

# BUSINESS STUDIES

## Marketing: Kalkite Resort

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### *Executive Summary*

Situated in the heart of the Snowy Mountains, Kalkite resort is furthering its unique and innovative appeal as it moves into the third year of business. Open during both summer and winter, this resort is namely for families. With 1km of Lake Frontage and just a short drive from the Jindabyne Township, the resort boasts not only a visually appealing sight, but also a variety of activities and facilities, such as the ski hire and water sports centre. Stage 1 of development is complete, encompassing 20 rooms, sleeping 100 people and a restaurant seating 50.

Building of stage 2 is set to being in 2011, which will double capacity as well as providing a permanent sports activity centre. Kalkite resort features a number of fantastic package deals with major resort, Thredbo. This caters for not only winter time skiing and snowboarding, but also summer activities such as fishing, mountain biking, bushwalking and more.

When the day is over, and the night rolls in, Kalkite resort believes it's a time to relax! Offering child care services at a low cost comes in handy to allow parents to go and relax in the spa.

On the edge of Lake Jindabyne...



## **Situation Analysis**

### **SWOT Analysis**

#### **Strengths**

The strengths of a business are the advantages the business has that will help it to succeed. They are those things which the business does better than its competitors.

- Increasingly strong financial position
- Amazing views (picture to right)
- Growing reputation
- Competitive prices
- Staff have proven loyalty
- Innovative product
- New building thus new technology
- New and innovative product now available to this market
- Location – Close to the snow, unlike any other area.
- Quality at cheaper prices

#### **Weaknesses**

Weaknesses are problems that the business needs to overcome so it can maximise its full potential. They are those things that the business does not so well as the completion.

- Not substantial yet – only 3<sup>rd</sup> year of business
- Not many staff as of yet
- Smaller product range, only targeting families
- Lack of high expertise in the business as it has only been running for 3 years
- Offers cheaper accommodation rather than deluxe rooms – many families are after then ‘five star resort’

#### **Opportunities**

The opportunities of a business are the characteristics of the marketplace that will have positive flow on effects for the firm if they are exploited.

- Fast growing target market
- Vulnerable competitors
- Innovative team – ability to achieve goals
- Creating a unique market segment for the snowy mountains
- Vacated market due to ineffective competitors
- Possible international market

#### **Threats**

Threats are aspects of the marketplace that are potentially or currently having an adverse effect upon the business. Threats need to be addressed so that the business can maximise its potential.

- Entry of new competitors
- Snow season can be unsuccessful
- Some tough competition i.e. Station Resort
- Fast growing market- entry of new competitors
- Competitors creating innovative product/services
- Taxation being introduced at higher levels

## Competitor Analysis

Competition varies greatly, coming from local, regional and even national and international competitors.

### Local

- Other family centred holidaying resorts such as The Station
- Accommodation closer to Thredbo – Crackenback Resort

### Regional (surrounding areas)

- Alternative holiday areas such as South Coast

### National/International

- Overseas resorts
- Alternative holiday destinations such as Hamilton Island

As well as these direct competitors, there are indirect competitors who effect the total amount of people at Kalkite resort. These are competitors such as Harvey Norman, who offer a \$5000 TV, of which the money could be used for a holiday to Kalkite resort. Time is also a competitor of Kalkite resort, as many families have the issue of work, commitments etc. that holds them back from partaking in the 'Kalkite resort holiday experience'.



## Industry Analysis

The industry which Kalkite resort aims to penetrate is the tourism industry. This in particular, being the snow resort industry. Worldwide, the \$3700 Billion tourism industry is massive. Within this industry lies the snow sports industry, which is currently growing at a large 10% per annum. Due to this large amount of growth, Kalkite Resort is set to increase in size significantly whilst achieving its goals with ease. Growing from \$1.1 billion in 2003 to \$2.6 billion in 2008, the Snow industry is in a period of intense growth, providing a large opportunity for Kalkite Resort to expand, particularly into new areas of development, such as more upper market appeal with its 'luxury villas'.

On top of this, the \$9.9 Billion accommodation industry is growing, currently employing 95 000, mainly casual employees. As the majority of employees are casual, it would be unwise of Kalkite Resort to not take this into account, when employing staff.

## Product Analysis

Kalkite resort offers not only winter fun for the family, but so much more. Apart from selling the ideal 'family experience', Kalkite Resort has a number of appealing features to tempt customers.

### **Ski Hire**

'Kite Snow Sports' Hire centre is conveniently located within the resort, next to reception. Jack Gate is renowned for his professional and friendly service and has been in the business for some 25 odd years. Kite Snow Sports offers:



- A selection of ski clothing & accessories
- Fitting and professional selection to suit the person
- Separate ski hire return section for faster service
- Warm, friendly & competent service
- Over 25 years' experience

### ***Child care***

Offering 9am til 1am service, whether you want an exciting day up the hill or to relax in the spa, your child care services are catered for by our qualified professional.

### ***Spa***

Surrounded by lakeside views and snowy wildlife, The Spa at Kalkite resort is the perfect place to unwind after a long day on the mountain. This custom built feature includes two treatment rooms manned by our own professionals.

\*Spa list attached in appendices.

### ***Restaurant***

Seating a total of 50, this classy restaurant caters for children as well as fine dining for adults. With an extensive menu\*, this restaurant boast elegance.

\*Menu in appendix.

### ***5 Person Room***

Nothing short then perfect for the family, the 5 person rooms accommodate for all. Each room is fitted out with:

- Telephone
- TV
- Hair Dryer
- Tea and coffee facilities
- Airconditioner
- Refridgerator
- In room safe
- Iron and board

Along with five beds, Kalkite Resort can offer fold away beds if an extra will be coming. All rooms come with bedding and towels, to ease the accommodation situation.

### ***Value Packages***

Kalkite resort offers a number of value packages combined with main resort, Thredbo. Not only are these packages a great deal at a lower price, but also accommodate for the whole family.

Packages include:

#### **1. Drop by Kalkite**

From \$269pp for 2 nights

Includes:

- 2 nights' accommodation at Kalkite resort
- 2 day Thredbo Lift pass

## 2. Kids ski for FREE!

From \$1810 per family

Includes:

- 5 Nights' accommodation at Kalkite Resort
- 5 Breakfasts
- 5 x 1/2 day Thredbo Lift Pass
- KIDS STAY AND SKI FREE
- 2 adults and 3 children
- 4 x First timer lessons

## 3. Kalkite Relax Value

From \$688 per family

Includes:

- 3 Nights' accommodation at Kalkite Resort
- 3 Breakfasts
- 4 x 2 day passes
- \$60 voucher to "The Spa" @ Kalkite Resort

## 4. Summer Fun

From \$716 per family

Includes:

- 4 nights' accommodation
- 4 breakfast
- 4 x 1 day lift passes
- 4 x Bobsled vouchers

### ***Water Sports***

As well as winter activities, Kalkite Resort offers a variety of water sports for summertime enjoyment. Among these activities are:

- Canoeing – along the Snowy River
- Water Skiing, wake boarding
- Jet skiing

### ***Summer Activities***

Just as in winter, the Snowy mountains area is filled with activities to do in the summertimes. Bushwalking, Kosciusko treks, horseback adventures and mountain biking are just some of the many activities available to Kalkite Resort guests in summer.

## **Conferences**

Kalkite Resort is the perfect place to hold your work conference. With spectacular surroundings and views, a comfortable and private atmosphere and unique wildlife, Kalkite Resort will make certain that your conference or meeting is the most successful yet.

The resort is able to cater for equipment during your conference. Available to you are the following:

- Data projector (hire fee applies)
- DVD Player (hire fee applies)
- Overhead projector and screen
- Slide projector & screen
- Flip chart
- Easel
- Lectern
- VHS video & monitor
- CD player (hire fee applies)
- Photocopying can be arranged from 7am to 7pm at Reception, a small charge applies.

## **Customer Analysis**

The key target market of Kalkite Resort is a niche market of families with children between 4 and 17 yrs. In summer, the target market also extends to 40-50 year old couples and groups. These particular targets are due to the family orientated deals and resort packages and well as facilities such as the child care service.

The target market of Kalkite Resort involves four undermining factors:

- Demographic- age groups (young family), sex, income (moderate, middle class)
- Geographic- Location (people from north Australia, looking for the snow 'experience')
- Psychographic- lifestyle characteristics (Outdoors type family)
- Behavioural- Motivation behind purchases (Family orientated resort, loyal employees)

Kalkite resort aims to attract families from around the state as well as interstate, (QLD, VIC, SA). The 'snow experience' is unique, and as such an overall larger market can be targeted.

## **Strategies**

### **Strategy One – Package Deals**

#### **Aim:**

- 25% increase in profit from previous year
- An increase in revenue for businesses associated with Kalkite Resort

**Strategy:** Three package deals developed to increase profit by 25%. Each package has 10% added onto the total cost of providing the various elements to the deal, using the 'cost plus' method of calculating prices.

#### **Package deal one- Drop by Kalkite**

Advertised at \$263.45pp for 2 nights

Includes:

- 2 nights' accommodation at Kalkite resort - \$200 (\$100 per/night)
- 2x 2 day Thredbo Lift pass - Adult \$138 per/day =276
- 2 Breakfast = \$30
- Total: \$479
- Plus 10% = Advertised Price \$526.90 (\$263.45 pp)

### **Package deal two – Kids ski for FREE!**

Advertised at \$1437.70 per family

Includes:

- 5 Nights' accommodation at Kalkite Resort = \$500
- 5 Breakfasts = \$75
- 4 x 3 day Thredbo Lift Pass = Adult \$204pp Child \$112pp = \$632
- 4 x First timer lessons = \$100
- Total: \$1307
- Plus 10% = Advertised Price \$1437.70

### **Package deal three – Kalkite Relax Value**

From \$1136 per family

Includes:

- 3 Nights' accommodation at Kalkite Resort = \$300
- 3 Breakfasts = \$45
- 4 x 2 day passes =2 x Adult \$204pp 2 x Child \$110pp = \$628
- \$60 voucher to "The Spa" @ Kalkite Resort = \$60
- Total: \$1033
- Plus 10% = Advertised price \$1136.30

### **Strategy 2 – Discounts for booking via phone and online**

**Aim:** 100% of bookings on the phone and internet

**Strategy:** Kalkite Resort will offer discounts for customers that book their holiday experience via the phone or internet. 6% discount will be offered to these customers.

For example, if a family is to book the '**Kalkite Relax Value**' package, which is offered at \$1136 per family, via the phone/internet, then they would now receive the package at \$1067.84. This strategy will entice more customers to pre-book via Kalkite's website or phone service due to the discount available.

### **Strategy 3 – Radio Advertisements**

**Aim:**

- 100% of clients on a package that includes accommodation, meals, activities
- 25% profit increase



**Strategy:** Kalkite Resort will invest \$5000 towards a radio advertising campaign to sell out strengths of the resort whilst promoting package deals Kalkite Resort has available. By using radio as a form of communication, families in the car as well as busy people on the move, are able to hear Kalkite's advertisements. By using this form of media, not only does the resort save on expenditure as radio is not excessively expensive, but a further audience is reached in interstate locations such as Queensland holiday goers.

#### **Strategy 4 – Joint Promotions – Thredbo**

**Aim:**

- An increase in revenue for businesses associated with Kalkite Resort
- 10% increase in profit for Kalkite Resort
- 100% of clients on a package that includes accommodation, meals, activities

**Strategy:** Kalkite Resort will create a joint promotion with Thredbo, endorsing their 'package deals' (see above 'Product Analysis') which involve Thredbo slope tickets, as well as accommodation and meals at Kalkite Resort all include for one outright cost.

This strategy is proven in various other businesses, and produces great results for a small cost. Thredbo places 50% of its advertising budget into radio and a further 15% into print. For this reason, these two media choices will be used to convey advertising.

\*A copy of a print ad for Thredbo and Kalkite attached in appendices.

#### **Strategy 5- Product quality improvement**

**Aim:**

- Move into the luxury end of the market
- 25% profit increase from the previous year

**Strategy:** Kalkite resort aims to penetrate the more luxury end of the market segment. This will be done in a number of ways; firstly, building of stage 2 will begin next year, including the building of luxury villas, which will include room service and 4.5 star accommodation on top of the current features. This new stage of development targets the more luxury end of clients. As these features are built at a higher price, resort prices will increase, with it increasing profit.

'The Spa' has been newly introduced. (Attached in appendices) This feature of Kalkite Resort aims for the upper end of clientele, with more expensive prices and expertise in the area.

#### **Strategy 6: Kalkite- "Come jump in the bag"**

**Aim:** Increase market share by 5%

**Strategy:** By posing this statement to families Kalkite Resort aims to attract new guests who have not yet made up their mind on whether or not to make a trip to the snow. This strategy is trying to give guests a reason to come to Kalkite Resort and not to other competitors such as 'The Station'. This campaign will run over radio and communicate that the resort has so much going on and it is such an exciting place and as such, there is no other option for the 'family holiday experience'.



## Strategy 7 – Competitive Advantage

### Aim:

- 25% profit increase
- Minimise competition
- Increase market share

**Strategy:** Competitive advantage involves Kalkite Resort overtaking its main competitor 'The Station' in market share. Kalkite resort will make prices slightly less than that of the station as well as including extra days in packages.

I.e. Kalkite's current room rate is \$100 per night. As the Station is also \$100 per night, Kalkite Resort will further reduce their room rate to \$99, so as to look cheaper than the Station thus attracting more customers when options are weighed.

## Strategy 8 – Rewarding Customer Loyalty

### Aim:

- Increase customer loyalty by 10%
- Achieve customer satisfaction

**Strategy:** It is important that Kalkite Resort clients return year after year. For this reason, a customer loyalty program will be introduced, where, if the customer returns each year, a percentage is taken off the price charged.

<b>First Year</b>	<b>Full Price</b>
<b>Second Year</b>	2% Discount
<b>Third Year</b>	4% Discount
<b>Fourth Year</b>	6% Discount
<b>Fifth + Years</b>	10% Discount

By introducing this customer loyalty program, Kalkite Resort will attract and re-attract potential customers, especially those families who make it an 'annual experience' to come to the snow.

### **Control Strategies**

Each strategy must be tested to see if it was successful or not. A number of strategies can be tested in the same ways.

#### **Control Strategy 1 – Customer survey**

A customer survey is generated by Kalkite Resort to gain knowledge of customers. Questions include customer input on prices, accessibility, website communication and advertising. By surveying customers, the resort is able to find out vital statistics about consumers and their view of the product/service offered.

A survey is used as a control for strategies:

- Strategy 1 – package deals
- Strategy 2 – Discounts for booking via phone and online
- Strategy 3 – Radio Advertisements
- Strategy 4 – Joint Promotions – Thredbo
- Strategy 5 – Product quality improvement
- Strategy 6 – Kalkite- “Come jump in the bag”
- Strategy 7 – Competitive Advantage
- Strategy 8 – Rewarding Customer Loyalty

### **Control Strategy 2 - Profit and Loss Statement**

A profit and loss statement is generated by this business at the end of each financial year. Within these figures, growth and decline can be seen, presenting the merit of each strategy.

Profit and loss statements are used as a control for strategies:

- Strategy 1 – package deals
- Strategy 4 – Joint Promotions – Thredbo
- Strategy 5 – Product quality improvement

### **Control Strategy 3 – Vehicle Count**

Within the snowy area a number of vehicles pass by. The number of vehicles coming up Kalkite road each day of winter are counted to measure the market share. The number of coaches/buses are also counted.

Vehicle count is used as a control for strategies:

- Strategy 4 – Joint Promotions – Thredbo
- Strategy 6 – Kalkite- “Come jump in the bag”
- Strategy 7 – Competitive Advantage

### **Control Strategy 4 – Online website hits**

As Kalkite aims to have 100% booking via phone and internet, the website is a vital stat. Website hits are measure as the amount of ‘clicks’ that are gained on the Kalkite website.

Website hits are used as a control for strategies:

- Strategy 2 – Discounts for booking via phone and online
- Strategy 3 – Radio Advertisements
- Strategy 6- Kalkite- “Come jump in the bag”

Appendices

Appendix 1 – Menu

**The Place**  
@ Kalkite



**Appetizers**

Legends' Hot Wings with celery & bleu cheese ..	\$7.45	Onion Rings .....	\$6.95
Mozzarella Sticks with marinara sauce .....	\$6.95	Cheezy French Fries with bacon bits .....	\$5.95
Breaded Mushrooms with cheese sauce .....	\$6.95		

**Salads & Soups**

**Taco Salad** Our large flour tortilla bowl with your choice of seasoned ground beef, shredded beef or shredded chicken, lettuce, onion, tomatoes, ripe olives, shredded cheese and sour cream with a side of homemade salsa, \$8.95

**Caesar Salad** with romaine lettuce, shredded parmesan cheese, crispy croutons and our tangy Caesar dressing! Served with garlic toast or warmed tortillas.  
Plain... \$7.45    Steak or Fajita Beef... \$8.95    Grilled or Fajita Chicken... \$8.95

**Dinner Salad** with your choice of French, Bleu Cheese or Ranch dressings .....\$3.25

**Soup of the Day**.....Cup \$2.95    Bowl.....\$3.95

**Wraps**

Your favorite fillings all wrapped up in a flour tortilla and served with French fries or fresh fruit (in season)

Chicken Caesar.....	\$7.95	Chicken or Steak Fajita.....	\$7.95
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**Sandwiches**

Hamburger 1/3 lb.....	\$4.99	Cheeseburger 1/3 lb.....	\$5.29
Bacon Cheeseburger 1/3 lb.....	\$5.99	California Burger 1/3 lb.....	\$5.49
Mushroom & Swiss Burger 1/3 lb.....	\$5.79	Patty Melt.....	\$5.79
Grilled Chicken Fillet.....	\$6.79	B.L.T.....	\$5.19
Fish Sandwich (it's a whale!).....	\$6.49	Grilled Ham & Cheese.....	\$4.89

Add fries, cole slaw & a pickle spear for \$1.49 or Onion Rings for \$2.39

**Dinner**

Served from 4:00 pm until closing All dinners include choice of potato and soup or garden salad.

**Prime Rib**

(Served Friday & Saturday nights)

Slow Roasted Prime Rib of Beef 12 oz. ..	\$15.99	8 oz. ....	\$12.99
8 oz. U.S.D.A. Choice Sirloin Steak ...	\$10.99	12 oz. U.S.D.A. Choice Sirloin Steak ...	\$12.99
Hamburger Steak .....	\$8.49	Liver & Onions, .....	\$6.99
A seasoned steak with our golden fried onions		Liver & Onions X 2 .....	\$8.29
1/2 Northern Fried Chicken .....	\$10.99	2 Piece Northern Fried Chicken .....	\$8.99
(Add \$1.00 for all white meat)		(Add .50¢ for all white meat)	

**House Specialty**

BBQ Pork Lota Back Ribs. .... \$14.99

**Seafood**

Jumbo Shrimp .....	\$15.99	Walleye .....	\$17.99
(8 tender, deep-fried ocean shrimp)		(10 oz. - have yours broiled or deep-fried	
Chaps Fish Fry (Have yours breaded or broiled!)		.....	\$9.99

**Beverages**

Pop .....	\$1.50	Coffee or Tea .....	\$1.39
Hot Chocolate .....	\$1.50	Chocolate Milk .....	\$2.25
Juices sm. . \$1.50 med. . \$2.00 lg. ....	\$2.50	Milk sm. . \$1.50 med. . \$1.85 lg. ....	\$2.15
Ice Tea or Lemonade .....	\$1.50		

## Appendix 2 – Spa Menu

### *The Spa @ Kalkite*

<b>Skin Care</b>		<b>Body Waxing</b>	
Spa Facial & Custom Peel	\$75	Brow Wax & Shape	\$15
Back Facial	\$80	Upper Lip & Chin	\$10
<b>Add On Treatments</b>		Full Face	\$35
Paraffin Hand Dip with mittens	\$5	Underarm	\$15
Paraffin Foot Dip with boots	\$5	Bikini	\$25+
Ear Candling	\$55	Arms & Hands	\$30
		Half Legs	\$30+
		Full Legs	\$50
		Back	\$30+
<b>The Skin Care Make-up</b>		<b>Massage Therapy</b>	
Make-up	\$25	Full Hour	\$65
Bride	\$45	Half Hour	\$40
<b>Lash Enhancing</b>		<b>Reiki</b>	
Lash Tabs	\$25+	Spa Reiki	\$60
Eyebrow & Lash Tinting	\$15 each	IET	\$55
		Foot Detox	\$30
		Reiki & Foot Detox	\$85

## Appendix 3 – Print Ad



**Just another deal flying out from Kalkite Resort and Thredbo!**

### **Kids ski for FREE!**

From \$1437.70 per family

Includes:

- 5 Nights' accommodation at Kalkite Resort
- 5 Breakfasts
- 5 x 1/2 day Thredbo Lift Pass
- KIDS STAY AND SKI FREE
- 2 adults and 3 children
- 4 x First timer lessons

**Kalkite Resort – Heart of the Snowies**

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