

Entrepreneur

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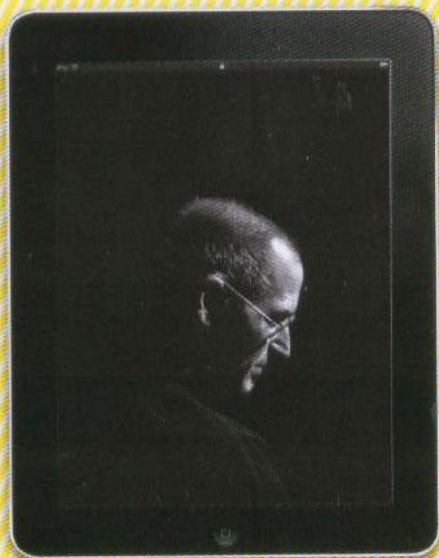
HOW TO

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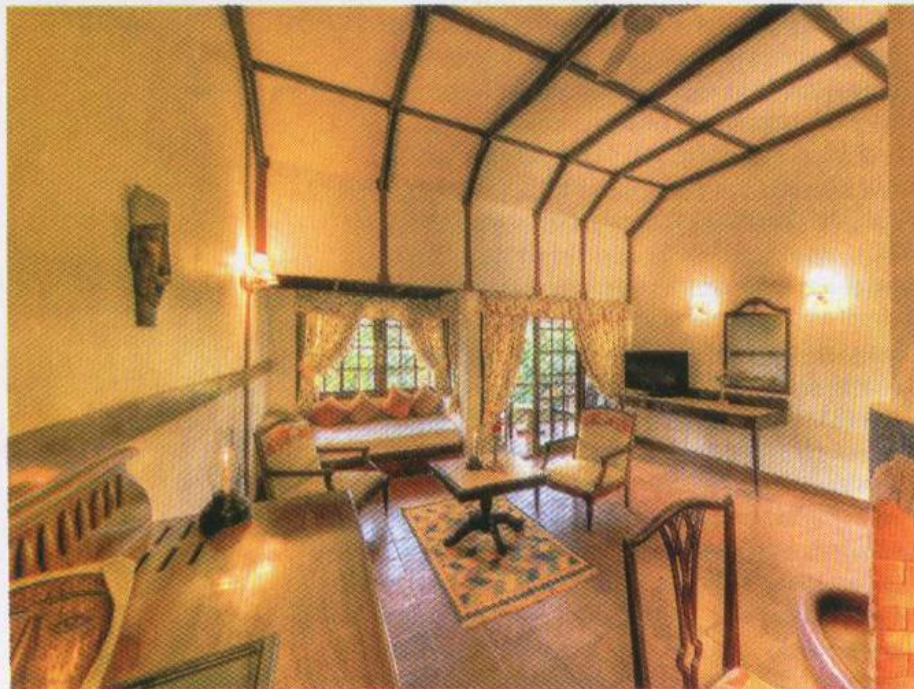
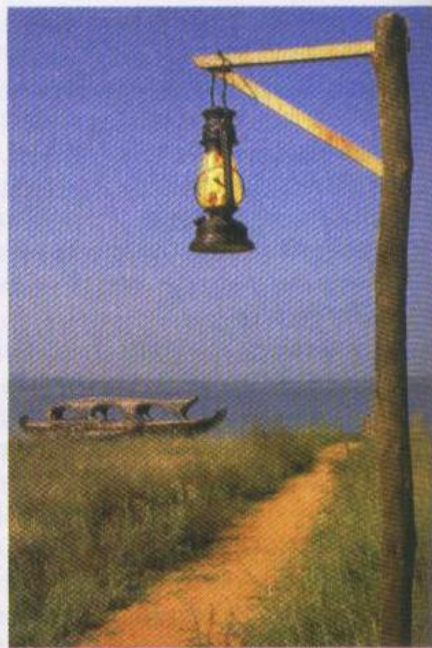
STEVE JOBS
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WHAT ENTREPRENEURS CAN LEARN FROM JOBS

Tourism with a **Conscience**

Orange County betted on luxury resorts in exotic locations with responsible tourism as the key strategy and has got it right so far.

By Shonali Advani



Orange County Resorts, run by seven brothers belonging to a family of planters from Kerala that acquired property in Karnataka 100 years back, has evolved into a recognized brand of luxury resorts on the back of two properties alone and won a dozen awards for tourism and hospitality. The success formula took a sustainable model for the future—luxury with responsibility.

Orange County set up its first and till today the only resort in Coorg in 1994. Inspired by Kerala's growing popularity in the tourism sphere, the Ramapuram family began looking at its heritage property inside a private 300-acre coffee and spice plantation differently. "We have a fantastic property and the location cannot be duplicated," says Jose Ramapuram, Director Marketing, Orange County.

Flanked by River Cauvery on one side and reserve forests on remaining three, even climatic conditions and a culturally unique set of locals, Kodavas; Coorg had big potential. Besides, it was virtually untapped from a tourism point of view. All in all the idea seemed favorable.

The family's deep connect with land and the people, plus its intrinsic value of stewardship gave it a clear vision since inception. "We realized what tourism without a conscience can do to natural surroundings and culture of a place," explains Ramapuram. For ecological sensitivity they decided to take a route with minimal impact, which meant a high margin, low volume business model for financial viability, giving it the luxury element. This translated to 69

rooms in Coorg across 25 acres. Responsible tourism as a definite concept, Orange County came into existence only six years back when it was explained to Ramapuram by someone at a fair in Berlin. "I realized that we were already practicing many such initiatives including involving the local community," he affirms.

The hospitality firm worked with the Indian chapter of

an organization called International Centre for Responsible Tourism and became one of the first firms to have a policy in this regard online. "It was naturally aligned to our brand identity for resort-Luxury holidays while preserving purity and culture of land," says Ramapuram. It opened its second

resort in Kabini in 2007, capped at 37 rooms. Today both properties engage in responsible practices under environment, culture and society, and economy.

Identifying bottled water as one of its biggest waste generating sources, the firm has completely done away with the same. Each room has been installed with a RO system with a special spout for drinking water. "We save 1.5 lakh bottles a year between resorts," he says. Its properties have state-of-art waste management systems, including bio-gas plants, vermiculture and sewage treatment systems. Water that comes out is used for gardening and sludge is used as manure. In addition, it's funded a piggery managed by a villager. All kitchen waste is sent there. "As of now we are able to recycle 70 percent waste generated at both resorts," points Ramapuram. Rooms are fitted with dual flush system, another smart strategy on the saving side.

The concept of responsible tourism has a 360 degree positive impact, according to founders. "We benefit first as it's not a drain on resources and subsequently has a positive impact on locals and customers," he explains.

Orange County went a few steps further on the ecological side when it bought two wind power generators, costing Rs.4.92 crore each, installed at

wind farms in Chitradurga and Tenkasi. Power produced is fed into the grid which in turn is supplied directly to its resorts. "Wind power produced, comes on credit side and what we consume comes on debit side," he explains. "Technically we're running on clean green energy and producing more than we consume."

The resorts are designed such that only bedrooms are air-conditioned while living rooms have an open to sky



RESPONSIBLE TOURISM PRACTICES

Salaries of staff: Rs.45,00-
Rs.80,000 a month

Adoption of local school and up-gradation of its infrastructure to nurture the next generation

Constant positive involvement with the local community to build trust over a period of time

Use of treated water for horticulture [recycled water used for gardening]

Empowering school children through special classes in English, computers by hired teachers



courtyard. "We've installed Daikin air-conditioners costing 40 percent more but these consume 25 percent less energy," he says.

While these measures may be heavy investments, the founders are sure these are huge cost savings in the long term. "If we didn't have resorts, government would pay us only Rs.3 a unit, but now we're getting a benefit of Rs.6 and aren't charged for electricity," he says. The firm only pays a small distribution cost to power companies and has completely done away with monthly electricity bills. "Plus, the government gives us a 80 percent depreciation on windmills, so we pay less tax too," he notes.

Orange County's belief in this regard is rather straightforward—Love thy Neighbor. "In India you can't do business without good neighbor relations," he quips. Taking shortcuts or simply looking at short term costs would mean polluting the environment and thereby posing a threat to local community and subsequently their health. In fact all local flora and fauna at its resorts are indigenous and nothing's brought from outside, which has attracted natural wildlife and birds to the resort.

Alongside, it's adopted both local schools, set up libraries, installed computers and is investing in teaching children English, apart from setting up a village committee to discuss and improve conditions in villages.

Hiring locals at both its resorts was a natural extension of their strategies and has also saved the firm crore of rupees to build accommodation if brought from neighboring towns. While its property in Coorg employs 250 employees, 65 percent are locals. Similarly in Kabini 45 percent of 180 employees are locals. Preserving local culture, too, meant hiring locals. Cultural programs at

FACTS AND FIGURES

Launch year:

1981

Annual occupancy rates:

70-75 percent

Average room rates:

Rs.16,000-Rs.30,000 a night

Expected revenues 2011-'12:

Rs.60 crore

Revenues 2010-'11:

Rs.48 crore

resorts are undertaken by native communities. "We pay Rs.150 per person, per night for an hour's performance," he says. Locals are employed 15 days a month.

Many employees have reaped benefits progressing to assistant manager levels, and founders encourage school drop outs to seek qualification for promotions. Nevertheless, integrating the community came with its set of challenges, including linguistic barriers, inadequate education, lack of professionalism and initial pessimism towards a luxury project in a relatively economic backward area.

Orange County's brand value has accelerated over last five-seven years and apart from responsible tourism, it's positioned itself as an experiential brand. "Our customers are independent travellers sought through travel agents and trade, on the back of a direct sales team," he says. "We have a network of 900 travel agents of which 10 percent produce 80 percent of business," points Ramapuram. Though back in 1994, business was generated solely through word of mouth. In addition, it uses company website and other online marketing initiatives such as its fortnightly newsletter, lifescapes, sent to customers which in fact won the 'World's Leading Online Marketing Tourism Campaign' in 2010, and dedicated blogs updated weekly by an in-house naturalist who writes on wildlife experiences. "We participate in six major international trade fairs, too," he adds.

It's success strategies don't stop at two resorts and Orange County is looking to open luxury resorts in Hampi, Karwar and Kerala by 2015 apart from toying with international destinations. "We build only in enchanting locations and will never look at developing a resort in the middle of a busy town," he signs off. ■