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# 1 INTRODUCTION

Marketing plan will first, outline the internal and external situations that need to be considered specifically with regards to the Tourism Industry, Globally and Locally, and then show how these changes has influenced the complete landscape of Maldives Tourism industry. The analysis will be utilised in consideration with the present Market operations and business methods, to formulate a marketing strategy for the new resort development on Olhuveli Island, Laamu Atoll. A unique selling proposition will be developed to enable a sustainable competitive advantage within the current and projected Tourism market. Lastly a marketing plan will be outlined to show how this would be achieved.

## 2 INTERNAL AND EXTERNAL SITUATION ANALYSIS

### 2.1 POLITICAL/ LEGISLATIVE

#### 2.1.1 GLOBAL

The most profound political change effecting tourist's propensity and motivation for travel was the September 11th 2001 terrorist attack in New York and Washington. The use of commercial airlines as weapons of mass destruction and tool of terrorism was thought to have affected the Tourism industry exponentially, which relies heavily on airline as the principal mode of transportation. The aftermath and declaration of "war on Terrorism", with the current Iraq war and occupation, has made the political landscape very unstable.

The other key political change is the enlargement of the European Union. On 1st may 2004, the EU grew from 15 to 20 member states, when 10 countries of the Central and eastern European region together with Malta and Cyprus joined the community. These new accession countries provide reasons for optimism for future tourism growth, as research shows that these countries growth rate is higher than the present EU average of 1.0%. With improvements

in infrastructure and industry liberalization it is predicted that living standards will rise exponentially, increasing purchasing power and therefore need for travel.

##### 2.1.1.1 LOCAL.

- Regional development
- Enhance the amenities within the region
- Support and preserve the local regions economy
- Increase resources devoted to heritage preservation
- Increase utilization of local labour force

### 2.2 TECHNOLOGICAL

Internet and Digital convergence is the most important technological trend, effecting all business and industries globally. Internet has revolutionized the industrial landscape by restructuring the distribution channel. Tourism industry is no exception, whereby web based bookings has started penetrating the leisure travel market. Many consumers and suppliers are empowered by the technology, due to the supply management efficiency and direct marketing opportunities. Decision making process for the customer is eased, allowing extensive information search and direct interaction with the supplier, causing the tourism distribution channel to become leaner. Although intermediaries, like major tour operators still play a big part in customer decision-making process, their role and importance has changed considerably due to the possibilities provided by the Internet. The full potential of the Internet has yet to be harnesses by the Global tourism industry, but currently the technology is mainly used for destination selection purposes, and is predicted to grow exponentially in the future. Expensive mediums like brochure and other tangible materials are slowly becoming redundant, in the face of "time saving" opportunities offered through the Internet.

Due to the direct access opportunities provided by the Internet, suppliers are able to customize their product offering to suit individual needs, rather than pre package standardize products.

Relationship marketing and customer retention strategies are enabled by direct communication opportunities provided by the Internet, between the supplier and the end user.

Innovative new means of transports, like the introduction of the, "A380 Airbus", which would be the most advance and most efficient means of Transport, will considerably change the Tourist travel industry. The airline, which would be able to carry 555 passengers, is expected to launch in 2006, with 11 exiting Airlines, orders put forward at present.

## 2 INTERNAL AND EXTERNAL SITUATION ANALYSIS

Although these airlines will not cater the Maldives market, this will indirectly affect Maldives tourism, because competitive low price offered by this particular mode of transport, will benefit resort destinations closer to areas, which the airline serves, at the expense of areas like Maldives, which it doesn't.

### 2.3 SOCIO ECONOMICAL

Increase in disposable income for professional Single women. Throughout Europe, growing numbers of women in the workforce are being employed for managerial and professional positions. This increase over the past decade can be attributed to more women entering higher education, and the growth in number of couples working. The other reason being the decline of manufacturing industry and the rise of service industries, where the qualities attributed to women are those associated with skills needed in customer focused and service orientated organization.

This in effect has led to a marked trend towards smaller households with more people of all ages living alone. Growing number of these empty nesters, are men. This would imply that there is an increase in disposable income per household, and increased propensity to spend rather than save. Women are holding off marriage and child bearing, to concentrate on their professional interests.

This increase in women work force and empty nester are powerful market for tourism industry as they show more potential for growth than any other consumer group. Their attitudes in relation to travel and leisure are important factors that need to be taken into consideration.

There are indications that these empty nester groups, age 25 – 40 are becoming more and more disillusioned by global standardized product offering and are looking for unique experiences more distinctive to the place or destination. This new psychologically coherent consumer group is incredibly materialistic but yet at the same time they

are also bohemian because their values reflect some of the hippie spiritualism and quest for balance, healthiness and meaning. Their motivation for travel is to expand their horizons through experiences and travel. This is reflected in the increase in novelty seekers in comparison to familiarity seekers.

Increase in information accessibility with the possibilities provided by Internet, means consumers are becoming more intensive information seekers, therefore looking for more distinctive destinations to suit their very specific needs, enabling the development of Niche taste and wants.

As consumers become more knowledgeable, and educated about world issues, they want to be aware of the effects they have on the people and places they visit. This is predicted to be more so, after the events of September 11th.

### 2.4 ECONOMICAL

The threat of terrorism after September 11th has created an atmosphere of fear and economical instability. The excessive spending by governments of UK, America and Italy especially on "war in Iraq" and its current occupation meant increased government debt, and therefore likelihood of tax rises, which could impede spending in these source markets.

The increasing rate of growth and GDP of newly developed countries and democracies like Russia, China, Russia and other Eastern European countries, opens new source and destination market for tourism. As these new economies have very different values and motives for travel than previous more established source markets

## 2 INTERNAL AND EXTERNAL SITUATION ANALYSIS

### 2.5 ENVIRONMENTAL

Maldives is heavily reliant on its physical environment as the main source of its market positioning strategy in the realm of competitive environment. The continual concerns prompt up by global warming, i.e. mainly coral bleaching and sea level rise is therefore major concern that is threatening to endanger its sustainability within this position, in the global market. Its physical resources, mainly the biodiversity and physical ecology are at threat, due to global warming. This threat was most evident during the 90's, due to the much-publicized coral bleaching, which effected many foreign markets perception of Maldives, and its image has a diving hotspot. Some resorts were afraid to market their resorts as specialist Diving resorts, e.g. Bandos Island Resort, and change their whole marketing strategy to spread the risk by implementing a more standardized strategy of attracting family holiday market. Such reaction were extreme in hindsight, but made aware of the dangers of being short sighted in the light of impending threats like coral bleaching, and other effects of global warming. Effective utilization of the limited resources we have has become more important in the light of such threats.

EXTERNAL AND INTERNAL FORCES THAT NEEDS TO BE CONSOLIDATED IN THE DEVELOPMENT OF NEW RESORT MARKETING STRATEGY

Environmental variables	Opportunities Created	Strategic Marketing Benefits
<p>Concern of tourism and its effect on the region; its culture and;heritage Need for preservation of regional Characteristics which make it distinctive</p>	<p>Enhance sense of identity within the region Support the community economy Provide employment opportunities regionally. Maintain community stability Build community pride Enhance the amenities of the region. Educate the consumers about the culture and traditions of the region</p>	<p>Sustainable economy regionally. Economical independence (Economic development and independence) Enable Resort to be part of the community. Sustainable competitive Advantage through differentiation enabling the development of a USP.</p>
<p>Environmental changes The need for preservation of the physicality of the product</p>	<p>Education programmes: to enhance awareness of environmental issues concerning the region. Site specific programmes and research on sustaining the physical environment, Involving tourists, by empowering them to be able to take an active role in the sustainability of the destinations biodiversity..</p>	<p>Unique Selling Propositions ( Comp. Adv) Maintaining the physical product, and longevity to enable to get the most of the resource. Enable relationship marketing programmes. Giving a sense of belonging and empowerment to the consumer. Continuity.</p>
<p>Change in consumers behaviour Demographical and Pyschographical changes of the Tourist source markets</p>	<p>Development facilities to cater for more specialist needs. Activities/Facilities more intune with the characteristics and identity of the region. Identify and Enhance the history of the region by utilising the tangible and intangible resources available within the region. Segment Target and Position the Product on a Pyschographical need basis. Provide the consumer with a Quality experience more distinctive.</p>	<p>Sustainable competitive Advantage Ensuring the creation of possibilities for assisting the residents of the region. Development of more distinctive facilities to enable a more competitive position. Preservation of more specialist regional industries. Enabling these niche industries to gain critical mass.</p>
<p>Polarisation of consumers Novelty seekers VS familiarity seekers</p>	<p>Provide Opportunities to Directly communicate with potential consumers. Customise product offering to suite the specific needs of the consumers. Ability to Pre arrange activities. Empower consumers by giving them the ability to customise. Develop Management infrastructure to ensure flexibility. Utilise Loyalty programmes to enable repeat purchase. Enable direct control of information/ Keeping potential and previous consumers well informed. Develop data base of loyal consumers, to enable more customised promotional activities.</p>	<p>Relationship marketing opportunities enabling sustainability and competitive advantage. Developing Loyal consumer base. therefore ensuring long term profit. More Control over the distribution channel, enabling less conflict and more flexibility. Increase Power on the value chain and the experience offered to the consumer. Ability to provide a diverse product offering and enable better utilisation of the resources. Increase Reach: ensure security. Decrease perception of risk associated with travel by increasing information directly to the the consumer. Enable consumers to experience a sense of what they can expect to avoid disappointment and uncertainty.</p>
<p>The Technological changes: Internet opening the opportunities for customisation and ability to go direct to the potential consumer, and build long term relationship. Increased bargaining power of the consumer</p>	<p>Provide Opportunities to Directly communicate with potential consumers. Customise product offering to suite the specific needs of the consumers. Ability to Pre arrange activities. Empower consumers by giving them the ability to customise. Develop Management infrastructure to ensure flexibility. Utilise Loyalty programmes to enable repeat purchase. Enable direct control of information/ Keeping potential and previous consumers well informed. Develop data base of loyal consumers, to enable more customised promotional activities.</p>	<p>Relationship marketing opportunities enabling sustainability and competitive advantage. Developing Loyal consumer base. therefore ensuring long term profit. More Control over the distribution channel, enabling less conflict and more flexibility. Increase Power on the value chain and the experience offered to the consumer. Ability to provide a diverse product offering and enable better utilisation of the resources. Increase Reach: ensure security. Decrease perception of risk associated with travel by increasing information directly to the the consumer. Enable consumers to experience a sense of what they can expect to avoid disappointment and uncertainty.</p>

## EXTERNAL AND INTERNAL FORCES THAT NEEDS TO BE CONSOLIDATED IN THE DEVELOPMENT OF NEW RESORT MARKETING STRATEGY

Industry polarisation:  
Small players and Big Players  
Niche Vs Mass

Effective and efficient utilisation of resources, by imposing trade offs, and developing Strategic alliances and partners, to enable competitive advantage amongst bigger Hotel chains.  
Cater for more specialist market segments who are not catered for by the mass markets.  
Outsource non Value adding resources.

More lean and efficient utilisation of resources to gain competitive Advantage amongst big players.  
Maintain and Develop specialist niche businesses in the region around the resort, by outsourcing. (providing the isolated communities to gain critical mass and compete more independently.  
Gain more loyal relationship with the community and get their backing, by providing essential conservation and preservation of their unique way of life.

New Source Market entrance  
China  
Russia  
India  
Sri Lanka

Develop new distribution channel to reach consumers in new Markets.  
Research the needs of these consumer markets and see if potential segments can be identified.  
Research similarities and differences in needs on needs basis rather than source country/ or national basis.

Needs/Attitude based segmentation and positioning enable more potential for growth as new markets develop.  
(Maslow Needs hierarchy).  
Enable to spread the risk, by targeting different nationalities and economies in different countries as tourism relies heavily on the wellbeing of the economy of the source country.

## 3 MARKET ANALYSIS AND PROJECTIONS

### 3.1 TOURISM OVERVIEW

In 2003, international tourism arrival was severely effected by the outbreak of SARS virus in Asia, the Iraq conflict and the persistent weak economy. Full year result showed that worldwide, the volume of international tourism as measured in international tourist arrivals slide back by more than 1% to 694 million, in relation to 2002 figure of 703 million. This result is clearly linked to the unexpected drop by 12 million arrivals (-9%) suffered by Asia and the Pacific due to the SARS panic. Middle East and Africa was surprisingly were the only regions to have showed positive increases of 10% and 5% respectively.

Weak economy, conflict in Iraq and the impact of SARS virus combined to constrain long-haul traffic considerably, with the stress on destinations relatively close to home, stimulating non organized individual travel behaviour. Consumer decision-making had to considerably change due to the uncertain nature of the external environment. Unable to make long term plans, tourists preferred to make Late Bookings, with possibilities offered by the Internet, and Low cost, no frill airlines.

Period since 2001 September 11th Terrorist attack, to 2003, there was notable increase in Tourist arrival in all regions, with the exception of North America. The United States, as both major inbound destination and outbound market, is still struggling to overcome the impact of 11th September and the subsequent war on terrorism. The impact of American Tourist reluctance to travel is felt most evidently in the Caribbean destination. Although Europe had a modest increase in Arrival in 2003 compared to the initial decrease experience after September 11th, full recovery is still way off, with an accumulated loss of 3.8 million since.

### 3.2 MALDIVES TOURISM OVERVIEW

Maldives as a country consists of approximately 2000 island, with 87 of which are independent resort developments catering solely for the purpose of Tourism.

Category	2002	
	No	Beds
Tourism Resorts	87	16,400
Hotels	8	670
Guest Houses	17	282
Safari Vessels	96	1,475
<b>Total</b>	<b>208</b>	<b>18,827</b>

Most of these resorts are developed near proximity to the airport, although due to improvements in transport infrastructure in recent years, development further a field, been made possible.

#### Distribution of Tourist Resort Bed by Atolls

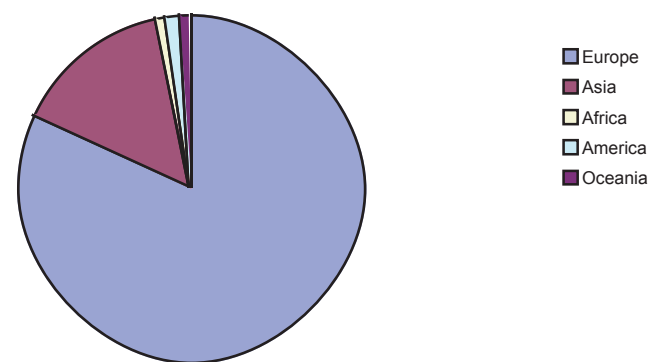
Atoll	2002	
	Beds	% Share
Kaafu	7,910	48.2
Alif (North & South)	4,708	28.7
Vaavu	294	1.8
Lhaviyani	1,090	6.6
Baa	1,034	6.3
Dhaalu	304	1.9
Meemu	380	2.3
Faafu	250	1.5
Raa	430	2.6
<b>Total</b>	<b>16,400</b>	<b>100</b>



### 3 MARKET ANALYSIS AND PROJECTIONS

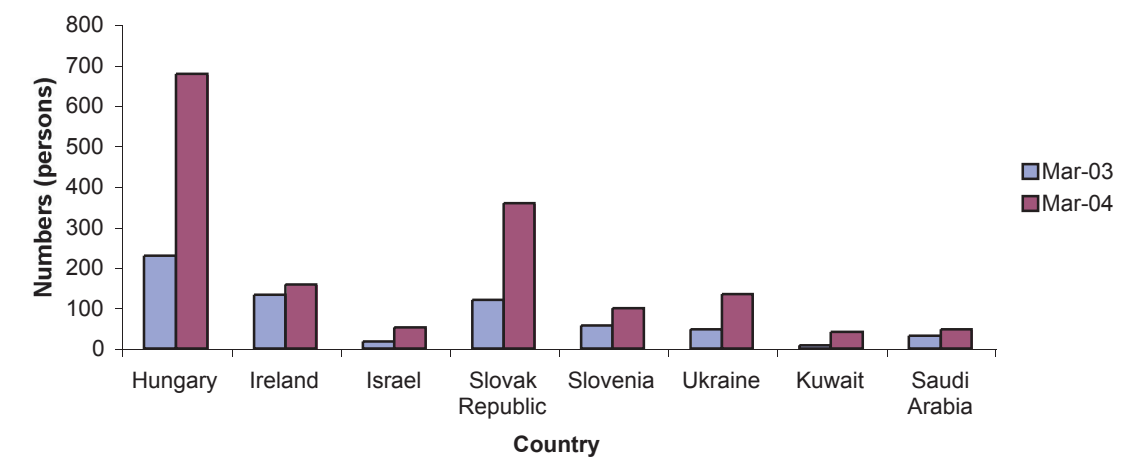
Europe being the main source of out bound tourism, suffered mainly due to the weak economy, in Germany, Switzerland and Denmark, (all major tourist generating countries to the Maldives). United Kingdom were the only exception among major European outbound markets, spending over 6% more on international tourism. Maldives unlike other resort Island destinations, relies heavily on long-haul travel, from Italy, Germany and United Kingdom and Japan.

Market share 2004 according to continents



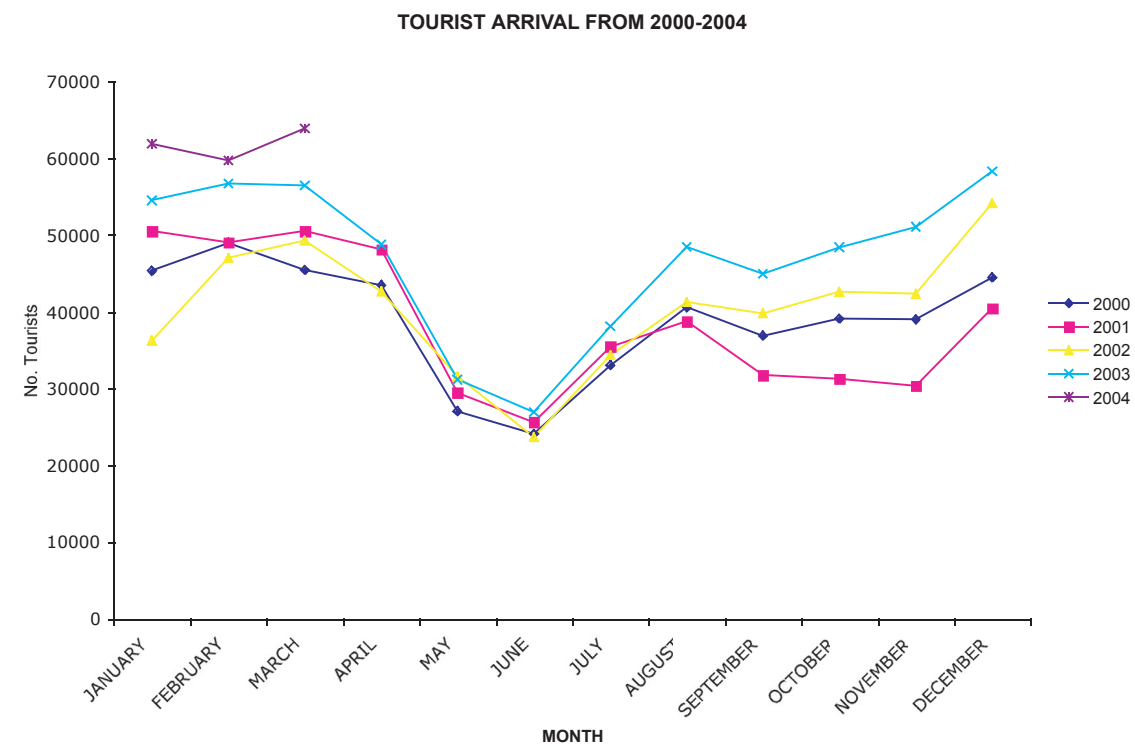
As part of the Tourism Ministries 2002 National Planning initiative, to cater for changing needs of the market, and ensure growth within the industry, new source markets have been targeted; hence decrease dependence on the European market.

Arrival numbers according to county (new market)



The new source market growth rate, from 2003 to 2004 shows considerable increase, enabling Maldives to gain a more diversified consumer base. Maldives tourism arrival shows considerable fluctuation to enable classification of two distinctive seasons, (low season between March - July and high season between August - February).

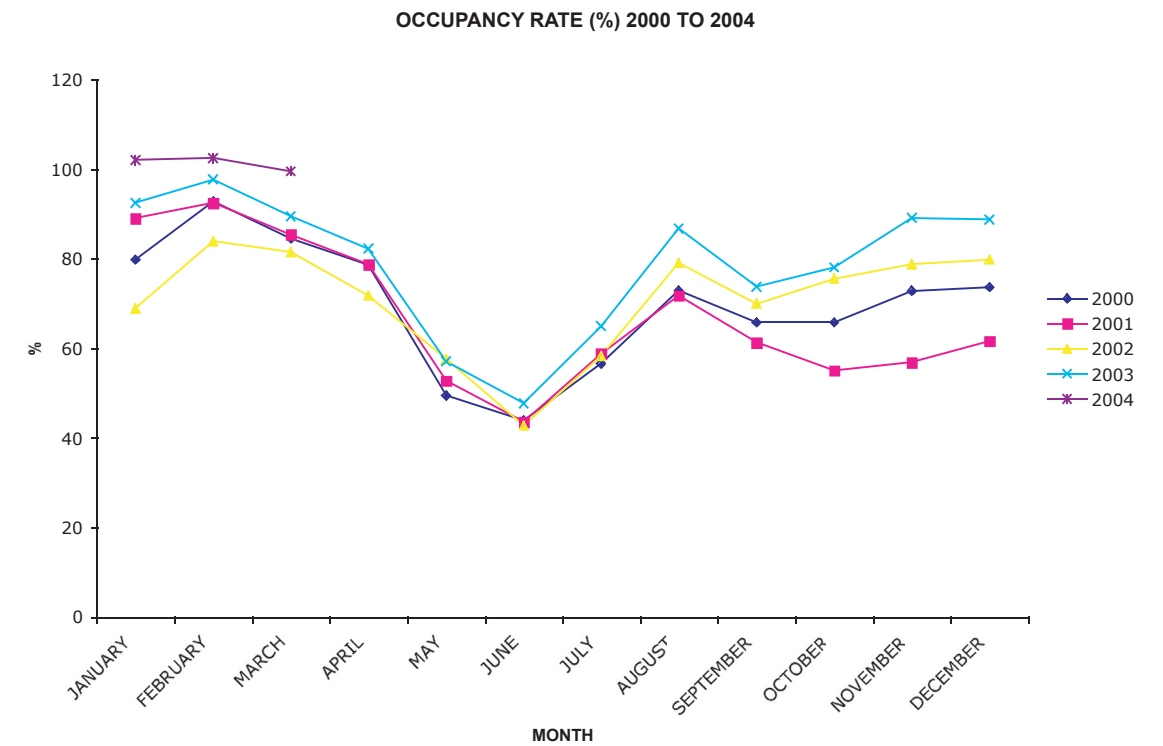
### 3 MARKET ANALYSIS AND PROJECTIONS



This fluctuation is mainly due to the reliance on European market. New source market growth from other continents, i.e. Asia and Middle East, has done little to offset this seasonal difference in arrival.

Overall Maldives has experience continual growth, with the exception of 2001, when negative growth rate was experienced, due to the terrorist attack in New York. Although in 2002 onward arrival rate picked up and since then have continued to grow considerably.

In 2004 Bed capacity percentage showed that demand was exceeding supply at a dangerous pace, with unprecedented increase in arrival. In January and February 2004 Bed Capacity was 102%.



### 3 MARKET ANALYSIS AND PROJECTIONS

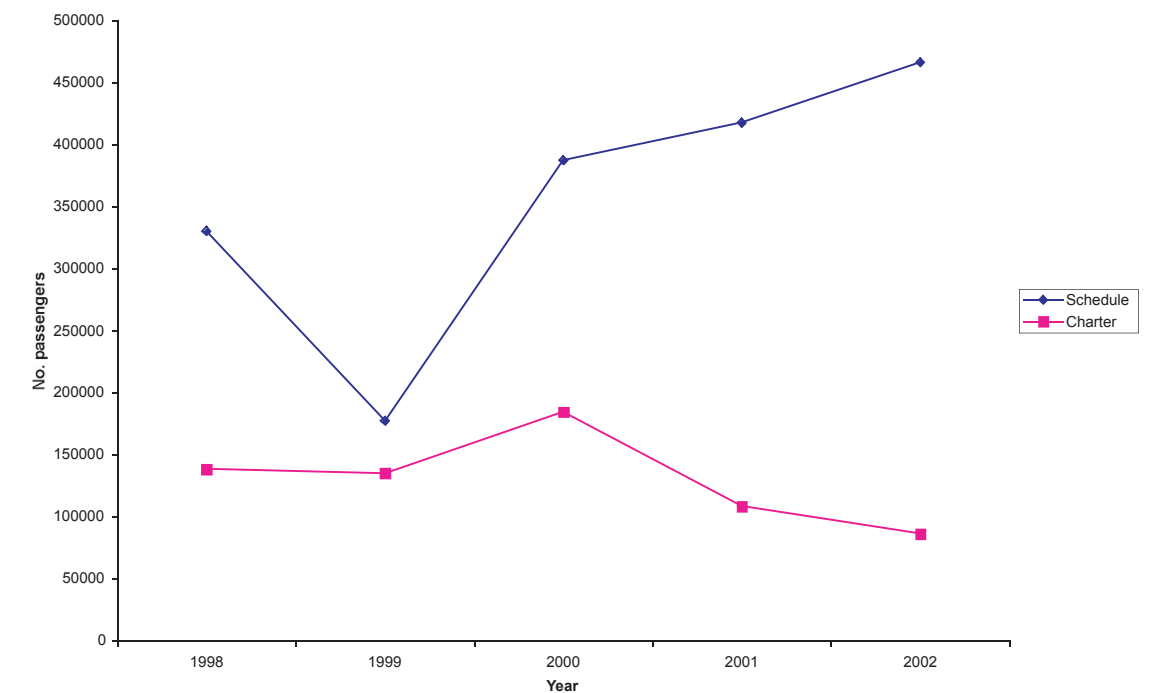
#### 3.3 MODE OF TRANSPORT

Majority of Tourist, travel into the Maldives by Air to Male' International Airport (Hulhule). Unlike Caribbean, Maldives very rarely accommodates foreign Cruise ships or other mode of Transport into Maldives. The growth of Tourism in the Maldives has attracted major schedule airlines, and number of flights per day has continually increased. European market is catered for mainly by Emirates, Sri Lanka, Qatar, Singapore airlines, Whilst Germany and Italy specifically catered for by LTU and Alitalia respectively. Cathy Pacific, Malaysian Airways, Indian Airways and Singapore Airline provide for the Eastern Market demands. As bed allocation are sold through major Tour operators, large section of the tourist come to Maldives through chartered airlines arranged through specific Operators.

**Passenger Arrivals by type of Carrier**

Carrier	1998 % Share	1999 % Share	2000 % Share	2001 % Share	2002 % Share
Scheduled	70.5	73.7	67.8	79.5	84.4
Charter	29.5	26.3	32.2	20.5	15.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**GRAPH SHOWING PASSENGER ARRIVAL BY TYPE OF CARRIER**



From the above graph its possible to infer that there is increasing percentage of independent travellers, as it seems tourist taking schedule airlines are on the increase. Emirates, Sri Lankan Airways are potentially looking for opportunities to extend the routes to Central Asia, and Japan via Maldives, meaning opportunities for market growth, and security of a diverse market.

## 4 COMPETITION ANALYSIS

### 4.1 POWER OF BUYERS

Bargaining power of the consumer is increased, due to the increasing number of similar choices available. Due to the homogenous nature of the product offered in the Maldivian tourism Industry, i.e. the sun sand and sea periphery, there is little to distinct one resort from another. With consumers having increased access to information from various different medias, they have more power in the decision making process. Consumers are also becoming more involved in the purchasing decision, and motivated to search for information before making the final choice. After September 11th the tourist industry in the Maldives and rest of the resort destinations globally, became very cautious and reduced their rates to increase and stabilise volume. Such tactics has made the consumers more "price sensitive", and more prone to seeing price as the differentiating factor within the industry.

Maldives tourism is very young and still in the initial growth stage, meaning many of the players in the industry are still concentrating on volume and quantity, on the expense of quality and character.

Resorts are pressured to fill their beds, to cover the large initial investment and overheads incurred. This is one of the reason for the continued reliance on economies of scale and concentration on volume.

### 4.2 POWER OF SUPPLIERS

The suppliers are characterized by the facilities (Star Categories) they provide rather than any distinctive brand image. Only very few resorts stands out as unique brands offering a distinctive character. Majority of the resorts fall under the umbrella of the brand, "Maldives", which has a very narrow identity in it self. Supplier power therefore is very limited. International Tour operators like Kouni and Hayes and Jarvis have more control over the value chain and dictate the type of product that is offered to the markets. The distribution channels are very homogenous catering for very limited market segments, i.e. high reliance on Western European Markets. New entrances from big hotel chains are encouraging the extinction of any unique character, by providing a standardized product offering globally.

### 4.3 THREAT OF SUBSTITUTION

Threat of substitutes is very strong as the players within the industry has little or no distinctive identity, and are therefore more prone to competition from other geographical destinations, e.g. Caribbean, Indonesia and more recently the South Pacific. Due to high reliance on price as the only major differentiating factor in the resort island tourism the substitution effect is far greater. This was evident after September 11th as tourist found it easy to find alternative destinations offering similar product offerings. Maldives image of exclusivity is in danger as products get cheaper and people started realizing through increase media attention there is very little distinction between alternative resort island destinations. This has caused a decline in repeat purchase, as people are increasingly looking for novelty experiences.

### 4.4 THREAT OF NEW ENTRANTS

Threat of new entrances is high as the industry is still in the growth stage and more islands are put up for new resort development by the tourism ministry of Maldives. There is an increase in foreign chains entering the industry, with the advantage of economies of scale. The playing field is therefore uneven in respect to small Maldivian firms, who are unable to gain such advantages. The only limitation and barrier to entrance is the level of initial investment and the extensive overheads that has to incur, to be able to compete in the tourist industry.

## 4 COMPETITION ANALYSIS

### 4.5 RIVALRY AMONG EXISTING COMPETITION

The companies who own, majority of the resorts are not uniformed. Some have multiple SBUs and extensive portfolio of product offering. Others are small firms competing for single market segments with little diversification. Maldivian firms especially are diversified conglomerates who have resources spread over an extensive array of business interests to compete with the big multinational chains, who have the advantage of economies of scale on a global level. Due to the product offering being so standardised, in relation to the size and depth of the resources companies who offer them, means that the industry playing field is very uneven and rivalry is extensive. The initial investment involved in the acquisition of the resort means that barriers to exit are very high, fuelling rivalry with in the industry further.

### 4.6 THREATS IN A GLOBAL INDUSTRIAL LEVEL

Resort island tourism is very regional based. Resort island tourism is based on what is known as Boosterism, which relies on the island destination being very isolated and an image built on very narrow and standardised idea of Sun Sea and Sand denoting "paradise". The tourists are attracted to the marketer's idea of island resort, therefore not based on any realistic point of view. This has created island destinations to be less geographical or culturally specific, but based on its physical appearance and idea of Paradise fuelled by promotional material. This idea is evident in the fact that people didn't use to see much difference between the South Pacific, the Caribbean, Mauritius, Maldives or Seashells, and the consumers of each destination based their choice on accessibility. I.e. American chose Caribbean, Australian/ South East Asia chose South Pacific and Indonesia. The threat of such proximately based tourism is dependency on very limited geographical markets. This was very evident after September 11th when people become more reluctant to travel long haul, due to economic uncertainties and danger of flying.

Therefore the fact that Maldives resort product are very narrowly defined in the mind of the potential consumers (Travellers & Tourist), means that it can easily be substituted for alternatives when environmental variables change.



### 4.7 INCREASE POLARISATION OF THE TRAVEL INDUSTRY

The Tourism industry itself has become increasingly polarised in to the mega and the micro: the safe and the unsafe: the mass tourist and the individualists. With new deregulations within the competitive landscape and increasing opportunities opened up by globalisation, the big players are getting bigger to become global leaders and the small need to develop clear niches to survive. This is evident very clearly at a national level in the Maldives Tourism industry with new entrance by multi national players and hotel chains entering the market. Maldivian companies who are comparatively smaller in relation, are forced to find new distinctive features to enable them to differentiate and survive amongst such fierce competitive forces. Small companies have to take advantage of their relatively smaller management structure to offer a more specialist service to niche segment within the source market who are not catered for by the global multinational players like Four seasons and Hilton.

## 4 COMPETITION ANALYSIS

### 4.8 IDENTIFYING COMPETITIVE POSITIONING OF MALDIVES AS A DESTINATION.

Maldives as a tourist destination has continued since the beginning to rely on its physical geographical and natural environment as the sole competitive advantage against other destinations, rather than utilise its rich cultural distinctiveness or heritage. This is due not only to the reluctance of tourist operators or lack of demand, but also due to the geography of the Maldives resort islands being autonomous entities in themselves, away from any local population. Reliance on a singularly general USP throughout the whole of Maldives was profitable during the initial product, (Maldives) life cycle stage. As the number of new entrants increased, such standard product offering strategy is deemed competitively unsustainable. Due to changes in tourist motivation for travel, and increase in industry players, globally, there is increased need for regional specificity to gain sustainable competitive advantage, externally as well as internally. Most recently new resort developments have relied on providing augmented services, and facilities rather than utilise the distinctive, cultural significance of the particular region where the resort is located, as the unique selling proposition.

### 4.9 IDENTIFYING MALDIVES DISTINCTIVE REGIONAL SIGNIFICANCE.

#### 4.9.1 HISTORICAL CONTEXT

Before the influence of the Indian Ocean Trade, Maldives was predominantly Buddhist. The first settlers to Maldives were Sri Lanka Tamils who brought the first Buddhist Dharma in their wake. This was a form of Dravidian Devi Cult and a form of Tutelary spirit and ancestor worship. 8th or 9th Century Bengal influences are also evident in the form of Vajrayana Buddhist iconography and writings.

During the 1100 saw the development of Trade with the Muslim nations, and conversion to Islam many countries within this route. Arab rulers attempted to control the shipping lanes by using Islamic religion as a tool. As the Indian Ocean Trade expanded, Maldives archipelago provided favourable conditions for maintaining a regularity of

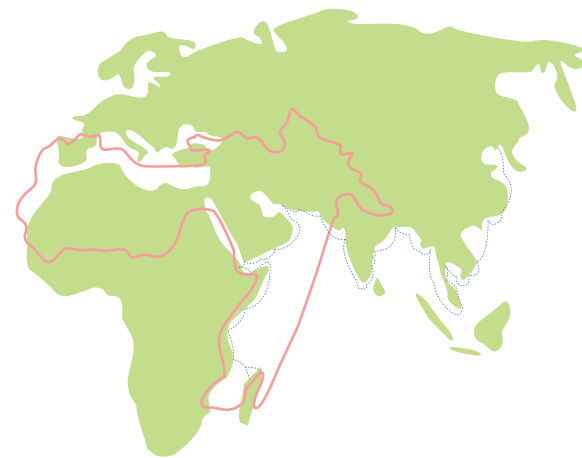
trade and transport: thus Maldives became a major player of this historical trade. The cultural contacts developed fisheries, agriculture manufacturing and trade. Skills of repairing seagoing craft were highly developed. In the mid 10th century Maldives significance grew exponentially, as a producer of cowries, the tiny shell once used as a medium of exchange in Bengal, China, Southeast Asia and throughout large parts of Africa.

Maldives in 1153 converted to Islam by the Authority of its King who was persuaded by Arab scholar Abu Baraka thul Barbary. After the conversion, it took many centuries before Islam fully permeated through the many island and throughout society.

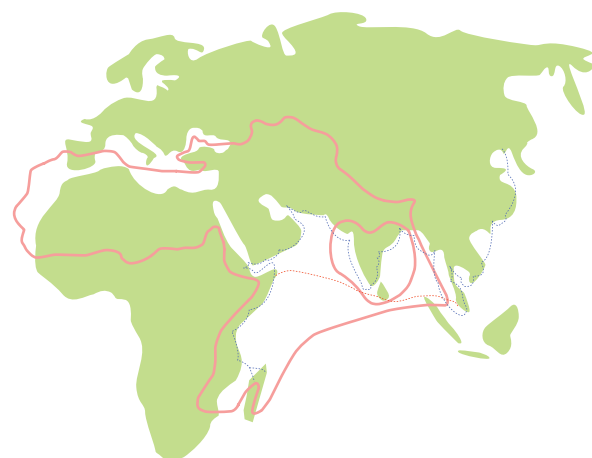
The start of the sixteenth century saw the power shift to Western Traders, most predominately the Portuguese. Initial success came to the Portuguese because they had been shrewd enough to develop a strategy of divide and conquer - first concentrating on isolated Muslim trader and demonstrating their firepower. These intimidating tactics worked in favour of the Portuguese who repeated this strategy at other key-trading destination.

It is accounted, Portuguese invaded the Maldives in 1588 and established Portuguese rule, which lasted for 15 years.

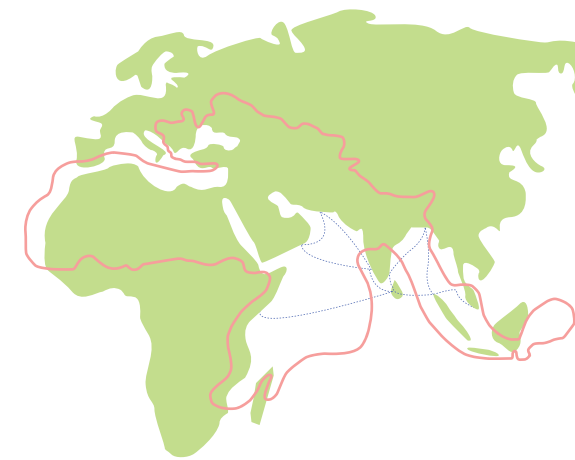
## 4 COMPETITION ANALYSIS



**AD 1100**  
*Before the expansion of the Indian Ocean Trade Route Maldives was predominately Buddhist. Settlers from neighbouring Tamils and Singhales*



**AD 1300**  
*After the 1100 the Muslim expansion was felt in the Maldives, dsitinctively compaed to its neighbours India and Sri Lanka. Maldives was an important staging post for many Arab traders, on their route to the South east Asia. With these seafairers came missionaries and Arab acholar. Eventually in 1153 Maldives was declared part of the Muslim world*



**AD 1500**  
*Western Trade power became predominate during the 16th Century as by brute military force it conquered and occupied most of the trade post in the Indian Ocean. maldives fell to the hand of the portuguese for 15 years. many north atolls who still had strong contacts with the Muslim world, felt their land was being coccupied by infidels. Of whom one of them was Mohamed Thakurufaanu*

### 4.9.2 FOUNDATION OF MALDIVIAN CULTURE

The foundation for Maldivian language, culture and beliefs were laid by its earliest settlers, Southeast Indians, Singhalese and Tamils. Their influences can be felt in the formation of the distinctive language of Dhivehi, which has its roots in the Sanskrit text formulated by the North Indians. Since then, Maldivians have developed their own unique culture and distinctive character incorporating these early Sanskrit roots to Maldives, own geographical and natural environment. This is most evident in Maldives folk stories and myths. Many of the well-known folk stories have their basis in Sanskrit ideology, which Maldivians evolved to reflect their own beliefs and natural environment.



## 4 COMPETITION ANALYSIS

### 4.9.3 IDENTIFYING THE REGIONAL DISTINCTIVENESS OF THE NEW THE RESORT

Olhuveli is located in Laamu Atoll, 240 km from Male' International Airport. This would be the only resort development in Laamu atoll, which is one of the most self-sufficient atolls in the Maldives with very sophisticated infrastructure and facilities. Although Olhuveli has no distinctive feature of its own to speak of, the atoll is very significant culturally and historically to the Maldives, with many of the archaeological sites being located there.

### 4.9.4 THE HISTORICAL SIGNIFICANCE OF SOUTHERN ATOLL

Due to the geographical isolation of the island of the Maldives, there was a significant difference in how different regions were influenced during the interaction with the Indian Ocean Rim countries. As mobility and infrastructure linking the whole archipelago was very primitive, this enabled more regional autonomy, within the islands of Maldives. A cultural North/ South divide was established during this time as Merchants and Travellers interacted in various region of the Maldives at various periods and significance. Due to the nature of the monsoon and the current and the Indian Ocean, most of the Arab travellers have contacts with the Northern Atolls, while the South East Asian visited the Southern atoll. This aspect is still visible within the communities of these regions of the Maldives. During these contacts, which could last up to a full monsoon, exchange goods, ideas and culture developed micro communities in small low lying islands within larger atoll system to the macro level of a state or an independent nation called Maldives.

### 4.9.5 LAAMU ATOLL, THE GROUP OF ISLAND WHERE OLHUVELI IS LOCATED

#### 4.9.5.1 HISTORICAL AND CULTURAL SIGNIFICANCE OF LAAMU ATOLL.

Laamu Atoll was one of these micro communities which was heavily influenced by the South East Asian cultures, Archaeologists, HCP Bell and his predecessor Thor Heyerdahl have extensively studied the many Buddhist remains and has identified many special interest archaeological sites in islands of Laamu Atoll. The most significant of these ancient Buddhist ruins is situated in the island of Gan, approximately 20km from Olhuveli. HCP Bells identified these ruins situated mainly half a mile from the village, on the east side of the island and near the beach, as the following: A large Dagabar or Stupa (tumulus shrine with Buddhist relics), a Wata-dage (circular relic house), Vihare (image house), a spacious Pirivena (monks residence) and 2 uncertain ruins and 5 wells. The largest ruins, the Dagaba, measured, according to Bell, 35 feet in height. Today the Havitta looked like an enormous heap of coral rubble with the visible scar from Bell's dig and investigations.

Laamu Atoll is the largest concentration of islands with ancient ruins in near proximity reveals the fact that in those times there was a thriving society with a common way of life and value. The extensiveness of this collection, means that the atoll was clearly at the centre of civilization at this time with Nilandhoo (Nilanda "University") in the next Atoll – Huvandhu Atoll

Loamaafaanu's, early historical documents, were both found in Isdu and Dhanbidhoo, both situated in Laamu Atoll. These Loamaafaanu documents one of the most well known facts about the islands in Laamu Atoll, that it was the last group of island to convert to Islam, and there was speculations regarding the continuation of Buddhist practices long after.



## 4 COMPETITION ANALYSIS

### 4.9.6 IDENTIFYING OLHUVELI COMPETITIVENESS IN RELATION EXISTING AND NEW RESORTS DEVELOPMENTS

There is very few resort development in near proximity to the island of Olhuveli at present, although new sites are proposed for development in near by atolls, within the current bidding programme by Tourism of Maldives.

Currently all resort development are at close proximity to the Male' international airport. Seaplane and Speedboat are the principle mode of transportation to the resort from the airport. With seaplane transfers, new resorts were made feasible further away from the Male' Atoll, but their scope and service is limited to a certain distance, due to operational and logistical reasons. Proposed Island of Olhuveli is part of Ministry of Tourism's initiative to provide the benefits of Tourism to Atolls further a field, which falls on the periphery of Seaplane accessibility.

Due to the undifferentiated resort product offering internally within the Maldives, the geographical location and proximity to the airport is a major factor in the consumer decision making process, as well as being a deciding factor in relation to the cost efficiency of the supply chain. The most cost effective choice for resorts in the Southern Atoll would be schedule domestic flights to Kadoo, then speedboat transfer to the resort itself. Olhuveli is at an advantage in comparison to other resort development within Domestic flight range, as it is the closest to Kadoo domestic airport.

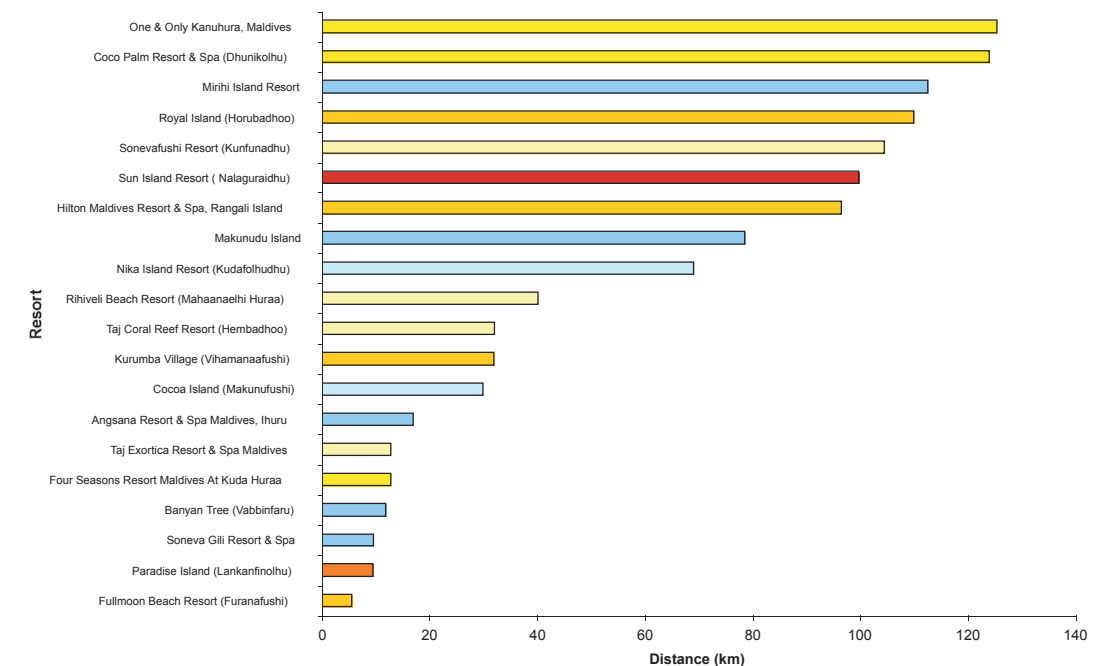
#### DISTANCE ANALYSIS OF PROPOSED NEW RESORT DEVELOPMENTS

RESORTS	ATL	BEDS	d. Male km	N. APT	male'-r.apt	transfer a/c type	S/P	R. APT/RST D	R.apt/rst trvl time
Alidhoo	H A	200	298.6	HND	50mins	Donier/Dash8	N/A	13.5	17mins
Hondaafushi	H D	200	290.1	HND	50mins	Donier/Dash8	N/A	7	8mins
Dholhiyadhoo	S H	200	200.1	HND	50mins	Donier/Dash8	N/A	84.6	105mins
Randheli	N	100	167.8	MLE	N/A	Sea Plane	45 appx		
Maavelaavaru	N	100	182.2	MLE	N/A	Sea Plane	45 appx		
Kalhufahalafushi	T	200	197.3	KDH	N/A	Sea Plane	55 appx	64	80mins
Olhuveli	L	200	263.2	KDH	45mins	Donier/Dash8	70appx	14.1	17mins
Hadhahaa	G A	100	406.7	KAD	70mins	Donier/Dash8	N/A	24.8	31mins
Fonumaudu	G A	100	408.1	KAD	70mins	Donier/Dash8	N/A	50.6	64mins
Konatta	G Dh	100	414.3	KAD	70mins	Donier/Dash8	N/A	17.3	21mins
Lonudhuahutta	G Dh	100	430.7	KAD	70mins	Donier/Dash8	N/A	51.2	64mins

It is evident from the table above that most new proposed resorts, with the exception of Randheli, Maavelaavaru, and Kalhufahalafushi, have to greatly rely on the domestic island aviation transfer to the proximity of the resort destination. Therefore in relative to far away resorts, Olhuveli is at a competitive advantage, as the total transfer time is

just over 1 hour. Despite this fact, in relation to the current resorts, Olhuveli will be at a disadvantage, unless seaplane transfers are made feasible for longer distances.

Distance from Resort to Airport, in Relation to Bed Capacity & Star Status



700 Bed Capacity 500 Bed Capacity 300 Bed Capacity 200 Bed Capacity 100 Bed Capacity 50+ Bed Capacity 50 Bed Capacity

The graph shows Resorts within Olhuveli competitive position in regards to Bed capacity and distance from the Airport. There are three current suppliers within the same bed category as Olhuveli, 200 Beds, whilst only two of them, One and Only Kanuhura Resort and Cocoa Palm Resort are distinctively further away from the airport 125 km, although still 135 km nearer than Olhuveli.

The main differentiating factor other than geographical distance, at present is provision of facilities within the resort. Entrance from Multi-national hotel chains, meant that facility provision had to be standardised to ease

## 4 COMPETITION ANALYSIS

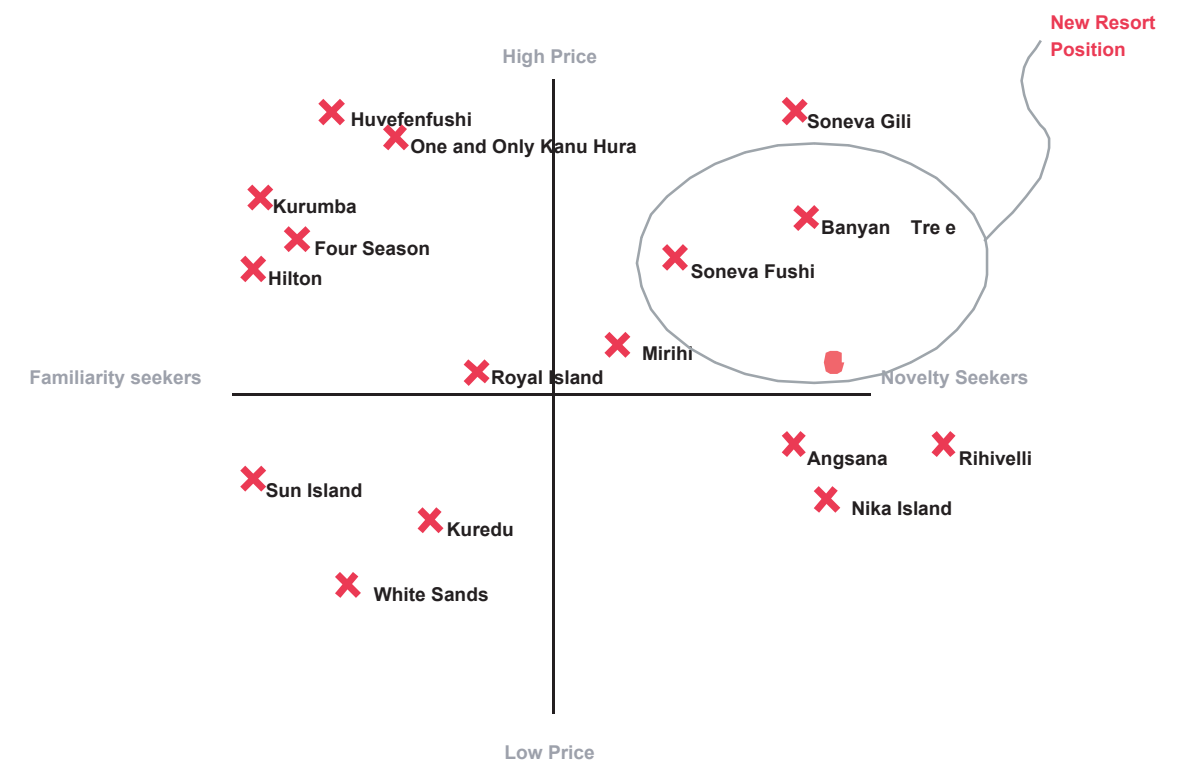
decision making process for the consumer, and enable competitive positioning. Star classification is utilised by Tour operators to infer the standard of service and facilities, provided by each resort. Most five star resorts therefore are facility orientated, rather than providing unique service experience, as the perception of risk is higher in the current environment for the latter. Few Resorts like Soneva Fushi, Banyan Tree, and Ranveli are experience based, catering for very niche segment of the market.

Many Resort Islands developed in the Maldives cater for familiarity seekers, as they strive to gain volume over quality of service. This is especially evident within the multi national hotel chains like Hilton and Four Season, who strive for familiarity, to reduce the perception of risk involved in travelling to unknown destinations. Soneva resorts and Banyan Tree, both international brands, try to offer a novel experience uniquely their own, within a consistence brand image.

COMPETITIVE POSITIONING MAP 1.



COMPETITIVE POSITIONING MAP 2.

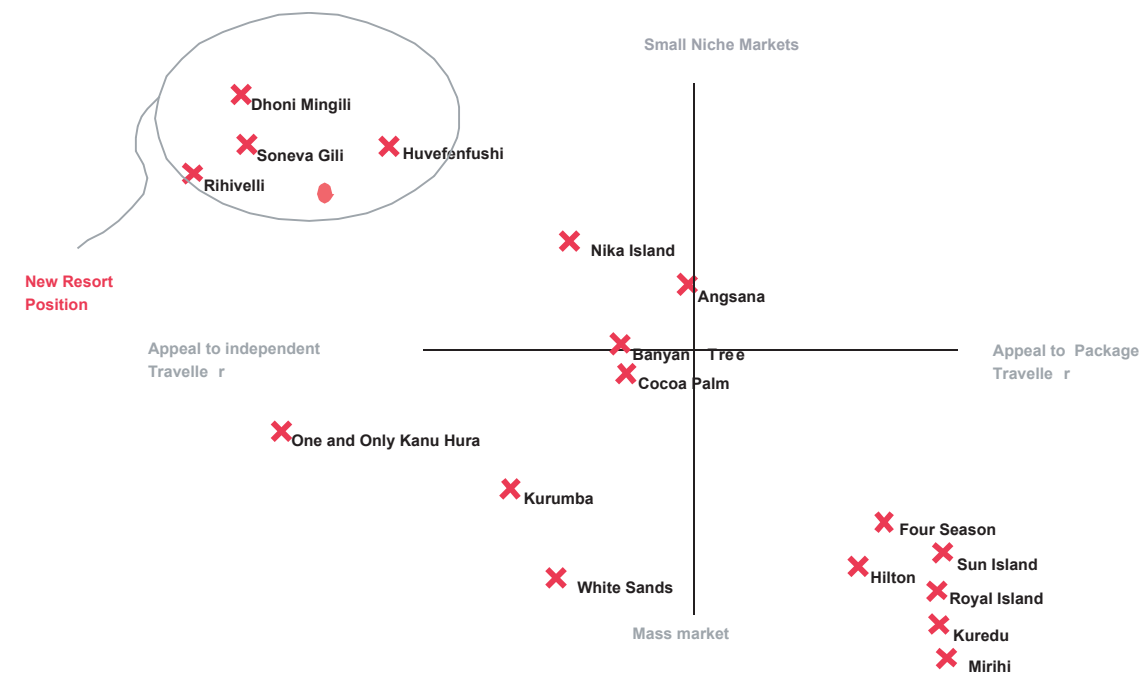


## 4 COMPETITION ANALYSIS

Resort tourism in the Maldives relies heavily on Major Tour Operators to acquire customers. There is very little direct contact between customer and the resort operator prior to their visit, as the whole holiday is packaged and offered to the customer through tour operators and Travel agents, within the source country. This enabled Tour Operators to impose huge power over the supply chain. Many of the resorts owned by private Maldivian companies resorted to a “Push Strategy”, where by they sold bed allocation to few tour operators, distancing themselves from the end consumer, thereby not clearly understanding the specific needs they were catering for, but concentrating on acquiring volume. Many new resorts have utilised the internet and other infrastructures to enable them to get direct access to customers, and take advantage of the growing independent traveller consumer segment.

There are very few resorts, which is regionally distinctive, and has a sustainable competitive advantage. The substitution effect is very strong for majority of the resort development in Maldives as the product offering has no regionally or location specific identity. Has travellers become more experience and world-renowned, the search for novel and regionally authentic experience will grow stronger, in the mist of global standardisation.

COMPETITIVE POSITIONING MAP 3.



COMPETITIVE POSITIONING MAP 4.



## 5 DEVELOPING MARKETING OBJECTIVES & PROFITABILITY GOALS

### Stakeholders that need to be Satisfied

- 1: Company: Cyprea
- 2: Government Agencies
- 3: Environmental Lobbies
- 4: Regional Community
- 5: Customer
- 6: Social Conscious of the NATION

### Marketing Objectives

- Quality Experience
- Sustainable Competitive Advantage
- Preservation of Culture/ Heritage/ and the Physical environment
- Potential for Growth
- Consumer Loyalty
- Providing regional wellbeing and Pride

### Needs/ Objective of the Stakeholders

#### Company Cyprea:

- To gain maximum profit from the resource invested.
- To have the potential for future growth.
- To gain competitive advantage/ and sustainability.
- Customer retention.

#### Environmental Lobbies:

- Preservation of the bio diversity of the region
- un interruption of the fragile ecosystem of the region.
- Use of renewable resources (sustainable)

#### Social Conscious of the Nation

- Doing something for our own environment
- Acquiring the Goodwill of foreign Nationals
- Being Proud and Independent as a Nation.
- Being empowered in a Global competitive market.

#### Consumer needs

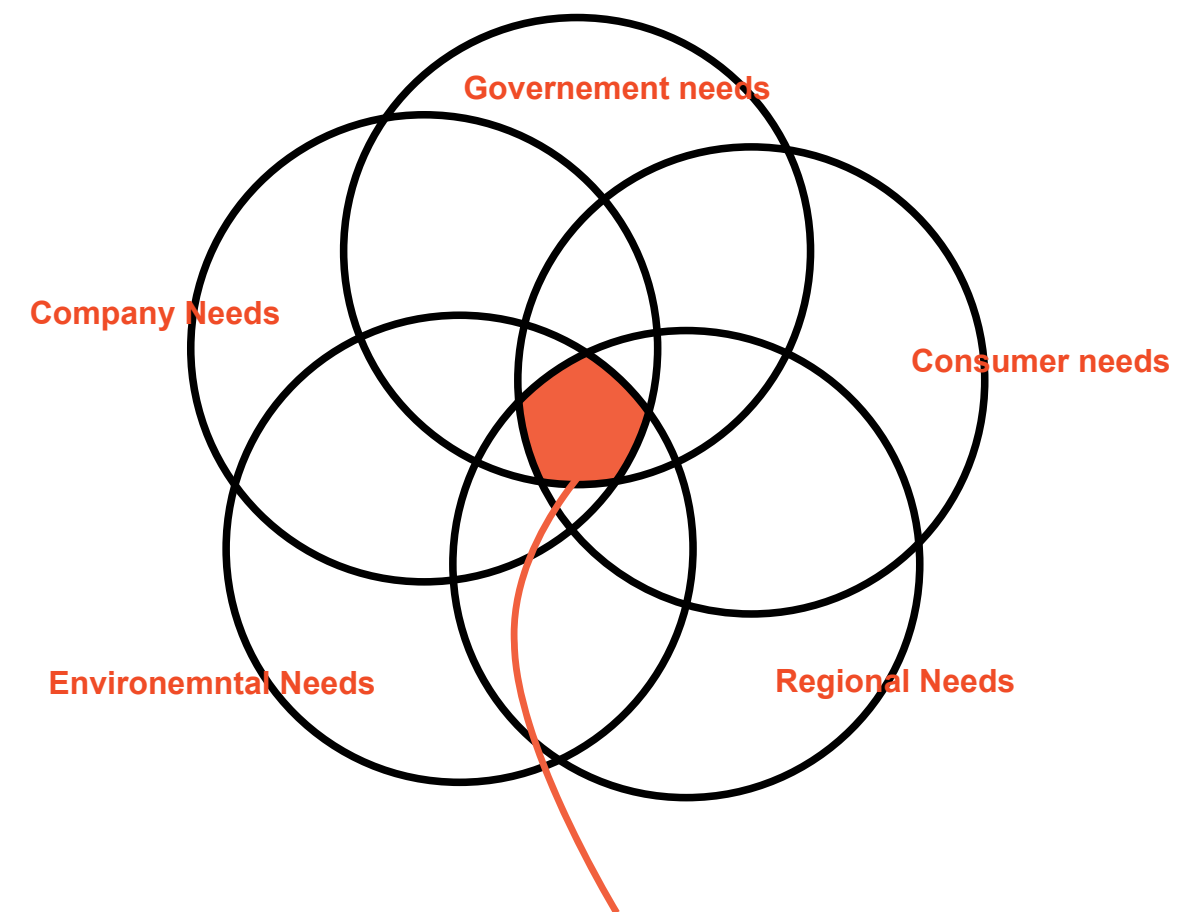
- Quality experience
- A sense of Customer empowerment (through involvement in the social wellbeing of the region)

#### Regional Communities:

- Gain economic independence
- Preservation of Culture/ Tradition and Heritage of the region
- Community pride in the region

#### Government needs

- Sustainable tourism industry
- Utilising and Developing regional resources
- Resources allocation and development regionally and Nationally



**Marketing Objectives must satisfy all Stakeholder needs and take them into consideration when developing ways to Utilise and allocate resources.**

## 5 DEVELOPING MARKETING OBJECTIVES & PROFITABILITY GOALS

### 5.1 MARKETING OBJECTIVE

Integrating the needs of all stakeholders, Target consumer, Cyprea as a company, government of Maldives, the region encompassing the destination, and the environmental lobbies.

### 5.2 QUANTATIVE MARKETING OBJECTIVES

- Develop a high quality resort with 100 rooms in total (200 beds), with 50 Water Bungalows, 50 Beach Bungalows.
- To achieve a stabilized occupancy of 64% in the fifth year of operation, equivalent to 74% occupancy in the high season and a 54% occupancy in the low season
- To achieve an average room rate in the second year of operation of US\$423, rising to US\$481 by Year 5 and US\$613 in Year 10.
- To achieve an operating profit of US\$750,397 in the first year of operation and to achieve a positive net profit before depreciation of US\$2,568,974 in the second year of operation,
- Based on the projected cash flow for the first 10 years of operation, the discounted income stream (at a discount factor of 9%) represents a net present value of US\$ 13,322,580 and an internal rate of return of 20 %.
- Simple payback is indicated in 5 years, and discounted payback in 7 years.

### 5.3 HOW TO ACHIEVE THE OBJECTIVE

To provide an authentic regionally Specific Island experience to a broad range of target customers. Taking the idea of Tourism to its roots, which lies in the need for exploration of new cultures unique to their own, and specific to the region encompassing the destination itself.

Empowering the consumer by enabling customisation of the resort experience, to suite their specific needs and facilitating active participation in the well being of the region.

Before outlining the Olhuveli resort-marketing plane it is necessary to analyse the potential consumer group that could most effectively be targeted to achieve the marketing objective and satisfy the needs of the stakeholders.

## 6 CONSUMER ANALYSIS

### 6.1 POTENTIAL TOURIST SEGEMENTS

Consumer Group	Demograhics Profile	Travel Profile	Attitude to Travel	Dsitinctive characteristics	Attitudes and Behaviour
Geo-Savvy	<ul style="list-style-type: none"> <li>- More likely to be Women</li> <li>- 1 in 4 are young adult under age 35 Yrs</li> <li>- Well educated</li> <li>- Professional/ Managerial posts</li> <li>- High household income</li> <li>- Live in Urban cities</li> </ul>	<ul style="list-style-type: none"> <li>- - Frequent Travellers (4 or 5 trips per year)</li> <li>- Likely to have travel internationally</li> <li>- Most are infrequent leisure travellers</li> </ul>	<ul style="list-style-type: none"> <li>- More likely to: <ul style="list-style-type: none"> <li>- To visit destinations with authentic historic and archaeological sites</li> <li>- Prefers small scale accommodation</li> <li>- Travel to experience peoples, lifestyles, and cultures very different to their own</li> <li>- Feels its important to lean about their destination's people, history and culture</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Well above average interest in environmentally-orientated travel</li> <li>- It's important for them not to damage the environment when they travel.</li> <li>- Very adventurous, taking risks and excitement in travelling to remote locales</li> <li>- More likely to donate money to nature/ environmental, causes.</li> <li>- Travel to experience peoples, lifestyles, and cultures very different to their own</li> <li>- Feels its important to lean about their destination's people, history and culture</li> </ul>	<ul style="list-style-type: none"> <li>- - They are intellectually curious, and read or watch shows about history or culture</li> <li>- Like to visit historical sites in their local area, taking education classes and or attending seminars or lectures.</li> <li>- Have a well-developed social conscious. They recycle and try to save electricity and water at home</li> <li>- Buy energy efficient appliances and organic food</li> </ul>
Urban Sohisticates	<ul style="list-style-type: none"> <li>- More likely to be women</li> <li>- 1/3 of men are 55 year of age</li> <li>- 1/2 of women are aged 35</li> <li>- High education level</li> <li>- Executive/managerial occupations and specialist positions.</li> <li>- More likely to be working older couples</li> <li>- 25% is in the young coupler or parent life stage</li> <li>- Lives in Urban large cities</li> </ul>	<ul style="list-style-type: none"> <li>- Travel quite frequently</li> <li>- More likely than other to travel internationally</li> <li>- 65% too 1 to 4 leisure travel per year</li> </ul>	<ul style="list-style-type: none"> <li>- - Prefers culturally and socially orientated travel and are interested in learning about the people, custom and history of their destinations</li> <li>- They like to experience lifestyles and culture different form their own</li> <li>- Prefers trips to destinations offering authentic historic and archaeological sites</li> <li>- Prefers destinations that offer a wide variety of cultural/arts events and attraction</li> <li>- Prefers visiting large cities and prefers high quality accommodations with excellent facilities and fine dinning.</li> </ul>	<ul style="list-style-type: none"> <li>- Not overall environmentally conscious in their travel preferences.</li> <li>- More concern about living in harmony with nature.</li> <li>- Access to historical sites</li> <li>- Willing to pay premium to visit places that control access.</li> <li>- Positive view of tourism, feeling it enhances the strength and vitality of their local economies.</li> </ul>	<ul style="list-style-type: none"> <li>-- Dine in ethnic or speciality restaurants</li> <li>- Attend festivals and ethnic celebrations.</li> <li>- Attend performance arts events</li> <li>- Visit museums and galleries</li> <li>- Like to be educated.</li> <li>- Strong beliefs about pass on our history t future generations</li> </ul>

## 6 CONSUMER ANALYSIS

Consumer Group	Demographics Profile	Travel Profile	Attitude to Travel	Dsitinctive characteristics	Attitudes and Behaviour
Good Citizens	<ul style="list-style-type: none"> <li>- Female</li> <li>- 1/2 men and women are 55 +</li> <li>- Well educated</li> <li>- Good citizens are more likely to be homemakers</li> <li>- Good income household</li> <li>- 2 older couple life stage</li> <li>- Urban and rural inhabitants</li> </ul>	<ul style="list-style-type: none"> <li>- - Av. 5.8 trips per year</li> <li>- 1 in3 have travelled internationally at least once a year</li> </ul>	<ul style="list-style-type: none"> <li>-- Strong involvement in number f community activities, and heightened level of cultural and environmental awareness and sensitivity</li> <li>Wants: <ul style="list-style-type: none"> <li>- High level of cleanliness</li> <li>- High level of safety and security</li> <li>- To meet travellers who share their interest</li> <li>- Travel to experience peoples, lifestyles, and cultures very different to their own</li> <li>- Feels its important to lean about their destination's people, history and culture</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- - - To donate and participate in historic, cultural and educational organisations</li> <li>- To volunteer for nature-related or environmental organisations or to write to political organisations about to express their opinions.</li> <li>- Read newspapers, attend religious services and vote national and local level.</li> <li>- Great propensity to buy organic and environmentally friendly products and appliances.</li> <li>- Great tendency to recycle.</li> </ul>	<ul style="list-style-type: none"> <li>- - - Preserve environment and nature</li> <li>- More likely to view that their should be more funding for cultural/visual/performance arts</li> <li>- Attend galleries museums and seminars.</li> <li>- Avid readers and subscribe to special interest magazines news.</li> <li>- More likely to belong to a political party</li> </ul>
Traditional	<ul style="list-style-type: none"> <li>- Female/men</li> <li>- 20- 55 yrs or older</li> <li>- Few Traditionalist are under age of 35 yrs</li> <li>- Homemakers</li> <li>- Lower income than previous groups</li> <li>- Older parents and working older couples</li> <li>- Urban cities and rural country</li> </ul>	<ul style="list-style-type: none"> <li>--4.2 trips. Lower than previous segments.</li> <li>- Most traditionalist have not taken an international trip in 3 years</li> </ul>	<ul style="list-style-type: none"> <li>-Less inclined to travel than other groups.</li> <li>Generally less educated</li> <li>Less involvement in cultural activities</li> <li>Below average in culturally orientated travel and exceptionally low on nature and outdoor travel.</li> </ul>	<ul style="list-style-type: none"> <li>Wants <ul style="list-style-type: none"> <li>- High level of cleanliness</li> <li>- Safety y and security</li> <li>- High Quality visitor services and personnel</li> <li>- Familiarity seekers</li> <li>- Seek no surprises</li> <li>- Prefers group tours</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Positive about their attitudes to tourism.</li> </ul>



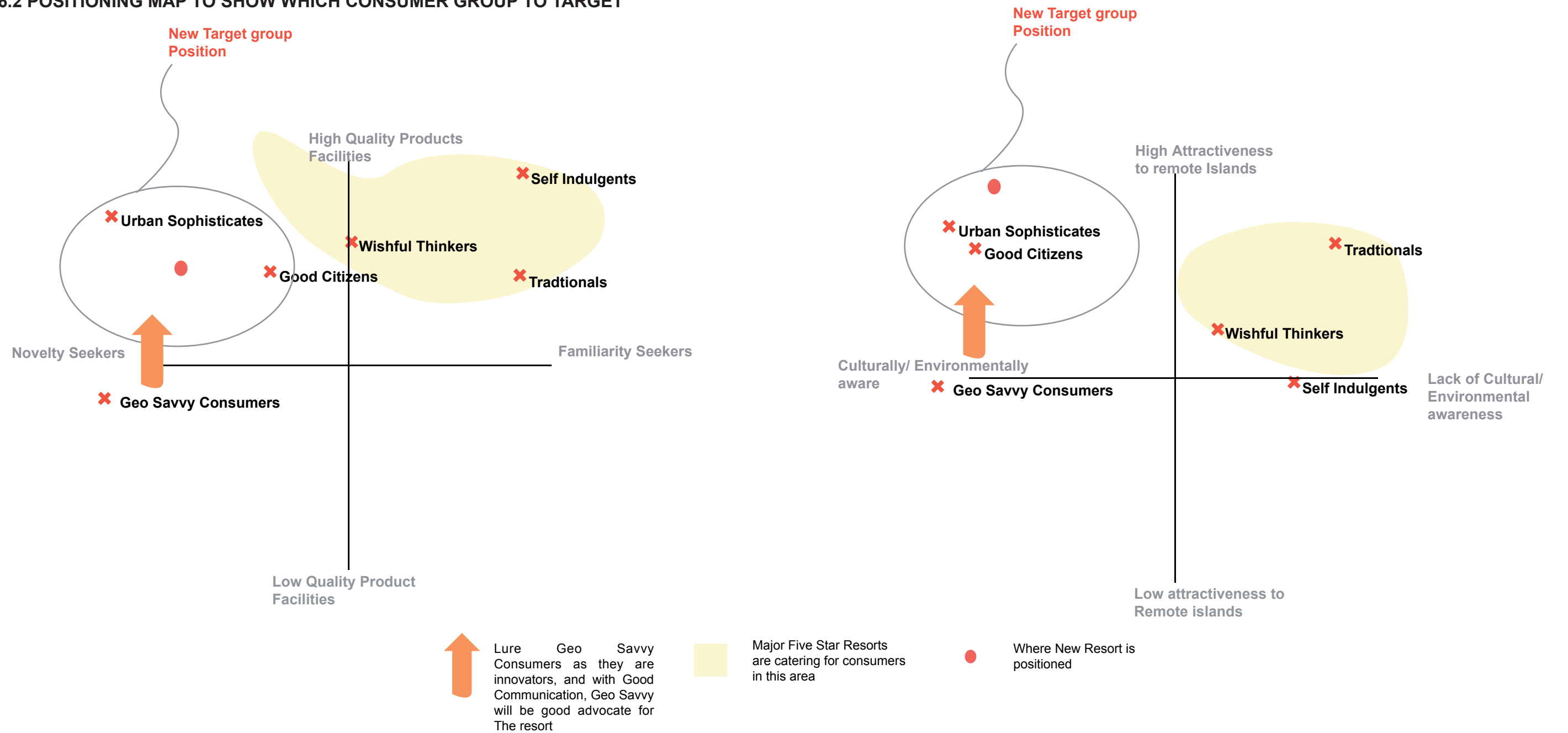
## 6 CONSUMER ANALYSIS

Consumer Group	Demographics Profile	Travel Profile	Attitude to Travel	Dsitinctive characteristics	Attitudes and Behaviour
Wishful thinkers	<ul style="list-style-type: none"> <li>- Equally Women/Men</li> <li>- Overwhelmingly Young</li> <li>- 18-34 Yrs</li> <li>- Sales and Administration jobs</li> <li>- Young couples or young parents life stage</li> <li>- Suburbs</li> </ul>	<ul style="list-style-type: none"> <li>- Take fewer trips than any other segments</li> <li>- Not many air trips abroad</li> </ul>	<ul style="list-style-type: none"> <li>-- Least well travelled, due to competing demands on their time and money</li> <li>- They are more likely to travel if they had more money</li> <li>- Interested in outdoor activities</li> <li>- Like to travel to remote locales</li> <li>- Like trips to go hunting and fishing</li> <li>- Primitive travel and wilderness</li> <li>- More likely to travel to large cities, high quality accommodations with excellent facilities and luxury of being pampered</li> </ul>	<ul style="list-style-type: none"> <li>- Want more active and busy travel programmes</li> <li>- Like destinations they can talk about when they get home</li> <li>- Seek novelty experiences</li> <li>- Desintations offering entertainment such as night life, dinning, shows.</li> <li>- Seek thrills and excitements</li> <li>- Visiting destinations that are viewed as exotic</li> </ul>	<ul style="list-style-type: none"> <li>- - Much less inclined to be civic minded than any other group</li> <li>- Do not vote in national election</li> <li>- Less likely to donate money to different organisations</li> <li>- Less likley to visit museums</li> <li>- Don't want to take educational programme</li> </ul>
Self Indulgents	<ul style="list-style-type: none"> <li>- Equally Female/Male</li> <li>- 35-54 age group</li> <li>- college educated with degrees</li> <li>- 61% lare in parent lifestage</li> <li>- Live iin medium sized cities.</li> <li>- More likely to live in small cities and suburbs</li> </ul>	<ul style="list-style-type: none"> <li>- 5.7 trips on average</li> <li>- Well travelled, compared to traditions and Wishful thinkers</li> <li>- High level of leisure trips</li> </ul>	<ul style="list-style-type: none"> <li>More likely to:</li> <li>- Use high quality accommodations with fine dinning</li> <li>- Visit large cities</li> <li>- Value luxury and pampering</li> <li>- Look fgor family and friend for recommendation</li> <li>- Want to have fun and be entertained whern they travel</li> <li>- They see travel as a ay to get away from demands at home and work</li> </ul>	<ul style="list-style-type: none"> <li>- Below average interest in culturally or environmentally orientated travel and community-based activities</li> <li>- Lack of cultural and environmental awareness and sensitivity and even negative attitudes</li> <li>- Not concerned about damage to environment</li> <li>- Less concerned about sprawling development</li> </ul>	<ul style="list-style-type: none"> <li>- More likely to say that plants and animals exist primarily to be used by people</li> <li>- They belive they should have unlimted freedom to modify the natural environments to suit their needs</li> <li>- They are more concerned about their local economy than international matters</li> </ul>



## 6 CONSUMER ANALYSIS

### 6.2 POSITIONING MAP TO SHOW WHICH CONSUMER GROUP TO TARGET



## 7 MARKETING PLAN

### 7.1 THE RESORT POSITIONING STATEMENT

The Olhuveli resort needs to fulfil consumer's need for EXPLORATION, and see the Tourist as Explorers rather than mere Tourists. The Resorts ethos would be to provide and facilitate the basic needs of its consumers in their effort to experience everything that is unique to the region where the resort is located. This idea/ concept will be the foundation of how the Physical product/ environment, activities and services will be designed and envisaged.

### 7.2 RESORT NAME AND IDENTITY

Olhuveli will be called, "KANI SANCTUARY MALDIVES". "Kani" is to denote an extension of the "Kani Lanka Hotel" brand, in Sri Lanka, currently managed and owned by Cyprea Pvt. Ltd. Sanctuary is to indicate, the private, nature of the island as the external environment, and sense of protection and safe haven offered as an experience. Olhuveli Island, located in Laamu Atoll still has remnants of old ancient spiritual beliefs and practices. These values stayed rooted in the values and tradition of many communities in Laamu Atoll. These old superstitious beliefs and ideology is what makes the Southern Atolls very distinctive to the rest of Maldives, especially Laamu Atoll, therefore will be utilised to construct the resorts brand identity, and the development of an integrated product experience.

### 7.3 PHYSICAL PRODUCTS

The product is all tangible facilities within the resort space. Physical materialisation of facilitating, consumer need for a distinctive regionally specific experience. All products within the resort will be integrated to allow for this specific function.

### 7.3.1 ARCHITECTURAL CONCEPT.

Maldives has a history of accommodating very different influences and organised theological beliefs. Due to the prominent imposition of the natural forces on the island geography of Maldives the social structure of the communities had to form a reverential relationship with the environment. Reliance on the science of astrology was spurred by the need to have a better understanding and order to what seemed as chaotic and uncontrollable force of nature. These ancient customs historically had to adjust to outside beliefs and ideology brought by seafaring foreigners from neighbouring countries. The most prominent of these influences, was eastern philosophy, which fitted naturally with existing notions and perceptions that there was certain Spirituality to the malevolent forces of Nature. Laamu Atoll was especially important during these times as evidence showed that many important symbolic structures were situated within this locality. The belief in Spirituality and superstition is prevalent even today, especially in the Southern Atoll. These ancient beliefs became the foundation of how Island settlements were constructed. Protection and Sanctuary, from what was known, as evil spirits was the most important basis of how buildings and communities were developed on the islands. "Kani Sanctuary Olhuveli" would utilise these ideas in the construction of the resorts architectural space to formulate identification with the local culture and the natural environment of the Island. This is expressed architecturally by the use of Eastern Structural philosophy known as "Madulu" in Dhivehi as reference for construction and South Asian Geomancy within the interior spaces, to ensure that malignant forces are kept outside of the perimeter of all building, creating a protective sanctuary.

Madulu or patterns of powers will be applied to all constructed enclosures, Public areas, Guest lodgings and Staff accommodation. "Madulu" pattern symbolises the connection between Human internal wellbeing (microcosm, moving and dynamic) and the external enclosed space (stationary). Madulu is defined by its four sides of human being standing with extended arms: front, right, left and back, corresponding with four cardinal points in the geographical sphere, Uthuru, (North), Dhekhunu, (South), Iru (East), Hulhangu (West). 45 degrees from each main direction represent four mid quarters or realms of heavens in the universe, protected by 4 divine cosmic forces. All constructed built areas follow the four-pointed, and eight-pointed shapes in reference to Madulu symbols.

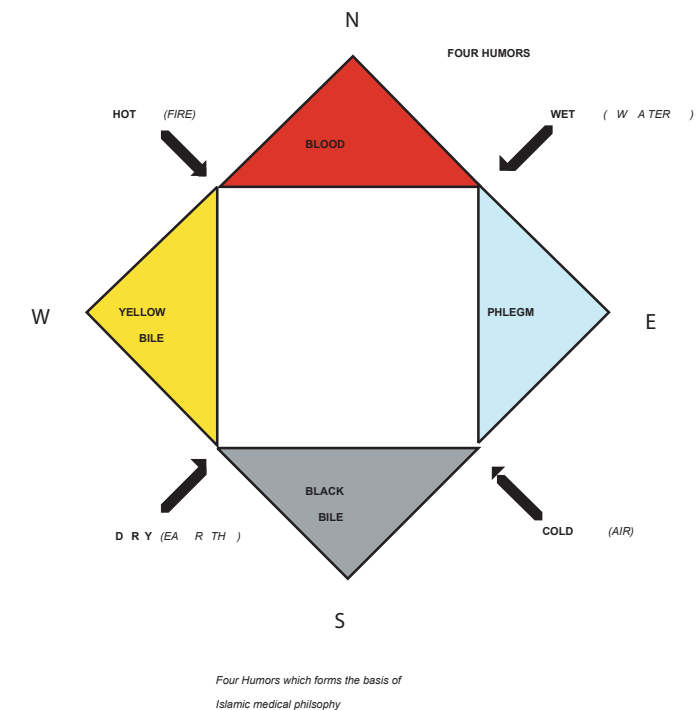
## 7 MARKETING PLAN

### 7.3.2 GUEST LODGING

There will be two distinctive room categories, Beach bungalows and Water Bungalows, in equal ratio (50:50), with Double capacity enabling accommodation of 200 beds, with very similar facilities.

#### 7.3.2.1 BEACH VILLA (EXPLORER SUITE)

All Beach Villas will be located within the outer South Western, Northern, and North Western rim of the Island, enabling each room to have a beach view. The rooms' interior will be inline with eastern geomancy ideology, Fen Shui and other astrological bearings. All beach bungalows will be similar in regards to the facilities, but will be individualised within a specific narrative, to give each room a distinctive experience. This would be achieved by symbolically inferring the position of the bungalow in relation to direction within the ancient astrological chart, the room will be facing. The position will dictate a certain narrative within the interior space, by the use of colours, derived from Islamic medical philosophy of "Unami", which has a certain correlation with the ideas behind Madulu. Unami, theory divides the 4 basic elements, Earth, Fire, Air and Water, in accordance to a particular temperament, and Humors (each of the four fluids of the body, formerly believed to determine a persons physical and mental qualities).



The four points of the geographical sphere symbolised within the Madulu shape correlates with the 4 Basic elements and its relation with the balance of 4 fluids within a human body. This reaffirms and complements the belief of Madulu which states that the internal organic function of our bodies have an integral correlation with the physical environment and position within the external space (points of the geographical sphere). The interior will be designed and decorated to denote the position of the Room within both models. The colour scheme will be designated in accordance to the geographical position of the room in relation to the temperament and colour within the Unami chart. Beach Bungalows, which is located within the Earth, Fire points (South Western, North Western and North) will have colour scheme on the yellow and red range, (as shown in the Unami Chart), and ornaments and Object d'art to emphasis the "Basic Elements" within positional range.

## 7 MARKETING PLAN

All the Beach Bungalows will have its own outside courtyard with Plunge pools and a sundeck, surrounded by wild vegetation for total privacy. The high windows accentuate and allow a constant view of the beach in front. The floor surface is different throughout each section of the bungalow, using hard ceramic tiles, for the exposed areas, within a concrete outer rim, and wood interiors.

### 7.3.2.2 WATER BUNGALOWS

Water bungalows will be positioned on tips of a pier shaped like a coconut palm, dipped in to water, inferring the ancient process of acquiring cowrie shells, which were used as currency by the Indian Ocean traders.

Water Bungalows will be similar to Beach Bungalows, facility wise, with outside plunge pool and private sundeck looking over the ocean. The outside layer will be composed of wood, with white washed plastered interiors. Large glass windows will allow light and great view over the ocean. The North Eastern facing bungalows will have great views of the sunrise, while the South facing rooms will have view of the sunset, enabling a differentiated product in relation to the position of the Bungalows.

Similar approach to Beach Bungalows will be applied to Water Bungalows in the sense that “Unami Chart” will be used to further differentiate, and give each Bungalow a unique narrative and selling proposition. Water and Air will be the main defining elements denoted within the interior, with Red and Blue colour insinuated within the Object de Arts in the bungalows.

### 7.3.3 KANI SANCTUARY SPA & WELL BEING CENTRE

The architecture of the space will take the ideas and concept behind, “Madulu” further by incorporating Islamic Medical Philosophy within the design. The concept of Unami will dictate the positioning of each of the 4 specialist treatments within the Spa Centre, in accordance to each of the 4 Humor or fluids of the body. Ancient Islamic Philosophy, which draws upon Hellenic medical tradition believed, that disease and unrest within the body is created,

when the 4 Humors are unbalanced. The idea of Alternative treatment is born out of such beliefs, and therefore will be utilised as the core idea behind every treatment within the Wellbeing centre. Each Treatment room will face a private courtyard encompassing an outdoor private plunge pool surrounded by lush vegetation. The rooms will be designed to accommodate couples, so that partners can share the intimacy of the private setting and more romantic treatments. Treatment rooms will be separated from the public areas within the Spa Centre, by a large open courtyard in the middle with a shaded private patios and pools, for more communal treatment, meditation, yoga, Tai Chi, and relaxation.

Laamu atoll has a history of ancient medical practices, which would be researched by the spa management team, to eventually offer local indigenous products and techniques within the Wellbeing centre. Local Aromatherapy and massage oil extracted from the local plants and other ingredients within the near by Islands will be packaged and sold in the boutique and used for treatments, enabling the regional niche industries to gain critical mass, hence sustain their regional autonomy. Silt accumulated from the “kulhi” in Gan, which contains cleansing elements, will be examined for potential processing in order for use as, mud baths, facials and etc.

The boutique would eventually aim to sell mostly indigenous products, packaged within the Kani Spa brand name. Maldives has a history of preserving food products, by smoking, sun drying, and salting, which has specific health benefits, could eventually be sold in the Spa boutique.

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### 7.3.4 THE SPECIALIST RESTAURANT

Located in an Isolated spot, South West of the Island, on the beach rim, facing the sunset, will be South East Asian/middle eastern fusion Restaurant. Surrounded from the north face by thick vegetation and palm trees, and from the south by low lying mangroves, with tantalising view of the Beach, perfect for romantic sunset late lunch or evening dinner. The shape of the restaurant will imitate the "Madulu", with four points, with an open exposed core in the middle. The space will be lifted up from the ground level with open views from every side.

### 7.3.5 RECEPTION LOBBY OR PRIVINE

The space will have the 4 points shape as the rest of the Public space, and could be entered from all four sides. The Privine will include within the space, the Reception and Lobby, which would face the jetty, and also Internet lounge, Library and Boutiques on the opposite face. The space will be open plan with polished tiled floors, with a central garden core beaming sunlight into the space from above.

### 7.3.6 NILANDA LIBRARY (NILANDA MEANS UNIVERSITY IN SANSKRIT)

Maldivian and other literature will be made available in the Library, i.e. folk stories and historical books. These books will help to enhance tourist curiosity about the Objet de Art within the room, the Unami and Mudulu philosophy, and supplement their holiday experience and make it more specific and unique. The library will help tourist develop a narrative, to their experience and help them understand how the structures within the resort was developed and conceptualised. The library will also contain historical books about the region of Laamu atoll specifically, archaeological sites within Gan and other islands. This would enhance the tourist experience by providing concrete knowledge and a regionally specific context to their experience.

Resort library will be accessible from the Internet to past and potential customers. Electronic Journals, and different research material would be available from the Internet.

Internet Lounge will be located right next to the Library, where tourists will be able to access emails, and information from the resorts Intranet, which will contain information about upcoming events and book excursions within the island.

### 7.3.7 DIVING CENTRE.

On going research projects will be developed by the Dive school, in corporation with specialist marine biologists. The research will be documented in literary and electronic form. These projects will be marketed to professional divers and specialist and environmental enthusiasts. Research could be on going projects that these specialist consumers can join, and be updated on the net after they leave. This would enable relationship marketing opportunities, and customer retention.

The research projects will be used as opportunities to find distinctive biodiversity of the region, which could then be utilised for marketing purposes, (gaining competitive advantage by obtaining information about the specific ecosystems unique to the region near the resort, identifying USPs).

The library will contain information and updated papers on the current and past projects. These papers could be accessed from the Internet to past customers. Research journals could be published in dive magazines and science journal, enabling indirect exposure and PR for the resort.

## 7 MARKETING PLAN

### 7.3.8 RECREATION AREA

Recreation Centre will be constructed in the middle Southern Beach Rim of the island. The structure enclosed within a courtyard encompassing Recreational Centre Pool bar, on both sides, with swimming pool, child swimming pool and sun pavilion in the central core, which would be exposed to the elements. Pool bar will have view of the Sunset and the beach through the lush mangrove, which surrounds the built area.

### 7.4 PRICE

Price will be differentiated solely on the basis of each room category with an average rates at USD\$423 for Beach Bungalows and Water Bungalows respectively. There will be seasonal changes in room rates, for the European Market. In the 2nd year of operation rates for Beach bungalows will be USD\$ 389 and USD\$336, for high season and Low season respectively, where as for Water Bungalows it would be USD\$ 499 and USD\$456. During the first 6 months of operation rates should be discounted at 20%. There will be very little difference in price throughout the year, so there is less focus on price, and more on the value of the unique product offering.

For independent Travellers who contact the resort directly or book through the Internet, would be able to customise their holiday package. Customers would be able to plan their whole experience prior to coming to the resort, pre book excursions, dive packages and the room position or location within the resort. Special packages will also be promoted, i.e. Honeymoon Packages customise for the whole duration of the stay, or Spa package, for example: get the whole “ humor balance Treatment” or the “ 4 Element treatment, i.e. Hydrotherapy (Water), Aromatherapy (Air), Massages (Fire), Mud Bath (Earth).

Detailed analysis of pricing are appended in schedule 1.3 in the Business Plan.

## 7 MARKETING PLAN

### 7.5 MARKETING COMMUNICATION.

#### 7.5.1 MARCOM STRATEGY

To reach customer who seek novel experiences within an island setting. To acquire customers interested in Spiritual wellbeing and rejuvenation within a regional authentic setting which is unique to their own. To enable past customers to retain a long-term relationship and make them concerned about the wellbeing of the region, which the resort is located.

Proposition: “ Kani Sanctuary Resort and Spa (Olhuveli), Reviving the Spirit of genuine island experience”.

#### 7.5.2 ADVERTISING

##### 7.5.2.1 PRINT MEDIA

Print media would be the main source of communication, as it allows more involvement and comprehension to enable information to be transferred. For initial exposure, and introduction of the unique selling proposition, specialist interest magazines read by the urban Sophisticate target groups within the 25 – 35 age group will be chosen as vehicles. The vehicle used is outlined in the table opposite.

Vehicle	Type	Target group	Country and region
GQ magazine	Quarterly	Men age 24-40 yrs (Urban sophisticate)	European market
Esquire	Monthly	Men age 27-40 yrs (Lifestyle orientated)	World market force
Elle	Monthly	Women 25-45 yrs (fashionable type)	World Market
Conde Nast Traveller	Monthly	Both 30-55 yrs (experience travellers)	World Market
Observer Travel Supl.	Weekly	Both 25-65 yrs (culturally aware)	UK
Times Travel Supl.	Weekly	Both 23-65 yrs (politically aware)	UK
Diver Mag.	Quarterly	Both 20-40 yrs (Adventurous Niche)	World
Asian Divers	Quarterly	Both 20-40 yrs (Adventurous Niche)	Asian (Japan, Singapore, HK)
Metropolis	Monthly	Both 20-35 yrs (Fashion and Lifestyle)	Japan
VMag	Monthly	Both 24-35 yrs (Fashion and Lifestyle)	China
FT	Daily	Both 26-65 yrs (Political and Cultural)	World
Guardian	Daily	Both 20-65 yrs (Cultural Liberals)	UK
National Geographic	Monthly	Both 20-65 yrs (Geo-Savvy family)	World market
New Scientists	Monthly	Both 20-65 yrs Academics	World market



## 7 MARKETING PLAN

For glossy magazine 1 page advert will be developed. The Print will communicate the ethos of the region, by informing ideology behind the Kani sanctuary. This will be transferred visually by associating the symbols and charts used in the development of the resort, denoting spiritual meaning of each place within the space. Introduction print media within these vehicles will have lot of literal information to enable target customer to be highly involved with the advert and be motivated to find out more.

From more specialist magazines like "Diver" and New Paper supplement, press releases will be sent initially to inform them about the USP of the resort and Specialist cultural, and Eco programmes developed by the dive centre and Spa.

After the resort is finished, Journalist from Guardian, Escape supplement and Times Travel Supplement will be invited as guest to find out first hand about the responsible tourism techniques used by the Spa and the dive centre, in enabling Critical Mass for industrial growth within the region for the former and Ecological programmes organised by the latter.

New Letters about the development of the resort will be distributed to the Major Tour Operators specialising in Cultural and Eco Tourism, to trigger interest, in World Travel Marts.

Geo Savvy target group will be the focused initially, who will eventually act as advocates of the resort to the more mainstream segments.

Another essential print media, is brochures, which could hold more elaborate information, with detail descriptions of the facilities, room accommodation and the brand ethos itself. These will be distributed to Specialist Tour Operators within the source markets.

### 7.5.3 DIRECT MARKETING

Internet will be utilised to target independent travellers and enable relationship marketing and develop loyal customer base. For potential customers internet/ website will act as a tool to inform them of the unique selling propositions, the design concept of how each rooms character and narrative is developed. Interest will be developed about the region by informing the consumer of the unique archaeological and historical significance of the region.

For past customers, Internet will provide a way to retain interest about the resort and enable the creation of a meaningful relationship. They will become registered members, and be able to access the intranet and hence current ongoing programmes/ activities and library journals. This would enable them to plan their next visit in-line with the scheduled activities of the resort. The Spa Boutique will be made accessible, enabling customers to purchase spa products and advice, so that they can continue their treatment back home.

Newsletter developed biannually will be sent to past customers so that they receive a tangible product, which would then be seen by friends and family, creating opportunities to acquire new customers, as well as inform and maintain the attention of the past customers.



## 7 MARKETING PLAN

### 7.5.4 PR ACTIVITIES

#### 7.5.4.1 INTERNAL PR

The resort will develop a cultural village in Fonadhoo, where the Staff village will be located (refer to HR report), to help inhabitants to organise cultural events in nearby islands. The income generated from such endeavours will go towards the community development fund set up by the Resort Management.

Creative Art Centre will be developed within the Fonadhoo staff village to revive the indigenous handicraft industry, create new employment, and preserve the regional heritage.

#### 7.5.4.2 EXTERNAL PR

The Resort will invite researchers, specialising in the field of marine biology and alternative medicine, so that major journals are able to publish the outcome of the ongoing programmes by the dive centre and Spa Management. Press releases will be sent to magazines like New Scientist updating them on the projects developed by the Dive Centre.

### 7.5.5 SPONSORSHIP ACTIVITIES

#### 7.5.5.1 INTERNAL SPONSORSHIP

The resort will sponsor Exhibitions in Male' and Islands in Laamu atoll to showcase products made in the Creative Arts Centres around Maldives. The resort will fund youth activities like Raalhugandu Surf festival organised by Maldivian Surf Association to enhance their image within the local community and associate with young and adventurous nature of the show, enabling good faith within the community at large.

World Music festival held in Ireland during the summer period will also be sponsorship opportunities that will be taken into consideration.

#### 7.5.5.2 EXTERNAL SPONSORSHIP

Other Cultural shows and exhibitions within Europe and Asia will also be considered as potential sponsorship opportunities. For example WOMAD, World of Music Arts and Dance, annually held in Sainsbury, England during the summer festive season, would be an ideal sponsoship event, to associate with and enahnce the brand identity of the Resort. Brand awareness will also be enahnced as the event will attract the target market.

Artists' residency at Kani Sanctuary in association with a Prominent Gallery in UK would be a great opportunity for brand awareness and association. Kani Sanctuary could associate itself with a prominent art gallery in the UK. The gallery can announce an artists' residency program, inviting artists to spend a defined period, for instance, three months, in Kani Sanctuary.

At the end of the 3 month period, the artists will be exhibiting work inspired, or produced during their stay in Kani Sanctuary. As part of the requirements from the artist, Kani Sanctuary and the gallery can agree on certain terms which will have to be fulfilled by the artist. These can be: to produce work that explores an aspect of Maldivian culture, to interact with local artists from the region or neighboring islands so as to facilitate an exchange of skills or knowledge. A sponsorship such as this is bound to attract a highly specific stratum of society with serious interest in cultural activities and cultural exchanges.

## 8 MARKETING BUDGET

MARKETING PLAN ELEMENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
INTERNAL AWARENESS CAMPAIGN	9000	5000	5000	5000	5000	5000	5000	5000	5000	5000
EXTERNAL AWARENESS CAMPAIGN	687,000	419,000	419,000	419,000	419,000	419,000	419,000	419,000	419,000	419,000
MARKETING COLLATERAL	194,500	144,500	144,500	144,000	144,000	144,000	144,000	144,000	144,000	144,000
MONITORING AND EVALUATION	15,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	905,500	593,000	593,000	593,000	593,000	593,000	593,000	593,000	593,000	593,000

External awareness campaign refers to all communication activities within the customer source markets.

Internal awareness campaign refers to all communication and public relation activities within the destination region, to promote good relations with local community.

Marketing collateral would be put aside for any unforeseen external and internal circumstances that could occur, i.e. damage control, and recovery.

Monitoring and Evaluation refers to Information procurement, research infrastructure and administrative practices that would need to be carried out in continuous basis.

## 9. MARKETING SCHEDULE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>PRINT MEDIA</b>										
Glossy magazine										
New Paper Articles										
Newsletters										
<b>DIRECT MARKETING</b>										
<b>PR</b>										
Internal										
External										
<b>SPONSORSHIP</b>										
Internal										
External										