anything else. So it pays to save the landscape.
AS: Can you talk a little bit about how you found the property originally? When you came in ’74, was this the area that you visited?

JD: Oh yes, after the inauguration, we came down here to visit the first beach, which was Manuel Antonio, which was not a national park yet. Back then you had an airstrip and you got here on a DC-3. And we came to visit and I stumbled into a gentleman who was building a little house across the street, named Albert Gordon, who’s passed away since [then]. But that was my first opportunity to consider Costa Rica as a future home for me, because after the first visit, I was so impressed not only with the biodiversity, but also with the hospitality. It was never “Gringo go home.” It was always, from the get-go, a very welcoming vibe that I was getting from the Costa Ricans. So I needed to figure out how I could finally come back, after spending a lot of trips here landscaping, replanting things that were native, producing more fruit trees, etc.—we’ve been doing this since the ’70s—I was able to get to a point in my career where I could take a sabbatical of six months to come down with Ronald Zurcher and Jaime Rouillon and experiment on a prototype.

So by 1993, when we had the first units up, we realized we had something working for us because the response from our first clients was very favorable, and the government of Costa Rica at that time was giving exonerations, through ICT [Costa Rican Tourism Board]—contracts—to build properties. So you had no import duties, no income tax to pay, you
had basically a ten-year moratorium—and so many people like myself came to Costa Rica and said, okay, well, if we don’t have pay these huge taxes on importation, and we don’t have to pay any income taxes on our business, let’s roll the dice, because we’re still very new.

And since Oscar Arias had hit a home run with the Nobel Peace Prize, the country was on the map. There was, to my knowledge, back then, no master plan for tourism. It evolved spontaneously, and most of it came from the entrepreneurial spirits of expats, and nationals, who had one thing in common: they loved the country, and they loved the idea that they could host people to see the response, because from the get-go, it has been more and more of the same experience with my fellow hoteliers, which is, we attract a market niche that supports what we want to do, which is conserve the natural beauty of the country. Because we don’t have famous discos, and museums, or amazing cathedrals—San José, it’s a Central American capital that really doesn’t have much sex appeal. So what do we have to offer? The national parks, all the tours that have to do with flora and fauna. So if we didn’t protect it, we’d go out of business. So I think it’s been an easy sell for a lot of people in Costa Rica to become more green-oriented, because they saw the revenue coming back when they or their children were getting jobs in ecotourism. So it was a win-win situation, but it wasn’t where you sat down and planned it out, and brought in all these experts and had conversations about how to market the country, and what should we give as guidelines for these entrepreneurs who were starting these businesses. Nobody gave me a handbook to follow. Nor my colleagues. So
I think the evolution came out of the spirit of, a bit of the romance and the challenge of coming to Manuel Antonio—whether you were born and raised in Costa Rica or came from the outside, when we started here there was no electricity, there was no water, there was a dirt road. And not much else to talk about. So it was a pioneer spirit in tourism that I think drove everybody here to begin with because it was such a pristine area.

AS: When did the road to Quepos get finished, from the north?

JD: You mean paved? That was finished about… it’s been nearly twenty years. That was [Rodolfo] Méndez Mata; he was the minister of transportation. He finally got it done all the way to the cul-de-sac [that leads up to the national park Manuel Antonio south of Quepos].

AS: So it wasn’t paved at the time when you started here.

JD: No. For instance, in the ’70s, it took seven to eight hours to get here, and if you didn’t have at least one good spare tire, you were in trouble. Now you can do it in two-and-a-half.

AS: But the beginning of operations here, once the hotel was built...

JD: Oh… It was only paved halfway. There were at least seventy to eighty kilometers, the last that was nothing but potholes. In fact, you were
better off driving on the shoulder of the road than in the road itself. God…

We had a cocktail called the Huecopista [“pothole highway”], which was five different liquors, and it was—we said, if you drove here yourself, you’d have earned this cocktail. And when Mr. Méndez Mata came here, because his daughter was married at the hotel, and said, “What is this drink about?” well, I gave the history. He [Méndez Mata] said, “Well, how about if I pave the road, while I am the minister, to the cul-de-sac of the national park? Because I’ll change the name,”—which we did, we changed it to the Suavepista [“smooth highway”] and we buried the last cocktail in a little coffin [laughter], with the minister, with La Nación photographing the minister with a shovel. And that was a huge breakthrough—but at the same time, it took us from tourism that was more the exploring type of client, to tourism that was more “I went to Honolulu and Acapulco, now let me try Costa Rica.” So it did affect the market niche. Because this is the difference between the tourist and the adventurer that we’d enjoyed before, because now if, God forbid, you may have a gecko on the ceiling in your room, you may want to ask for a discount. It’s changed, you know.

AS: My impression is that that change was underway by the early ’90s, across the country, including in destinations that had already received paved-road access, from the more adventuresome early [tourists]—maybe they came with conservation groups or to backpack—to more sand-and-surf oriented tourism. Was that your experience?
JD: I’d say by ’95, ’96, as the roads came through, we started to see that change because also, we started to see more carriers coming. When I came originally, it was Pan Am or nothing, you flew a Pan Am Clipper 707 or you didn’t get to Costa Rica. But as more carriers came on board and you had five or six domestic carriers and all of them were starting to compete with each other, you could come down here for $499, you could get a ticket to Costa Rica. So it suddenly became affordable for a middle-class traveler, and also for families. And, I think, again, when people learned that Costa Rica was so peaceful, overcame the stigma with the Peace Prize, suddenly that opened the doors, and travel agents started looking at Costa Rica as an alternative, because they didn’t have much new to sell. So they came to us; I think this country was more discovered from the outside and not so much because of an amazing marketing campaign. Which is still part of the identity crisis. When they came out with “All Natural Ingredients,” which was under…

AS: ’94 or so?

JD: Yes, that was under Carlos Roesch, who had been the manager of the Cariari Hotel. When he became minister [of tourism], they launched that [marketing campaign] with Sandra Orfila and Maria Amalia Revelo—these were the women who were around Carlos when he was the manager of the hotel and they were still around when he became minister of tourism. So, yes, in the mid-’90s we began to see the shift. Not until the online travel
agency business, Expedia travel agency, did we really dramatically change the mindset of a customer who came here not necessarily because they did their homework and were interested in the flora and fauna and wanted to spend time with a nature-interpreter, and appreciate that we didn’t destroy the environment to host them. Suddenly now it was “the best offer”: so I had my travel points, I went to Expedia, I booked a vacation to Costa Rica, and I thought they were lovely islanders… [Laughter.] So we had a less-educated clientele that also was a bit more demanding that started to come as we entered the new millennium. By the year 2000, we were getting a lot of customers who couldn’t understand why we didn’t have sidewalks, and they still thought the road was challenging, even though we had patched the potholes. So yes, we saw a shift in the mid-’90s.

**AS:** Can we go back just a little bit, and I’ll ask you about the origins of your environmental concerns. When did you first begin to think about [that]—given your educational background—

**JD:** Oh, I’m Californian. And I was Sierra Club, and a backpacker in Yosemite, Kings Canyon, Hetch Hetchy, and all those places. So when I was in high school and then in college, I spent a lot of time involved with conservation. So as a tree-hugger, I was very concerned with saving the Santa Monica Bay, boycotting tuna, all those things we did back in the late ’60s, early ’70s. So by the time I came here, my background already was very much—I came here with a backpack, for the inauguration of the
president. So when I came to the beach, I camped literally on the sand. I only lasted one night, because it rained so hard. And my girlfriend stayed—she was smart—in the cabin up here. So it wasn’t too difficult for me as an environmentalist back then to say that if I ever came back to Costa Rica, I wanted to make sure I didn’t do anything to spoil what had been such an impressive first experience in ’74. So it wasn’t difficult for me to find the right architects to finish my sentences. And because I was involved with art directing, started as a Greensman [landscape design and plant arrangements for a film set] and a Prop Master on commercials, and then I got more involved as I got into my own production company with a partner, Rick Squire, we got involved with everything, including postproduction. But everything we did in Costa Rica was tied into my background, which goes all the way back to grammar school, really, in California, which was gardening, agriculture, camping. And so when we fought Disney on Mineral King [Valley, now in Sequoia National Park] for a ski resort, things like that, it was already in my DNA.

So when I came to Costa Rica, I was very concerned [about] national parks. In this case Daniel Oduber created the park system while he was president. I would like to think that his nieces, including my ex-girlfriend, were influential in helping him protect this real estate. Because fortunately, you can go down to that beach, go out into the surf and look back and it hasn’t changed since I came here back in the mid-’70s. You will not see—the first fifty meters is protected of course, and then the next 150 is leased, so this coastline, from the point of view of a boat sailing by, in all
the years, it’s really changed very little. You cannot see the difference. Of course, driving down this road [from Quepos to Manuel Antonio National Park] you can! But the topography, and the fact that there’s only one way in and out with a dead end at the cul-de-sac, has limited the development, because of another rule in Costa Rica now: it’s extremely difficult to get building permits if you have to deforest a parcel to build on. Because there are so many people who live in the area who are green-oriented, they’ll blow the whistle as soon as they hear a chainsaw. That’s very helpful. It’s more the private sector and not the government that are vigilant about preserving the area. Because they [the public sector] don’t have the resources. So when we see something that’s a concern, someone’s polluting or someone’s cutting trees down, it’s usually a neighbor who will call MINAE [Ministerio de Ambiente, Energía y Mares], or will call the police, and say, there’s somebody hacking down the forest to improve their view.

**AS:**  *That would be squatters on public land, the national park, or private land?*

**JD:**  No, private land. If you buy a piece of land today, and if you have native trees, and they don’t even have to be endangered if they’re native trees and they’re more than so many inches in diameter, you have to have permission to cut them. You can get that permission, based on how much of the land you’re going to use, how many trees you’re going to plant for every tree you cut down. But there are very strict rules. However, the fines
are a joke. So if somebody really wants to go and cut a bunch of trees down to increase their view, and also their flexibility of construction, the price they pay is nominal. Their reputation maybe will be effected, but their pocketbook… [will not]. That’s maybe something Costa Rica needs to change, the penalties for deforestation, in my view; it’s really not close to what the sacrifice is when you destroy a whole property’s forest to build what you want.

**AS:** Yes... Costa Rica obviously has had an extensive national park system since the early '70s. How would you compare the private sector’s record in preserving or conserving forest land versus the national parks?

**JD:** Well, as far as private refuges and private reserves, the private sector has done far more than the government. Because they can afford to. Many people, whether they’re nationals, or expats, or corporations that just want to buy land to protect it—now especially with the carbon credits, I would say that the private sector significantly has done more not only to conserve the area, but to promote the country. It’s not even close. What we as a boutique hotel industry have done to promote the country runs circles around the budget or the knowledge and energy of what the bureaucrats have done at ICT. They know that. The new minister is trying to change that. But unfortunately, you’re dealing with a lot of obstacles—just to make a decision to buy flowers for a journalist to put in her hotel room can take three or four stamps. So because of that fact, so much land has been
protected by private individuals—[but for] the parks themselves, unfortunately only a couple have any revenue, including this one. All that money goes into a general pool, and then it’s redistributed. The question is, how is that money spent? When here for instance, we have bathrooms that have deteriorated, trails that need to be repaired, and yet this is the cash cow, as well as Poás [a volcano national park] and Monteverde [a cloud forest reserve]. So the issue again is, you’ve got a government running a park system, and you’ve got a lot of overhead, like the United States, and by the time you pay for all these people that may not necessarily be out there protecting the parks… Like for instance now there’s a big issue in Corcovado, because the habitat for jaguar is so threatened that they haven’t seen any footprints lately. The latest survey they did of Corcovado, they didn’t spot one jaguar. Okay?

**AS:** And that’s a pretty substantial national park.

**JD:** Yes. Of course, you need a lot for one animal. They’re out there poaching. Why are they poaching? Because there are not enough employees of the government out there protecting it. And unfortunately when you look at how many people are working in offices in MINAE versus how many are out in the field… it’s really lopsided. I imagine that has a lot to do with—it’s a lot more comfortable to sit in an air-conditioned office than out there trudging in the mud in the middle of the tropics, trying
to find an animal or two or catch a poacher. Also, we have the issue of people who are mining for gold in Corcovado.

**AS:** *So that’s still a concern?*

**JD:** Yes, but not as much as the poachers who are getting pelts to sell on the black market. So that’s just some recent information I got from the executive director of the Corcovado Foundation, about the national park, and that’s Alejandra Monge—interesting lady you should interview. She’s been running the foundation on behalf of the board of directors for many, many years. And that’s still our most pristine park, as far as biodiversity, and also one of the most threatened parks, because it’s so huge, and there’s not the manpower to protect it. There’s too many ways to get in and out without getting caught.

**AS:** *Have there ever been any tensions—especially here at Manuel Antonio, which receives a lot of visitors—about the fact that there’s a lot of hotels in the area, there’s a lot of tours operating, over carrying capacity? Are there any tensions with the park service over the fact that the private sector brings in lots of people?*

**JD:** Well, the park system is very happy to receive [visitors]—now they’ll [charge] $16 a person. They need that revenue, which as I said goes to the central office to pay overhead. I believe there’s a limit of two
thousand visitors per day; that could have changed. They’re no longer going to allow people to bring food in, which is a good idea because they were feeding the animals, and the animals have become very aggressive. But the national park, because it’s part of the system, it’s not run very efficiently. And one of the reasons is that they don’t have concessions that they can sell or provide, which would create a major source of revenue to hire more people to protect the park, improve the trails, improve the bathrooms, etc. Because right now there’s not even an official T-shirt for the Manuel Antonio national park that we can sell in our gift shop! And when you go in the park, there’s not even a place where you can buy a bottle of water. So we feel, at least the chamber of commerce—we had a meeting two weeks ago about this—that it would be wonderful if we could create other alternatives. For instance, we have a wildlife refuge across the street, that’s three kilometers of biodiversity that’s very user-friendly, we have a night tour that we do there, we have a research center and our nature exhibits. We offer that as an alternative to the national park, especially when it’s so busy during the holidays, and there’re lines of people to get into the park. We have the same flora and fauna, but we don’t have the same volume of animals because we’re not feeding them. The park has become so overwhelmed with wildlife because of all the granola bars that are passed out every day, okay? It’s become a feeding frenzy, which is why they’re going to outlaw food. Finally, after all these years. But I don’t know if I’ve answered your question, from the point of view—do we cooperate with each other, or…?
AS: Yes, you have. And you’ve mentioned the chamber of commerce, which was another thing I was going to ask you about. Do you have cooperative groups, trade associations, and so forth that center on boutique hotels and also ecotourism?

JD: Oh yes, we created—in the private sector; it was originally called ASCOMOTI, which is now the Tití Conservation Alliance, the alliance for the Mono Tití [squirrel monkey]. Adrienne Pellizzari is the president. It’s supported by donations from several members including restaurants, tour operators, hotels, and private individuals. For instance, here when you check out there’ll be a box that says, “check no if you don’t want to donate $2 each day for your stay at Si Como No.” One dollar goes to the association—it’s not an NGO, it’s an association, it gets grants even from Ford and other foundations—and that association’s job is to educate the community in conserving its biodiversity to protect its natural attractions using the Mono Tití monkey as their mascot. That’s their spotted owl, or their koala bear or whatever. So with us, the other dollar goes into the project at Santa Juana, which is conserving—we’ve got nearly 11,000 trees now that we’ve planted, and it’s the watershed that we’re protecting. And so what we’re doing ourselves is trying to give our clients other choices than just the park. Because the park itself is so overwhelmed. So not just us, but other people are creating many other tours in the area, which takes a load off. And also because we’re very frustrated with the management of
the park, because it seems that when we do find a good manager, the next day he’s moved to another park.

So the chamber of commerce, industry and tourism, which is about twenty years old, is very involved with supporting the national park. We’re very involved with creating an awareness of those things that the park needs. So we spend a lot of time talking to government officials, about the fact that we need to repair this, or exchange that, or protect… so, we’re very vigilant about that. And we have this theater here; it’s used all the time for community meetings. So we’re always trying to encourage the government officials to meet through the private sector, including the Tití Conservation Alliance, so I think there’s a lot of hands-on interest in improving that relationship with the government. But again, there is always this issue: “You know, Quepos, Manuel Antonio, it’s got so much money, let’s focus on other areas that don’t have that support.” Which is fine, but you’ve got to remember that this park, if we don’t handle it correctly, is going to burn out. And so it took years to stop the food thing, because the animals in the park are affected by all this crap they eat, whether it’s diarrhea, or constipation, or whatever it is—these animals aren’t supposed to be eating junk food. And you’ll see it—the monkeys that are living outside the park are healthier looking, and less aggressive. So we’ve changed the lifestyle—we’ve created this tourist attraction, like any park that becomes famous. So we’re conscious of that, and we’re always discussing those concerns with the public sector.
AS: Did the two-tiered entrance fees—that was initiated probably shortly after you started here—

JD: Oh, yes, that goes back—the nationals pay a fraction, I think it’s 1,500 colones [about $2.80]. I agree with it, because it should be based on one’s income, and also the fact that, by raising the fee, maybe less people will go to the park. You know if they’re just sun-worshippers, which a lot of them are, they really can go to the public beach for free. So I think this kind of separates the men from the boys. The more expensive it gets, the less volume, for the same revenue, is how I look at it. You know, less is more. I hope that’ll work. Because I’m one of the ones who’s in favor of raising the fees. Now, a lot of people don’t agree with me in the private sector, they think it’s going to hurt business. I disagree; I think if you’re a nature-lover, you’ll pay $16 to see an amazing, amazing national park. It’s beautiful. And also, stay there, go swimming in the very pristine beach that has no waves with the family. So I think there is also a possibility that we will be able to create a concession, and if we do, that’ll be huge. You want to talk about a source of revenue, imagine—if the only official logos, artwork, t-shirts, and everything else that you can be selling at all these outlets around the country that have the MINAE’s official [approval]—we were talking about doing a whole contest with Facebook, get all the local artists in the country to come up with ideas on what that logo should be, and do a logo for each park. And then come up with a series of t-shirts, and
hats, and God knows what, that are souvenirs—you could make more money off of that, than probably off of the fees to get in the parks.

AS:  *Somewhat surprising they don’t have that in place already.*

JD:  One word: bureaucracy. It’s moving in the right direction. In fact, Poás is to my knowledge the only park which does have a concession. Yes, it’s one of the first parks. And they’re successfully generating revenue to maintain the destination, and I think we should be doing that in all the parks, eventually.

AS:  *Can you talk about your vision, of the niche you wanted to occupy here?*

JD:  Yes. As I mentioned, at the beginning of the ’90s, the idea was to build a prototype, so we built the two villas, which now have become four rooms, since they were designed to be lock-offs, so you had a common door. And the idea was to build the four, to see how it works, and then sell them to investors, which we did, originally. And even though we did not recover our original investment, we were able to use those funds to build better and smarter for the second phase, which included a swimming pool and a restaurant down below. And the third phase included this lobby, and so on and so forth as we expanded with the growth of tourism and the demand on the hotel. The hotel is about 22 percent referral business, and
quite a few of our clients have been coming here, some of them up to twenty times, since the first year we opened. We have clients that have literally been here from 1993 until now; they still come back, but their kids are now teenagers. So that is why—our vision was to first of all, get me out of L.A., and find a way to make a living. And since I didn’t know anything about the hotel business, [but] I did know about entertainment—when you’re selling cat food or BMWs, you’re trying to entertain the audience to make a commitment. So when we designed this, the idea was that this would be kind of a set, a stage to experience and share what we considered from my first visit, to be a “Wow.” Whether it’s walking in here [referring to the lobby and its vista]—I hear clients go “Wow!”—or whether it’s sitting on your balcony in the morning and seeing the birds and monkeys go by within the tree corridors that we designed the hotel within, that wow factor has been for us—twenty years, we’ve never had a television set in the rooms. And we lose a few customers over that. Still do. Less now because of streaming, now with your smart pad or whatever, you can watch whatever you want. But we thought back then, if we’re going to host people and entertain them, why should I compete with CNN or the Brady Bunch? So we have found that after one day of shell shock, of somebody who doesn’t read the website or know what they’re getting into, that kids don’t have to watch television, and dad doesn’t have to sit in front of the TV, that there’s things to do. So we usually convert people within twenty-four hours.
AS: *People really arrive here expecting to watch television?*

JD: We have people—at least once a month, somebody will say, “We have to check out. We can’t stay here.” And it’s usually because they have to have a television to babysit their kids. It doesn’t happen often. So what our vision’s been from the get-go has been to create an atmosphere where, we say, the magic of nature is only equaled by the good nature of the people who work here. So from our beginnings, we have people who’ve been with us twenty years now—our head cook has been with us nineteen years. My operations manager’s been with us for fifteen years. My residence manager’s been with us fifteen years. There’s good and bad in all that because you can say, too, that you need to refresh, in any business, your talent, but in our case, these people who came with me when I had four rooms, and grew with me, and together, we’ve shared the ownership and the mission statement, so we’re really partners—and in fact some of the key people, I’ve given shares in the company to them. In fact our food and beverage manager after seventeen and a half years retired in May, May 1st.

So, what we have tried to maintain from the get-go is, like the movie, build a field and they will come. We wanted to build something that had the same impression that I had when I came here when I was twenty-two years old, and felt that same energy. So we have tried to maintain that with the landscaping, with the terrace views, with the vibe of the people who work here, because that same feeling I got when I came here originally, my clients share with me today, and I know that because the
barometer or the measurement stick has been that people who’ve been coming here from the beginning until now have said that, “The neighborhood’s changed. But the hotel hasn’t.” In fact, some people think we’re outdated, that we should get new décor and new bedspreads. In fact, that’s probably one of the only things that I hear that could be a negative—that we need to catch up with the times, because Jim is too outdated. But that’s fine; I’m one of the old farts who doesn’t really want to follow the fashion statements of New York or L.A.

But at the same time, that’s why we said, “Well, we really need to keep generating new ideas.” You know, I met with President Carazo, whose vice president was my colleague and board member until he passed away last year, José Miguel Alfaro. We said, “Let’s take our idea, and expand upon it, so we can create a seamless, one-stop experience that’s called Greentique Hotels.” We launched it right with the crisis [in 2008], and so when we—we had already bought Villa Blanca in 2004, and then we completely restored it. It’s sitting in over two thousand acres of cloud forest up there in San Ramón. It was a hotel that was not doing well, and was not on the tourist map, because San Ramón is considered the off-ramp to La Fortuna to go to the hot springs, so people just drive right by it. So our idea was: let’s create another atmosphere that’s totally the yin of the yang contrast with the beach, which was the cloud forest, and utilize the local talent, which in this case are the people born and raised in San Ramón, and package the properties. And then [have] my friend Bradd Johnson, who has Aguila de Osa in Drake’s Bay, create even a more remote [location], and
for those who truly want the tree-hugger experience, a small thirteen-room hotel on the bay of Corcovado where they can snorkel and fish and hike and go back in time. Because Corcovado and that whole area still is twenty years behind us.

So we were able with Greentique and our marketing team to present an idea where you can spend two weeks with us, and during the two weeks experience the same mission and the same kind of employees and the same kind of philosophy, or you can spend seven days with us, or you can spend three days with us, but the idea is that we can amortize our marketing investment, we can amortize our knowledge, we can buy our sheets and towels together, we can buy our fish from the coop together, and now for instance my residence manager at Villa Blanca has been able to reduce the food cost to less than 30 percent [of total expenses], which is significant. When Cornell [School of Hotel Administration] says you’re great at 33 percent, we’re down at 27 percent, up there [at Villa Blanca Hotel]. So we’ve taken that knowledge.

And back to [what I was saying about how] sometimes people get too comfortable, when they’re with you too long. With the retirement of Christian, who was a very talented chef and a great manager, in his time—the time changed; when we opened our restaurant, there [were] maybe a dozen to pick from in the whole area, and now there’s maybe sixty restaurants. So a lot of our old chefs whom we trained are now working as our competitors. Which is great—they’ve opened up their own restaurants. So what we’re doing now is we’re bringing in a new generation, with a
manager who started out washing dishes at nineteen, and now he runs our hotel up there. So he’s come back with all the new technology, all the new software, and brought with him new chefs to come back and share their knowledge from San Ramón, with our older chefs here. And the most effective way to get people to work together is not from management at the top talking down to the employees that are under them under each department—but here I’ve got the supervisor and the chef from Villa Blanca hanging out with the supervisor and the chef of the restaurant you see at Rico Tico [one of the restaurants at Si Como No Resort]. And they’ve now been working for one month to bring in the ideas from Villa Blanca, to implement them here, rather than have an email decree from the board of directors saying, “You will now change your habits.”

And that perhaps is one of the biggest problems with any company, I think: that everybody gets in their comfort zones, including General Motors, you know, and look what happens. And we don’t want to ruffle feathers, we don’t want to make trouble, and so what’s happened now is we have been able to get people who are waiters and bartenders to ask questions and share their opinions. And that has been very effective, because now everybody else is very comfortable—when people who have been working directly with the vendor, or with the customer, [know] their opinions matter as much as the manager or the GM. And that has worked for us in the past, so now what we’re doing is we’re re-instilling it in our flagship, and now that the crisis has finally subsided, we have hotel owners who now want to join us. So what we started in 2008, 2009 and put on
hold, we’re reactivating, which is to bring in two or three more properties in other climate zones to join us, again amortizing whatever we can, sharing each other’s knowledge and creating for our clients even more choices. Especially if they’re a repeat customer. So when they come back the second time they can sample other properties within the family of Greentique Hotels.

**AS:** So this is a way for boutique hotels to benefit from economies of scale and share knowledge without creating a mass tourism kind of experience with a lot of hotel rooms in one place.

**JD:** Absolutely. Because what’s happening here is the same thing that happened to the ma and pa hardware store, when you saw big chains like Home Depot, when you saw what Walmart did, etc. And what’s happening now [is that]—because the online travel industry is working very closely with the reservation boards, that are all software automatic inventory-shifts, like airplane seats—you have the Marriott’s, the Hiltons, all these big chains coming to Costa Rica, and little by little, they are swallowing us up. The concern—and I think the new minister realizes this as an inbound operator—is that the very reason that Costa Rica has these unique stories of entrepreneurs that came here originally as expats, or nationals, to make their mark on something they fell in love with—where they came not only to develop but to live and participate—is that these big companies are coming in, which are run by publicly traded operations where their
headquarters are. [And they] aren’t sensitive to that fact, nor is the cash flow staying in the country. So you have for instance the Riu, which has 2,500 rooms up in Guanacaste. They can do a wedding for a buck ninety-five, and it’s an assembly-line wedding, and you’re seeing waiters and bellboys and whatever who are in this corporate chain of command, and the turnover is so huge that I think you’re missing that *pura vida* experience. However, as you mentioned, if you can’t join forces and create a group of properties, it’s far more difficult to compete. So for instance, now we have an inventory of 110 rooms instead of fifty-six rooms, and we have a salesperson who can get on the phone say, “Oh, you don’t want the beach now? What about a cloud forest? Oh, you like to fish? Well, how about Aguila de Osa in Drake Bay?” We can start to do that as we grow. But unfortunately, the government has no incentives for us. And we have a budget for marketing that we question sometimes where the funds are going and for what priority. Again, if most of the hotel rooms are boutique in Costa Rica, there should be an emphasis in the budget for marketing—

**AS:**  *The national budget, the ICT?*

**JD:**  National budget, yes. The ICT needs to take into consideration that the Four Seasons as a corporation has a bigger budget than Costa Rica ever will have—to market a country. They have [more than that] to market a chain. So again, I think what’s happening is, little by little—and the only reason things slowed down is the crisis, the same crisis that’s now turning
the exchange rates back up to 545, 550 [colones to the dollar] which is helping us, although airline tickets are way over the top—that same atmosphere, that slowed down the takeover for big development, is going to come back again to haunt us. We’re already seeing it. Same time I met with the executives from Southwest at the travel show, who were planning—they bought an international airline so that they could become international themselves—they’ll start their first direct flights out of Baltimore, Maryland, and out of Houston, Texas, [where] they’ve got gates to fly to Costa Rica. They’re a one-class airline. Because now at Christmas you can spend $1,200 for an economy ticket to Costa Rica. That is ridiculous. And what that’s doing is that the middle class, to whom we cater, is being squeezed, and as we’re being squeezed, the big chains are able to say, “Yeah, pay $1,200 for your airline ticket, but stay with us with points.” I can’t do that.

So if Costa Rica doesn’t understand how to grasp that and control it, because there should be a playing field for all types of market niches and for all types of businesses, what’ll happen is the same thing that Walmart’s doing and all the other big boys: they’re taking all us guys out. And when you do that, in a country based on individuality, pride, self-esteem—when you took out the military, in a country that really hasn’t had invasions or slavery for so long, and you bring in too many people from the outside that aren’t in love with the country, and that may not be in love with the people, you’ll change the vibe, and we’re seeing that in some of the big boutique properties, from what I hear. Because I hear the customers come through,
and maybe they’ve stayed at a chain hotel, then they come to us, and one of the things they say is so different is, “You know, I feel like I’m at home. I feel like I’m staying at a family destination.” And that’s because this is a big family of people that in some cases have been here—and not just with us, but many hotels, their personnel could have been with them from the very beginning, because many hotels started out just like this one with one or two rooms, or five rooms, and grew, and people continue to grow with the property. You don’t get that normally in a hotel chain. And a hotel chain often designs cookie-cutter construction, cookie-cutter management, and cookie-cutter attitudes. Because everybody’s smiling, you know, “I’m an associate!” When you’re smart enough to be a world traveler, you’ll notice the difference. But when you’ve only traveled that way, you’re perfectly happy to stay at a bunch of hotels that are run by corporate headquarters.

And it’s a crossroads the country’s facing, and there are a lot of people that are experts that feel that the boutique industry will lose. You can’t stand up, individually, unless we join forces—for instance, imagine if everybody here got together and hired a good PR firm in New York or Chicago. Which I can’t afford; they want $15,000 a month to represent a hotel group; I have not even… if I had a thousand rooms I could amortize it, but I don’t. And so that is a big issue. The other big issue that we’re all facing is, the cost to operate here is going through the ceiling—kilowatt-hours continue every year to rise 10 to 15 percent, water cost continues to grow every year…
AS: *In part because of the expansion of the mass tourism business?*

JD: Yes. So we’re being hit right and left—*everything* has gone up. The only good news is that this year we’ve seen the exchange rate more in our favor. But we were all losing 20 percent of our exchange for, what, three years, four years? So those factors have come into, “Well, gee, why is Costa Rica so expensive?” Well, also, to be sustainable, it’s more expensive than not. You have biodigesters; we use all biodegradable soaps and systems in our washrooms and in our laundry room... the only chlorine in the entire property is used in the swimming pools because no one has convinced us that—salt, chlorine, and/or ozone, they don’t work. They don’t work in the tropics when you have a public, in this case a family pool, with twenty kids in it. That night, you won’t see the bottom of the pool if you’re not using chlorine. But if you use chemicals properly, and the pH level is such—for instance, we only empty the pool every seven to eight years—we don’t have to because of the rainwater and the airflow of the waterfalls and the slide create a natural aeration that happens when you have a natural creek or a spring. You know, nature cleanses itself with oxygen and friction, right?

So, all that costs money. Consumers don’t understand it. They don’t appreciate it usually, and that’s not a determining factor. When P3 [Planet, People, Peace: the International Conference on Sustainable Tourism] and Hans Pfister [of Cayuga Sustainable Hospitality] did a presentation with
Lawrence Pratt from INCAE [Business School], we found that because we’re a Five Green Leaf hotel, because we’re into sustainability, because we support all these causes, because we have almost 11,000 trees now, and a watershed we protect—all these things that we do don’t mean anything compared to free Wi-Fi. When Trip Advisor surveyed I don’t know how many thousands of their members, the most important element in choosing the property is free Wi-Fi. Not what happens behind the curtain, not what happens as a result of my stay in the hotel, not how the employees are treated, not what the community is about; none of it even was mentioned.

So what we need to do, and I guess Washington’s trying to do it with the reality check that we’re facing a huge dilemma with the planet’s temperature rising, is the travel agent—the inbound operator, and the government that pays the airline tickets and invites the journalists, all have to be on the same page: you need to convey the fact that a hotel destination that is sustainable in nature, whose mission statement is to help reduce the carbon footprint, is a responsible holiday, like Rainforest Alliance has tried to convey in their marketing. That if you travel right, you can still travel well—which is our mantra—and everybody can win. But that means getting the OTAs [outbound travel agencies] to give us priority—if they’re going to beat us up with their commissions and force parity, which means that we can never charge more than they want to put on their inventory—and by the way, over 50 percent of the people who search there still end up coming to the hotel direct. What I’m getting at is: how do we educate someone to care about something beyond free Wi-Fi? That has a lot to do
with how we market the country, how we educate the travel agent, how we incentivize or instill in the inbound operator and the wholesaler the priority. Which means the government should give priority to those operators that support those boutique properties that are sustainable. And also, why are we paying, still, duties to import things that have to do with sustainable management? Why do we have to pay import tax for fluorescent and LED lightbulbs? Why do we have to pay taxes on a biodigester, and parts and pumps? Why don’t we get special financing terms from the central bank when we want to invest in sustainability? When we want to put in a proper greywater system? Why don’t we get preference on that financing? Why is it that the Hacienda [national tax authority] doesn’t give us tax credits for reducing our environmental impact, for using less water, using less power, minimizing pollution? All those things save the government in the long run, yet there’s not one dollar of credit for being sustainable as a business in Costa Rica.

**AS:** _Those things aren’t covered under the existing ICT incentives on importation of...?_

**JD:** No. Not to my knowledge. I’ve brought that up to the board of ICT, I’ve brought that up to ex-presidents who are guests, who say they’re going to go back… But… I know personally the minister who just retired, who was the minister of the IRS—the Hacienda—Edgar Ayales, he said, “Jim, get the bureaucracy of my ministry to think they’re going to lose one dollar
of revenue when the government’s trying to pay the payroll of the school teachers? Not in a million years.” So, those are things, though, that if they were done and done correctly, would in the long run be saving the government on building more dams, and fixing more environmental damage, and by doing so also encourage us as the private sector to be more environmentally sound because it’ll become more affordable, because we’re not paying import duties and we’re getting a long-term low-interest loan. All those things make sense, but good luck trying to get them done. And that’s all part of our mission—every opportunity we have, whoever we’re meeting with, whoever the client [is] who wants to have a margarita with us, we’re always, where appropriate, sharing our mission statement. Some people don’t want to hear about it; other people care about it. And that’s why we are working always with our own employees in workshops—we have our own green committee, of volunteers from each department, who are part of the program, with or without CST [Certificate in Sustainable Tourism], which has its drawbacks—it’s now become so complicated that it’s like an IRS audit. So time-consuming that we’re wondering what happened. Because we were all pioneers and we used to look forward to it—now we dread it, and that needs to be fixed. But what we do with our employees is, especially if they just came on board, orient them, make sure they understand how everything works at the hotel, so that if a client asks them a question, they know what they’re talking about. Because it only works if everybody’s involved—and that means beyond the property, meaning in their own homes and in their barrio and in their
schools, they’re also trying to be more sustainable. So we find that the boutique industry is the most effective way to reach out to the local schools, the local neighborhoods, and the local governments, to share through the employees, at church, at a wedding, at a dinner party, what they hear us convey as a business, of sustainability.

**AS:**  *Can you elaborate a little on your experience with the Certificate in Sustainable Tourism?*

**JD:**  Ah, yes… Well, I have become more and more… how do you say, hesitant, to support the system the way it is. Because it has become so bureaucratic. Everything had to go to digital, which was a huge effort. But like I mentioned, it’s no different than getting an audit from Costa Rica’s Hacienda. The paperwork required. The energy of volunteers that have to get involved. Everything and anything we do has to have a photo and a date, a signature, a letterhead from a teacher or whatever, anything we do. It’s almost as if we are doing this to prove something to an institution rather than because we enjoy doing it. I understand why because we’re up against a world court that’s judging us, especially since we claim to be this green destination. But the cost of doing it has become ridiculous. Because when you look at the list of things we have to do to maintain our sustainable positioning, my response to this committee that was formed was: let’s forget about the rating system. You’re either CST or you’re not. And give people added points based on things that they’re doing with the community.
Not necessarily what they’re doing with their own hotel. Because what happens is, you create this country club, for instance—Five Green Leaf hotels, at one time there were only six of us that were five-green-leaf, now there’s maybe thirty or forty—and it becomes intimidating for the rest. In other words, if I have a five-star hotel, and an ego the size of Texas, and I want to become a CST member, if I get anything less than five green leaves, it’s going to damage my ego or my reputation or whatever. And so some people have been hesitant to join. Also there’s no financial gain other than, “Oh, gee, I can go for free to a travel show.” And I get no tax relief, I get no positioning in some cases that would help me with my administration; in other words, where are the incentives, where are the additional customers that I’m measuring a response to? Although I see it, I’m asking the questions, and about 20 percent of my clients are aware of my sustainable practices. But that hasn’t changed. It’s the same amount of people referred here by word of mouth, right?

**AS:** When did you start with CST?

**JD:** We started, what, [in] 1997, 1998? Almost at the very beginning. In fact, Villa Blanca was the very first certified hotel in the country, because the owner was President Carazo. For instance, I’ll give you an example. The points system, I don’t know if you know how it works, but you have four areas that they grade you in. You can have three A+’s and one B, and you’re graded as a B. Okay. So it’s not gray areas, which many of them [the
categories] are; it’s yes or no. And so there’s a controversy in the inspectors’ interpretation of that gray area that becomes black or white, okay? The discretion of people that are now coming out of schools that have been trained to do so—at first, it was people that had grown with the system, who understood the hotel side. Now it’s kids with degrees that are coming in, and doing these surveys, that don’t quite understand that, yes, there are gray areas, and spend more time analyzing those gray areas, instead of checking [off checklist boxes]. That’s part of the problem. The other part of the problem is: there’s so many more questions that have to do with so many more little details, that add up to so many more labor hours, and also material items that have to be purchased that again have no exonerations, have no tax credits, and have no financing.

So we’re saying, wait a minute. We keep having to jump through more hoops when we’re not really seeing any marketing value to see really any significant increase in customers in our hotels—without CST, most of this stuff I would do myself. But when I invest in taking a community like Santa Juana, where all of the kids were leaving the community because nobody could make a living on farming alone so they were going into construction or coming to wash dishes at a hotel, so mom and dad had no one to work the farm—when we came in and turned that around with this tour we did up there, and then got people to stop using chemicals, and stop hunting and stop polluting, and we were able to start reforesting, and able to bring customers into the tours and share their opinion of how wonderful the place was—creating self-esteem that the community now has—I got the
same extra points as someone who made a $500 donation to a foundation that was doing conservation in the country. Not because I want to wave a bigger flag, but what I’m getting at is that we’re missing the bigger reason to be sustainable, and that is, not to get the extra points on a lopsided playing field, but just to say, look, everybody gets your certificate, and if you do something that’s so important as protecting the watershed of the area, you get five points. If you make a donation of $500, maybe you get one point. Which will get more people to do bigger things to support the area, and let that be the focus. Because we’re all using biodegradable soaps now, and we’re all recycling our towels, and we’re all asking people not to feed the animals. So why don’t we let everybody become a CST member that at least does the basics. And then encourage people to put a new roof on a school, put in school desks over here, and help with an issue we’re having with the sewage system in the little village down the road. And let that be your criterion for your extra points.

So, that’s my take on CST. You went from kind of a Ma and Pa adventure that was fun for everybody to, “Oh God, here they come, you gotta get ready”; every two years they come back and dissect us. And that’s not just my opinion; many other people who were involved are having second thoughts because again, we don’t see it as a revenue generator, but at the same time we do see it as a demand of time, and also an investment monetarily for our companies.

**AS:** *Is the certification itself costly?*
JD: No, no, it’s free. What they’re asking us—for instance, four times a year we’re supposed to do a water test. We have to pay for that water test. It’s thousands of dollars a year. Why doesn’t the government, who has laboratories at AyA [Costa Rican Water and Sanitation Institute], do it for free? Or do it at the university? So on and so forth. Our ice cubes. Everything has to be tested. And we have to pay for all that. So I’ve said, no. We’re not doing that anymore. I’ll lose the points. Because I know where my water source is coming from—it’s coming from you guys! It’s the water company! You should tell me whether my water’s safe: it’s public water! Why are you asking me to test your public water and spend, I think I spend $2,300 a year on water lab tests? Not to mention I have to put it in a refrigerated ice thing, I have to have it hand-carried to San José, with a perfect seal to show it hasn’t been tampered with. I can’t, you know… And it has to be a special bottle that is sealed, it doesn’t have any bacteria—we’re testing your water for you and you’re charging me… And that’s just one example of many things where we say, wait a minute. You mean I have to go back to this village, and find the school teacher to have them write a letter on their stationery that they don’t have, and stamp it, that we came in and painted the school white. You know how weird that makes us feel? That, in other words, we’re telling the teacher, oh, we didn’t do it because we cared about your school and because two of the employees’ kids go here, we’re doing it because we want you to sign this letter, and stamp it and it has to be an official stamp and you have to get them from the
ministry of education to prove that we did this… It sends the wrong message back that we did it for our own points. And some people here are resentful when we go and ask them that. And oh, okay, we need to have a picture of all the kids standing together, and the teacher, and I get behind you, and we need to have you guys sign that this picture was taken and these are your kids. It kind of takes—I’m exaggerating a little bit, but what it’s doing is that it’s become so bureaucratic, we’re questioning the validity of it. So that’s why we said, okay, let’s just get rid of the green leaves and do community things and get rated for that instead. And that would get everybody to do more, because we take all the energy that we take over here, and put it into maybe going into the rest homes for the ancianos [elderly], and fixing their restaurant kitchen, and putting in new plumbing. Oh, let’s take pictures of the old folks standing next to the plumbing!

**AS:**  *Right, seems very pro forma, then...*

**JD:**  Yes. So that’s my take on CST. It’s not a secret. Many of us have shared that very bluntly with the last minister, and now we need to give the new minister a chance to get up to speed.

**AS:**  *The impression I’ve gotten from all of what you were saying before is that sustainability is costly, and you’re not getting a commensurate pricing advantage with the customers.*
JD: Not really. Because if we really wanted to be able to have a green fee on our rack rates [listed gross selling price] that was respected, then we probably would put ourselves out of the competition. Because—it’s a guesstimate, anywhere from 10 to 15 percent of our overhead has something to do, between labor and materials, with maintaining everything that we do that’s sustainable. I can go out and get the cheapest laundry detergent in San José and it’s pennies on the dollar compared to what I have to pay for the biodegradable soaps that I use in the washroom. It’s a big difference. And then everything’s done automatically, there’s a thing that’s tied into the computer so that it disburses things like this, and then we weigh our garbage, and all these things take time and energy. We have one person on the payroll, because I can’t get people [guests] in the rooms to separate garbage—we gave up on that. Having the three garbage cans in the room was a joke. So everything gets taken across the street, and somebody wearing gloves separates your garbage every day. Eighty percent of what we do here is recycling. So that’s an employee, his benefits, his vacation pay, etc., and the biggest thing he does here, is separate garbage. We’d do it regardless. But what I’m getting at is, nobody who’s choosing to stay here seems to know, or care, that 90 percent of our products are grown in the country; we use cranberry juice that’s imported but every other kind of juice is from the local farms. All that has to do with the learning curve, and there doesn’t seem to be an emphasis in the tourist industry to make a difference. They want to know what kind of mattress, what’s the view from
the balcony, what’s the name of the chef, let’s see the menu, what kind of spa do you have?

**AS:** *The wholesalers and the retailers?*

**JD:** The wholesalers, the retailers, and also many of the consumers. Not many of them are asking about what happens in the kitchen after the food’s prepared. Are the employees in the kitchen employed and legal? Was that mattress made in Costa Rica or imported? Those kinds of things. We do inspections here, and we do a workshop—we have a wonderful PowerPoint presentation we do for all the fams [familiarization trip], travel agents that come here, and it’s the back-of-the-house story. And afterwards we get all this, “Gee, wow. I had no idea.” But then 90 percent of them go back to doing exactly what they did yesterday. Because they sell views, comfortable pillows—people ask, “Do you have a pillow menu?” I say, “Yeah, we have four pillows on each bed…” [Laughs]. Because there are hotels that have pillow menus. Oh, yeah—very high-end hotels. Big, soft, medium, whatever.

So, what I’m getting at is that for sustainability to continue to make a difference, we need to educate the public, and the best way to educate the public is by government marketing tools, by wholesalers, and also we all on our websites—you go on our website, “About Us,” and we have all the information. But it’s going to take, I think, a new generation of kids in the United States or in Europe, to tell their parents not only where to eat, but
also where to vacation. And what I’m feeling optimistic about is the fact that more and more schools, private and public in North America and in Europe, are teaching, besides the three Rs, they’re teaching sustainability. So that’s encouraging. That’s why I believe, and we’re seeing it here with young kids that are coming with their parents, more and more Costa Rican kids are learning in school what their parents never heard of, which is recycling and stuff like that. So we’re going to see, I think, a new generation of travelers, including the Millennials.

For instance, now we promote a green wedding. We do weddings where we offer, as part of the experiences—we have a tree adoption certification program. And when someone takes a tour, they get a certificate as a couple or as a family or as an individual. Now, for instance, we had a wedding group that went up to Santa Juana after the wedding they had here, and everybody went swimming in the waterfalls, rode horses, went to the trapiche [traditional sugar cane mills], saw the oxen, the whole sugarcane thing, and we then presented the bride and groom with a certificate, in their name, with the number of trees that had been adopted, based on the number of people in the wedding party. And the bride teared up. She said, “You mean, I can come back in the future with my children, and see the trees that were here when I got married?” So, that is a marketing tool also that has a good warm, fuzzy feeling, but also the wedding is a responsible one. So it isn’t just, well, how much money do I spend on the decorations and the food, how many hours at an open bar can I impress my friends with. Instead, how can I make a difference for the planet because the carbon was
offset, that the people who all worked on their wedding were nationals, which they went to a hotel that was sustainable. And if those things, in the world of social media, can be conveyed as part of the blogging and also part of Pinterest, all that stuff, then we will see a growing interest as part of a new generation of weddings and honeymooners, and young families who travel who will care. So we’re seeing the light at that tunnel’s ending.

And what I think is encouraging, is that I see through social media a way to make up for what travel agents have failed to do, which is to ask, “Do you want to make a difference?” If you want to make a difference, then here are the properties you should stay at, because they’re all trying to make a difference, too. Because when somebody knows about it, especially a young couple, they really appreciate it. But again, as a small boutique hotel, reaching out to them? I don’t have $15,000 a month to do so. So what I’m counting on now, is that more people will write articles about it. We’re now blogging, which we never did before. Now we know what Pinterest is, which I didn’t a year ago. So that is helping us get the message across. So those are good tools to utilize for [conveying]: yes, we don’t have a television, and this is why; we may be a few dollars a night more than our competitor, but this is why. If we can get that across, then maybe the consumer will go back to the travel agent and say, “Oh, no, I’d rather stay at Si Como No than XYZ, and this is why. Because my kids want to stay on a property that’s sustainable.” If enough people tell their travel agent that, then their pocketbook’s going to be affected, and they’ll change their way. So this big travel show that we just did again at EXPOTUR: they tried to
convey again at EXPOTUR that you should be sustainable, but all the hotels that were CST had to pay the same amount for their booths, $2,500, as all those that weren’t. Again, what message is that? Because we’re all spending more money to save energy, reduce pollution, support the communities, and yet we didn’t get a $1 discount to be in a show underwritten by the government? So those are the kind of things that need to be fixed.

**AS:** So, in the context of that situation, where the travel agencies aren’t cooperating, and—

**JD:** And some are, some are.

**AS:** Right, and where the demand hasn’t been there, perhaps is changing, but hasn’t been there in the way you’re describing at least in the past generation, what’s your motivation for incurring the extra costs? Can you just reflect on why you do it?

**JD:** Well, I’ve said this [already] and some of my colleagues, even without CST, most of this we’d be doing anyways. When we started out designing the hotel, and I met with a gentleman named Paul Bierman-Lytle, who was a young architect in the States designing environmentally friendly golf courses—Paul Bierman-Lytle cofounded LEED, which is the [green] guideline for architecture. When I talked to Paul about my ideas in Costa
Rica, this organization didn’t exist yet, we shared some common interest in architecture and design.

**AS:** *When would this have been?*

**JD:** This was in 1990–91, before I hired my architects here. He went on to create LEED, now he’s gone on to do these amazing things in the world that have to do with sustainable development. With or without CST, being an old tree-hugger, Sierra Club backpacker, I would have continued those ideas in our project. What I would have done differently, or what I would do differently now, is take the stress out of my green committee, out of my managers, to deal with the bureaucracy of keeping my green leaves. Okay? It shouldn’t be that way. And when I realized that being CST doesn’t necessarily increase my bottom line, then, part of the definition of sustainability is sustaining my pocketbook with cash flow. So if CST didn’t exist for this company tomorrow, almost everything we do, we’d do the same. We’d do it because of what we believe in. But I wouldn’t go back to that school teacher and ask her to give me stationery, two copies, with a stamp on it proving her signature. I don’t like that kind of shit, excuse my French. I think it’s wrong. And we’ve gotten too far overboard on trying to make sure that we’re honest. And I think again, honesty can be better judged by talking to the maid and the gardener who work in the establishment, than by having me bullshit and try to fake you out about what I am as far as a sustainable entrepreneur. Because the proof of the
pudding is in the structure of the business and if the people who are handling the gardens are using pesticides or if the housekeeper decides to cheat and put some chlorine in the washing machine to get that stain out, it’s all for nothing anyways. Because as soon as that chlorine enters my greywater system, all hell breaks out with the pH, and there goes my enzymes and suddenly I’m producing methane instead of organically controlling that. So all that happens not because of CST but it happens because of who we are as a company.

**AS:** When you started out you had, as you said, no experience or background running a hotel.

**JD:** Or restaurants, no.

**AS:** So how did you—were you able to use bits and pieces of the mainstream mass-tourism model and the ecolodge model that was already beginning to exist in Costa Rica at that point? Or, how did you develop your original business model?

**JD:** Well, I think, basically, as a producer, whether you have a film crew on the sound stage, trying to create magic by building sets and then putting actors in front of cameras, and creating all the effects and the props and the artwork that goes into it, to sell an idea that gets somebody to take action—all those things that are part of producing an experience which is a show,
are in tourism. To me, tourism is another extension, so it’s another business model that has to do—people are paying admission to be entertained, they’re coming on vacation, whether they go to Disney World or they go to Greentique World, when they come to us they want to be entertained from the time they walk into the lobby until the time they leave, with something they can take back that’s a memory. So, you produce memories when you watch a motion picture, or you watch a thirty-second spot, whether it’s subliminal or not, it affects your decision when you go to the grocery store or the car dealership. We feel that in our business, when I took my experience of working the storyboards and advertising agencies to try to sell you, you know, Purina cat chow, and pick the right color cat to contrast with the color of the linoleum, those sensitivities are in our experience, we call it an “exceptional Costa Rica experience.”

It’s that first, we have to understand what we’re selling, what we’re packaging, we have to make sure that the people who are working with us who are the actors, whether it’s the concierge, the waiter, the gardener, are all performing in a way because we’re all being observed—because you come to a foreign country, you’re watching what everybody’s doing around you, because you’re a sponge, wanting to gain knowledge. And if you’re a jaded sponge, watch out, my God, because you’ll use any excuse to perhaps critique us negatively. So we’ve got to make sure that when we come every day on stage that we leave all our troubles behind and we perform. So the business model of this hotel has been from the very beginning that we have to remember that people are paying for an experience, but that experience
has to be sustainable as well as exceptional, and by doing so we can assure that year after year, when you come back or you send your friends here, that same beautiful view, those same gardens, will be there to enjoy, and there’ll be all those monkeys running across in front of your balcony. And the only way we can do that is to be involved with everything that happens outside the property. So we cannot be an island, running your own little resort like you can if you go to Jamaica, and “stay here at this hotel and never leave the property”—we’re the opposite. Stay here, and experience us, meaning the destination.

So our problem has been that my background has not been so much in “maximize profit margin” as in “maximize customer experience,” and so I could be more profitable if I did certain things a different way from the get-go, including how we designed the hotel. But I like to think that you can have a lot of other ways of gaining value and success when you see it in the faces of your customers, when you see it in the interactions with your employees, and you see the benefits for the community. So everybody benefits and those aren’t things that are necessarily monetary, but they have other philosophical values to them. And I believe I share that with many other hoteliers that came here originally, because they wanted to start a new life and a new experience, and so as I said earlier, our challenge now is that we’re living in a world today where everything is so spontaneous, so instantaneous, that some people come here and they don’t even absorb the experience, because they’re too busy staying connected. So everybody wants—God forbid the Wi-Fi goes down for ten minutes, they complain. I
mean, the water can be down for ten minutes, and that isn’t as serious as the Wi-Fi connection. I have a whole family sitting around the table, all four of them have in front of them a smart phone or a smart tablet, and there are monkeys running across the glass roof in the dining room at breakfast, there’s toucans on the trees in front of them in the view, and all four of the family members are looking at an illuminated screen, on a piece of equipment made in China, that is taking up their entire experience, or they’re Skyping, or they’re taking photographs of what they’re eating for breakfast, and they’re at other times sending it out to everybody what the pancakes look like, and the gallo pintos.

So going back to our mission, the mission statement was to get you to disconnect, to be part of our show, our experience, and now we’re competing with all this social media, we’re competing with all this streaming, and so people I think sometimes are missing the production values, because they’re bringing everything with them—including their headaches—to their holiday. And so we don’t necessarily succeed as we did before, to get you to disconnect. Which has been a big part of what our business is, which is [to be] on vacation to disconnect: not anymore. Not anymore. People are staying connected the entire time. There’ll be eight people sitting here in the lobby and eight people looking at their smart phones, all eight of them. So that has changed what our mission was, which was to get you into the culture, into the biodiversity, into the energy, and everything else that this property has to [offer], which are vacation values that Costa Rica has. But if you’re not paying attention, you’re going to
walk into the next fire hydrant! Because people—they walk around the sidewalk in New York, they’re not even paying attention to anything happening around them when to me walking down the sidewalk and seeing all these different people and faces and wardrobes and things is part of the show. The show is on their screen. So I tried for a while to ban computers and laptops and everything in the restaurants—I got so much flak! From people who not only complained about it, to their travel agent or whatever, but also told their friends, you should try another hotel because they’re discriminating against us because they won’t let us bring our computers or our laptops or our smart pads or whatever to breakfast or lunch. So now, you can use them anywhere in the hotel. The entire hotel is free Wi-Fi, and I lost that battle.

**AS:** Can you talk a little bit about the chronology of the development of alternatives to sitting and looking at your phone? You offer tours, you have guides on staff?

**JD:** Oh yes. We have full-time nature interpreters as we call them, who are licensed guides; across the street we even have a dormitory where they can stay, we have a place for students to stay, as well. Because we have a wildlife refuge, which is dedicated to not only research but also to experiencing nature, we have a wonderful night tour that we offer our clients—not just ours, but everybody in the area, it’s extremely popular. We can have up to four guides with ten customers per guide all with flashlights
going into the real nightlife of Quepos, as we call it. We also have a butterfly garden that is complimentary to our guests, and a tour to Santa Juana which is our rural mountain project, our tours to the national park and to Damas Island, and our combo tours with zip lining combined with the Santa Juana tour. [These] are tours we designed, we produced, and with our guides, our drivers, our concepts. So that anybody who takes any of those tours, the mission is accomplished. Because any of those guides, they are so into what they do that they go out of their way to share what they believe in. So these folks are able to enlighten our clients to maybe think twice about spending the rest of their time in front of a computer screen, because now we’ve whet their appetite, maybe with the national park or with our jungle night tour, or Santa Juana village with the rural mountain adventure tour—all these things get people to start thinking with their kids, “Hey, that’s so fascinating! Now let’s look for that species of frogs,” or “Let’s look for that bird that we were told about.” Or maybe let’s go into the community and learn more about agriculture. So we try to compete with distracted habits, and do so in such a way that it’s not only enlightening but it’s entertaining. Because it has to be both. People have to have fun, and our tours are a lot of fun because the people who take the tour with you—the guides—are doing it because this is a passion. I’ve never had a guide who [is] just [a] drudge, who just does it for the salary. And when you see the kind of tips that they get, it’s amazing. It’s very rewarding.
AS: What’s the chronology of those offerings? When did you start offering the different tours?

JD: Oh, well—ten years ago we started the wildlife refuge across the street. I think we’re going on our eleventh year now with the butterfly garden. And then we added the reptile and amphibian lagoons because we saw the opportunity to let people experience on a very user-friendly trail the jungle at night, which otherwise is quite intimidating for people. So when you can bring your grandparents with you and go with three generations with flashlights into the jungle, for some people it’s an experience they’ve never had in their lives. So that became popular. And then the reptiles became a way for people to see prehistoric monsters. We even do “crocktails” at rehearsal parties—you can have a wedding there beginning next month, you can get married inside of a twelve-sided butterfly garden, loaded with morphos and twelve, fourteen species of butterflies flying around. So these become for us, over the last ten years, ways to get people involved [and] at the same time, generate enough revenue to cover the experience of running the refuge, which has dormitory costs, maintenance of the animals, a biologist, every three months we have an inspection with MINAE to make sure everything’s being done properly.

And then, for the last five years, the tour of Santa Juana has enabled us to get people out of the resort destination into a time machine, taking them back twenty to thirty years to what Quepos was like, to what the whole country was like, which was agro-tourism. And therefore be able to
be touched by people who made the difference as to why the country has no military, and has teachers instead of tanks, and has a position on the world stage that is very positive. I mean, we’re the poster child of nature and the poster child of democracy, and one of the happiest countries on earth according to research that was done I think in Great Britain. Why did all that happen? Because of the history of the country. If you look back one hundred years, everybody was in agriculture in this country. And I think that still is in the DNA of the population, which means the cab driver, the guy in customs, the girl at the restaurant, all seem to be friendly, because none of them are suffering, none of them have been discriminated against, at least to my knowledge, and all of them are making a living that allows their grandparents to still live with them instead of putting them in a rest home, allows their kids to have free public education. All those things are part of why we can create a tour where all those people who have benefited can then share—again, it’s show time—share their oxen and their trapiche and their coffee-growing, and their sun-dried coffee, and their campesino lunches with the ladies cooking and making the desserts—they’re showing you what they do for a living, and customers are paying to see that. And that creates for these people who are sharing their lifestyle not only a self-awareness that they should protect the flora and fauna, but self-esteem because these people came from around the world and they’re paying $99 to come up and see my village. What does that say? We’d better maybe keep our village together; maybe protect those things that they are
mentioning are important. So, stop the hunting, stop the deforestation, and stop the polluting. And that is truly what ecotourism should be about.

**AS:** *These are small numbers, on these trips?*

**JD:** Oh yes, these are twelve families now. When I started there, there was one kid in the public school, and there were eight families. Now there’s five kids in the public school.

**AS:** *This started when?*

**JD:** Well, we started it about ten years ago; the tour started five years ago.

**AS:** *What did you do in the first decade, in terms of tours?*

**JD:** Oh, well that was selling tours that were available in the area. The number-one tour was always the national park and then zip lining came around and became popular, and Damas, which is the tour of the estuary, horseback riding—all these tours that we were selling. And not until we realized that we needed to create our own tours to sustain our research across the street in the Manuel Antonio nature park, and to be able to support the community of Santa Juana so that we can employ six of their family members to work for us—meant we had to have a tour to make it
work. And nobody else in their right mind seemed to want to do these kind of things, because it was still a barely break-even proposition. And when all revenues are reinvested in the projects, whether it’s the refuge across the street, or the reserve project in San Ramón, with the research station we have up there, and from donations that we get from people who check out and agree not to check “no” on the donation, or from people who make a donation on Global Giving—whatever it is, it’s going back into paying for another kind of experience; that is why we hope people will choose our properties to stay in. Okay? So it’s a win-win situation. So what we do to conserve, whether it’s the biodiversity or the culture of the area, comes back to us as another selling tool to get people to pick us as their destination. We’d like to think that. And in some cases, we can see that it works.

**AS:** Did you contract with local operators at first?

**JD:** Oh yes, and I still do. We work with Iguana Tours, and I work with—two major operators here that I don’t work with directly but our concierge desk does. We’re very strict [in] that everybody we work with has to have proper licenses, proper insurance, the guides have to be licensed as well, and every year we ask them to provide us updated information on their insurance policies. But other than that we base it on the feedback that we get from our clients. And if you look at our survey, in there, one of our questions has to do with the quality of our tours besides the restaurants, the
housekeeping, and we ask them if they know about our sustainability and if that was one of the reasons, the key reasons they came. That’s how we know that about 20 percent of our clients do appreciate that we’re green-oriented. But whether it is the main factor, that I can’t tell you. I’d like to think it was, “Oh, we went and stayed at Si Como No, or at Villa Blanca, or at Aguila de Osa, because they’re doing something good for the planet.” I don’t think that’s the deciding factor in most cases. But again, that’s going to change if social media continues to be used as a learning curve for the audience, which is consumers looking for [a] vacation. And we in Costa Rica have a lot of competition, we have Panama, and we’ve got Belize, now Nicaragua’s coming back and Guatemala, once they get their act together, is a huge destination to compete against us. And now Cuba. So we have to make sure that we have things to offer that are unique; otherwise, it’s going to be, “How many points do I have? Well, honey, let’s take the Marriott in Costa Rica and stay there,” and would have nothing to do with what we’re all doing as CST hotels. It’s, “We have so many points between our airline and our business travels with Marriott, that we’ll stay at a Marriott.”

AS:  Switching gears a little bit, can you talk about how you got to know the Carazos, and the experience of becoming involved up at Villa Blanca, what that was like to start up and also to run the private reserve, which presumably was a new experience?
JD: Well, the Carazos, as I mentioned earlier, one of their dear friends was José Miguel Alfaro, who was a vice president under the administration of Rodrigo Carazo. Back during his administration, or right after, right towards the end of his government position, I met him and got to know him and his family and his wife Estrella, and his family, socially. And when we were interested in perhaps starting Greentique as a concept, I heard from José Miguel Alfaro that the Carazos were looking for someone to take over the hotel, which was surrounded by the reserve. So you have the hotel, which is thirty hectares, you have the reserve [the Los Angeles Cloud Forest Private Biological Reserve], which is over eight hundred hectares, and then you have another four hundred hectares, which is the farm. They were looking to take the hotel off their hands, but they didn’t want to sell it. They didn’t want to market it; they didn’t want to get a realtor, because they were going to be neighbors with whomever [bought it]. So because of the relationship we had with the Carazos, because of José Miguel Alfaro’s relationship, having been their friend and previous vice president, we had a confidence level with the Carazos. But it took a year of negotiations to finally buy the hotel. And then another year of restoration to bring it back up to snuff. So it was that relationship that enabled us to proceed.

And also because we were sustainable, they were sustainable; we wanted to protect the reserve; they were comfortable based on our track record here at Si Como No that we would do so. And we spent forty-two months with INBio, for instance, doing research on the behavior patterns of nocturnal butterflies, at our own research center. We’re now working
closely with the University of Costa Rica in San Ramón, on our research we’re doing with our head guide, Roy Valverde—so all this told them, when we negotiated, that also we’d respect the chapel, which is where they had their fiftieth wedding anniversary, which is a reproduction of a chapel in Rome, from the 17th century. Which is now our wedding chapel, where we do an average of two weddings a month. So that is why we got on board, because they were comfortable with us as neighbors, because they were comfortable with our mission statement at Si Como No, they liked what we wanted to do with Greentique, and by the time we were ready to launch Greentique, of course, the world had changed. So that’s how we got to know them, that’s how we have grown as neighbors, and to this day they’re comfortable with us basically care-taking the reserve.

And the reserve, of course, is the backdrop that provides the climate zone for the cloud forest, because we are only at 1,200 meters, it’s rare to have a cloud forest at that elevation that has the flora and fauna of Monteverde—but we’re only an hour from the airport. So we’ve spent the last, what, at least five years gaining data on the behavior patterns of the cloud forest; and [with] the students from the university, we’ve been, with donations, installing infrared cameras at night on different trails to record the behavior patterns of wild cats and other wild animals that travel through the trails. And for our clients, they love it, because while they’re there, they get to go and visit our research station [the José Miguel Alfaro Research Station] and talk to guides who are totally connected with research, totally connected with the university, and INBio, which is the Institute of
Biodiversity—so by doing so, we are not only contributing to education, but we are using it as a selling tool to stay at the hotel. Because our market niche is not sun-lovers; however, there are people who are looking for both. So what we do, again, is the Seventh Heaven Package, which is our Greentique combination of the beach, and the mountains, meaning that you spend three days in the cloud forest (you can go up to the hot springs in La Fortuna, you can do a tour of the research center and at night go out in the cloud forest and look for these amazing owls that live right there on the trails, and all the other animals and insects that are in the food chain), and then, come down here, with the same philosophy, the same hospitality, and experience a completely different atmosphere.

So when we went to the Carazos, we said: we really want something to complement what we’re already doing, we don’t want to reinvent the wheel, so if you like what we’ve been doing at Si Como No, that’s what we’d be doing in your own backyard.

**AS:**  How about the history of the corporate form of your business? Is it an S.A. [Sociedad Anónima]?

**JD:** Yes, it’s an S.A. It is anything but formal—okay, it’s still a Ma and Pa operation. We have our board meetings; we have, as we’ve said, our mission statement; we have our job descriptions; but because we evolved from a little hotel, in many respects we still behave like a little four-room or two little villa [hotel]. And I find it to some extent a fault in my managing
style, because I’m still managing this hotel like it was still a small, little family project. And the world has changed around me, and there’s a lot more demands on hotel and business practices, a lot more regulations, not just with CST but with everything—and frankly I prefer delegating those things to other people to manage for us, because I’m still the guy who is looking to create more memories, and generate more atmospheres. So I’m kind of the caretaker of the brand, and I look for other people to deal with the day-to-day business requirements, whether it’s with the government or wherever, and just as we are refreshing our food and beverage operations, we’re also incorporating new technology, the CRM thing, which is customer relations management, okay, we just introduced that. By July 1st, this entire operation at Villa Blanca and Si Como No and eventually with Bradd Johnson [Aguila de Osa Rainforest and Marine Adventure Lodge in Drake Bay], will run everything on a system where all the leads are monitored, where all the emails are monitored, where the entire history of the client is recorded and put in the system, where when you check in we know your family history, we know when your birthday is, we know how many times you’ve stayed with us or referred to us, we know whether you have food restrictions, and at the same time we are using that system for accountability. Because we can see from the first communication, whether it’s an 800 call or an email, or a phone call to the front desk, we know the interaction of every client with every employee who works with our hotel. Now this is technology we couldn’t afford before. Now it’s been made affordable finally on our level as a small boutique group.
So we’re using that technology, we are into everything that has to do with managing our websites through WordPress, we are now able to change our text, our pricing, our photos; we have a full-time online social media director... So a lot of things that were not even [in] existence five years ago, we’re getting up to speed—Costa Rica is not the United States, and so we’re not surrounded by the same technology and the same influences, and here at the beach especially, most people that I know still think that you’ve got to go to a travel show and hand out brochures to get customers. So the learning curve has had to be condensed, because the world can pass you by very quickly. I made the strategic mistake of believing that the [2008] crisis would be short-term. I believed we’d be over this in a couple of years. And so I didn’t immediately start firing people, especially since so many of them had been with me for so long. And I didn’t change what I did as far as the quality of the merchandise I used in the hotel, etc.

So I had to learn the hard way that the world has changed, that I have to compete with online travel agents, that I have to have a presence with blogs, that I have to be into Pinterest and whatever else to compete. I thought it was good enough to make the customers happy and leave feeling they got the added value for their experience with us. That’s no longer enough. I also realized that I shouldn’t be manipulating my customers to participate in Trip Advisor, and that I shouldn’t be encouraging people wherever I know to write a great review—all that is what a lot of my competitors do. So we don’t have nearly the number of reviews that our
competition does, so we’re not on the top five hotels—but if you look at the reviews, they’re stunning. But we didn’t play the game. Now I’m realizing that we have to play the game. Now I respond personally to every review.

So, part of being in my age group, being in my sixties and having lived in Costa Rica for twenty years, has its pros and cons. I think one of the pros is, I am still connected to the earth, I’m connected to the culture, I’m connected to nature; I haven’t changed my beliefs about sustainability. But I also at the same time have had to adapt to the tools and the momentum to compete with the big hotel chains and to compete with my peers who in some cases are half my age and live and breathe on Facebook. So I am realizing that I have to let go of certain things that I thought were important—like an eight-page brochure. Now I have a brochure that has a, what’s it called, Q[R code]. We now have it everywhere. So my business model has had to be updated over the last couple of years to continue to be able to compete. And at the same time, I’ve had to realize that our customers have changed, too. Their tastes have changed.

**AS:** *Since 2008 or so?*

**JD:** I’d say yes, since post-crisis. Comfortably the last five, six years, we’ve seen, definitely, a change in our market niche. We’re seeing a lot more people who normally would have gone to Hawaii or Mexico come here, and they’re not necessarily as adaptable to the jungle as previous generations were, okay? As I mentioned earlier, God forbid there’s a gecko
on the ceiling or little tiny ants on the toothpaste that I left out overnight. You know, in other words, “Oh, the hotel’s full of bugs!” So those kind of things used to not be an issue in hospitality in the jungle. Especially since we use no insecticides, or pesticides, we use only organic products which have no long-term… shelf-life. So if I have ants, I can take them out for twenty-four hours, but they’ll be back. If I use a powerful insecticide, I can keep them away for months. But I can’t do that, it’s against my philosophy and also CST. So all those things mean that I have a higher maintenance issue with customers. So we have to be more on our toes, and never before were we ever blackmailed by customers who said, “I’m going to go onto Trip Advisor if you don’t give me what I want.”

AS: That’s happening now?

JD: Not just here. It’s happening all over the industry. And I’m shocked, but there are people like that, because again the market niche has changed. There are people who are used to getting their way by using that as a threat. “I will go to Trip Advisor and do a bad review if you don’t give me an upgrade or if you don’t give me a discount.” It’s not common, but the fact that it’s happening is alarming to me. And it says that we are in some cases being judged the wrong way. But again, I feel that a customer who’s trying to judge where they’re going to go is going to look beyond a few negative Trip Advisors to asking their friends, their neighbors, looking at the website, reading about whatever the hotel has to offer, and not just whether
one person who didn’t get an upgrade said that the food was lousy, and the place was a mess and there were bugs all over my room. That person, if there’s one person doing that out of fifty—and if not, maybe you shouldn’t come here to Costa Rica, because this is a jungle and it’s not Disney World.

**AS:** Have there been stages that you can identify in the type of visitor that you get? Are there distinct periods over the course of the last twenty years?

**JD:** Yes, definitely. Going back to the earlier years, the first decade were a lot more people—these are the same people who had done maybe a safari in Africa, they’d gone to the Galapagos, they’d gone to Machu Picchu and had hiked there on the trail for three days to get there, they were a lot more outdoor kind of folks who’d done rafting on the Colorado River, and gone to Kings Canyon. More nature-oriented. Now we’re getting a lot more families that are more complicated because of the fact that they’re not used to a road with potholes let alone a street with no sidewalk, and their diets are more fragile, and their threshold, in other words—they can’t go four hours on a tour or ride a bicycle up a hill to see a view; that used to be a common thing for the outdoor set. So we are seeing a market that has become more similar to Hawaii or, as I mentioned earlier, to Mexico, that don’t necessarily want to get their hands dirty or their boots covered with mud. So we have to adjust accordingly.
AS: What’s caused the change?

JD: Accessibility. Improved roads, more airline seats, more talk around town—Costa Rica has a good vibe, Mexico now because of the cartels is not necessarily a place where people feel safe. Many parts of the Middle East and Africa are unstable so let’s not go there, if you were an adventure traveler. And if you did Hawaii, my God, how many more times do I go to Hawaii and have a lei put over my head? So I think in Central America, it’s Panama, it’s Costa Rica; Americans don’t go to Guatemala very much, they’re not comfortable there. Belize only if you dive. So that [leaves] few choices, and Panama isn’t for everyone. So beyond that, am I going to go to South America? There’s a lot of countries in South America that Americans aren’t comfortable to travel to. I think it’s also, too, because a lot of people who maybe are the typical tourist, who wants to go to the tropics, but not necessarily stretch it, are running out of a lot of choices—and Costa Rica is user-friendly, family-friendly, democratic, and as more and more people see the world shrinking as far as places to go, and reading all the great reviews from previous tourists or nature-travelers…

I’d say the word “seasoned traveler” versus “tourist”; I think [that’s] the difference. We used to be more seasoned travelers, meaning that they’d been to a lot of other tropical locations, and/or places that were off the beaten track; [they] are now being replaced by the tourists. And this happens everywhere. Once a place is discovered, and becomes too user friendly? You want to find a new place to go. And so the seasoned traveler
has moved on. Some of them are still going to the Osa Peninsula [location of Corcovado national park], a lot of them are still going to the Caribbean, and others of them are going to Nicaragua because it’s still not on the beaten track. And that’s why, for instance, our project in Santa Juana works so well because it is truly rural and organic, and that’s why Villa Blanca for many people feels like it is going back in time because even the last nine kilometers is full of potholes. So I would say, the first ten years were seasoned, the second ten years—because of accessibility, and for a long time, the rack-[rates], the rates for airlines, were attractive. Now we’re seeing the tourist being upper middle-class, so you’ve got the money to still travel, but you’re also becoming more demanding. So there are those issues as well. So we never wanted to be a five-star hotel, because we don’t want to necessarily have those expectations—we like to give you a five-star experience, but we don’t want to try to compete with the international standard of five stars, which is far more stringent than Costa Rica. Costa Rica has a different way of measuring five stars, compared to say, Europe and the United States.

AS:  Has this changed your marketing at all?

JD:  Absolutely. Because now we’re going after more of the Millennial market; we’re trying to get younger people who are traveling before they have a family, while they still can afford to. And we’re seeing at the same time also the empty-nesters, which is another market. But they’re not as
physically adept to do too much, so they may end up doing a night tour, or they may end up going to Santa Juana because it’s all down-hill gravity, but they’re not necessarily going to want to do a nature trek and go up to Carrara to see the scarlet macaw and sweat in the middle of humid tropical forests for six hours to spot their birds. And meanwhile, we’re seeing families—and this is a very family-friendly hotel—but those families are more upscale, and so we have to make sure that we design a tour that allows them to get all the experience to get to go back and talk about it, but we cannot make it too fatiguing, and at the same time we have to eliminate all the danger. Where before we didn’t even worry about railings, or cliffs you walked on the edge of, or crocodiles that are in the lagoon that you take your little boat across, the kayak. So we’ve had to cater to that, too. And that’s fine, because we’re evolving. This whole area is evolving. When we started out, obviously, there was barely any infrastructure for people, to insure their comfort level. So I’m now adapting to all that. Absolutely.

**AS:** Do you feel like that adaptation has caused any tension with how you conceive the mission of the business? Are you being pressured or pushed?

**JD:** Well, as I said earlier, everything had to go Wi-Fi, God forbid. And now we’re worried about, God forbid, a gecko gets into a hotel room.

**AS:** Yes, but not with regard to your environmental practices?
**JD:** Environmental practices, no—other than we don’t want to be too bureaucratic, which is the issue with the government and CST. No, we still find that what we practiced twenty years ago is still part of our mission statement, only we don’t want to be so, how do you say, anal about it. And that’s why we’re having these discussions now as an industry, with the government about sustainability.

**AS:** To conclude: you were talking about dealing with your strategy in this situation post-2008. Would it be fair to summarize it as: working with comparable boutique hotels in an associational setting, lobbying perhaps, combined with this expansion [to new properties] within the company itself?

**JD:** Yes, that is something that myself and many of my colleagues would love to see happen. This particular government, it’s a new government, PAC [Luis Guillermo Solis’s Citizens’ Action Party], has never been in power before, and a new minister. We think now is the right time to go back and discuss how we can get the government to support—the government does co-ops, and they finance agriculture, cooperativos. So if you’re in the coffee business or the sugar business, you can get matching funds from the government in order to help sustain and improve your product and your business. We would like the tourist industry to have the same kind of treatment. We’d like to be able to raise funds together to hire
a PR firm and to hire a lobbyist, and to have the government match those funds, and create a stronger voice, and also be able to influence, for that reason, some of the decision-makers in the government. So that would be great for us to do. And I think that there would be very little resistance on things that we have in common, whether it’s security, whether it’s taxes, whether it’s import restrictions, whether it’s bureaucracy—all those things, no matter what your own business agenda is, we seem to have in common. So that would bring us together.

**AS:** *Is that underway at all?*

**JD:** It’s been underway for a while; we’ve been talking about this for a couple of years. It goes back to people like Hans Pfister and Glenn Jampol [of Finca Rosa Blanca Coffee Plantation and Inn] and Lawrence Pratt and people I mentioned earlier. We all have a very strong interest in putting together our own co-op and Maria Amalia Revelo, who used to be the director of marketing of ICT, and now runs the airport marketing, has been a champion of this idea. So we will bring it back up after we allow this new government to get up to speed, and see if we can activate it. Because, for instance, if every hotel donated $1 a day for every room they had, and had that funding matched, for instance, by the government, that’s hundreds of thousands of dollars that we could have to represent ourselves as a boutique industry. And then we’d be able to compete with the bigger guys.