

## case study

# Marketing A New Boutique Resorts: Juveniles versus rejuvenation

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## Introduction

In the quest to provide a unique experience and garner guests' loyalties, many individually owned hotels and resorts are making decisions to set themselves apart. This case study is about entrepreneurs, Sam and Lisa Bracken, in Wagoner, Oklahoma. The Canebrake is a pet-friendly boutique resort set on land that has been a summer getaway for the past two decades for the Bracken family. Sam and Lisa, above all, are concerned with providing an environmentally conscious option for resort travel. Therefore, the body of the resort has been converted from horse stables, insulated with recycled denim, painted and stained with eco-friendly products, and outfitted completed with low impact appliances. The cottages that constitute the resort lodging are spaced around naturally growing trees and have been equipped in much the same way as the main building. The high end accommodations provide a lush experience for even the most refined travelers. To the side of the main entrance, a helicopter pad waits for guests' use, and a tree-lined, winding road leads to picturesque parking. Just to the side of the main building, the Yoga Barn is fully equipped and ready for use by guests and locals. The northern windows look out over an expanse of untouched land, and the morning sunrise is a favorite time to practice. The heated floors in the Yoga Barn ensure that users can comfortably focus on their art. Just as canebrake, a species of bamboo, acts as a rejuvenating filtration-system for naturally flowing water, Sam and Lisa want The Canebrake to relax and revitalize guests from the stressors of everyday life. The challenge that Sam and Lisa face is in finding a way to market the boutique resort as an adult getaway for a splendid transformative experience without coming across as anti-child.

In addition to guest accommodations and activities, The Canebrake offers meeting and conference space for a variety of business and personal uses. The area is fully technologically equipped, and the staff even offers breaks to teach workplace yoga –a method to improve common aches and pains encountered in a sedentary setting. This focus on personal health as a means of improving business productivity has proven popular with many companies that use the retreat facilities (see figure 2).

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**Figure 1**

**Shows the structure and one of the rooms of The Canebrake boutique resort**



Sam and Lisa are very familiar with the idea of a dual income, no kids (DINK) family, so they began conducting research to determine whether the DINK demographic was one which they could reasonably expect to capture. The Brackens were pleasantly surprised with how the data lined up. They found:

The number of child-free women in the United States has risen to 42% in recent years. Among those who are choosing to have children, childbirth has taken place an average of 3.6 years later than in 1970 (CDC 2009). In some states, the average age for first time mothers has risen to 27.7 years! There is even an international social club for nonparents called No Kidding! Which includes a local chapter in Tulsa, Oklahoma.

The child-free travel trend has started to gain ground in recent years, with more airlines and restaurants offering premium seating in zones guaranteed to be adult-only. These offerings are on trend right now, as the U.S. Travel Association has noted a 5% decrease between 2008 and 2012 in the number of adults traveling with children under

**Figure 2**

**Shows the meeting and conference space and the activity center of The Canebrake boutique resort**



age 18. That leaves the number of travelers with young children at 26%, or roughly 1 in 4 potential guests.

## **Background Information**

### ***General Industry and City's Information***

Resorts around the world offer opportunities for relaxation and leisure activities to travelers. Of an estimated five million hotel rooms available in the United States, about half a million (or 10%) fall into the resort category (Anhar, 2001). The resort industry in the United States has suffered a recession in the past six years; but, as of 2012, those numbers have started to increase, with the biggest improvements seen in established resort locations (Ricca, 2013). Revenue generated by resort spas has increased 5% since 2012, and food and beverage revenue has increased by 2.3% (Ricca, 2013). As a caveat to restaurant and spa growth, operational expenses have also increased slightly, leaving the revenue up, but net profits slightly down (Ricca, 2013). Boutique hotels and resorts are a relatively recent trend, with the first opening in 1981 (Anhar, 2001). A boutique hotel or resort is differentiated by its size (generally fewer than 150 rooms), unique style, and intimacy of service (Anhar, 2001). The resort provides a wealth of opportunities for both guests and locals to engage with the fantastic staff. Beautiful, open seating at the kitchen serves as both an area to converse with the chef and

an area for tastings, cooking lessons, and other attractive activities.

The Canebrake is situated in a rural, somewhat secluded location outside of the City of Wagoner in Northeastern Oklahoma. While the population of Wagoner in 2013 was only 8,622, the small town has shown a significant population growth of +11.1% since 2000, a trend that is likely to continue as one of the major United States highways, Highway 69, runs north-south through the center of town and serves as a connection to other major interstates (City-Data, 2015). The combination of a peaceful, rural location with the convenience of a major connecting highway provides an exceptional experience for the guests of The Canebrake.

### ***Company Background Information***

Sam was a chef who had previously owned a restaurant and Lisa became involved in yoga due to a back injury. As part of Lisa's recovery, she became immersed in the lifestyle that accompanies serious yoga practice. Lisa's interest and training in yoga led to opening the Yoga Barn with a restaurant (The Canebrake) in Wagoner, Oklahoma. The first part of The Canebrake that was constructed was a Yoga Barn to serve local yoga practitioners. As popularity for the Yoga Barn grew, Sam decided to pursue a full business in this area and added a restaurant, a spa, and other amenities, and were considering their option of expanding to lodging. Sam and Lisa were fully committed to providing an eco-friendly resort offering the best in sustainable, local, organic, and fair trade options. Additionally, Sam and Lisa worked to make the resort an important part of the local economy by hosting frequent events in partnership with nonprofit organizations, offering open classes at the Yoga Barn, and doing special dinners and cooking classes. In terms of competition, Sam and Lisa considered their venue competition as close to zero as possible. They catered to a clientele who were looking for a relaxing, country experience. Their closest competitors in Muskogee, Oklahoma and Tulsa, Oklahoma offered only one out of the three aspects of The Canebrake: lodging, spa services, or fine dining.

### ***Specific Areas of Interest***

The Brackens are a middle-aged, childless couple who value the atmosphere created by serene, calming environments. After living through the daily struggles of working high-stress jobs, they can appreciate the opportunity to unwind and reset. According to research that Sam and Lisa conducted, the cost of managing children in this facility would be a significant financial expenditure. With the impending expansion into lodging, the cost would be more than their budget could currently bear. However, Sam and Lisa do not want to risk their image, and thereby their potential bottom line, by making a decision that could lead to the perception they are not a family-friendly organization.

Sam and Lisa are undertaking a large business venture at a time when the market is just starting to recover. They cannot afford to alienate potential customers; however, they must be realistic about the

**Figure 3**

## The Canebrake dining area and open kitchen



demographic they wish to serve. Their target of catering to guests who need a break from everyday stressors lends itself to a different demographic than that of a resort that serves as a budget friendly option in a tourist town.

As a pet-friendly resort, Sam and Lisa have set up an outdoor obstacle course, gotten special permission from the health inspector to allow pets in certain areas of the main building and the courtyard of the restaurant, and provided an additional menu designed to meet the dietary needs of dogs so that pets can eat at the restaurant along with their owners. There could be a potential for additional issues concerning the pet policy to arise if the resort were to allow children.

### *Decision Options*

Sam and Lisa Bracken have successfully built up a clientele with the Yoga Barn and a relationship with the community, so they are ready to expand into a full boutique resort offering food, lodging, spa treatments, conference rooms, a walking trail, and a full pet obstacle course. Before The Canebrake starts accepting overnight guests, Sam and Lisa must make a decision about their marketing plan, and these are the options they are considering:

1. *Marketing the resort as an "adult retreat" that does not provide any childcare or children's activities.*
2. *Marketing the resort as a completely child-free property.*
3. *Marketing the resort as an adult getaway that allow children over age 16 to stay overnight and maintain programs during the day that all ages are welcome to attend.*
1. Marketing the resort as an "adult retreat" that does not provide any childcare or children's activities: marketing and promoting the resort in this manner would possibly curtail the number of parents that will want to bring children to the resort. Allowing children overnight is something that Sam and Lisa could con-

sider, but it grates against the very purpose of The Canebrake, and they fear it would negatively impact their ability to provide their guests with the adult getaway relaxing experience they deserve.

2. Marketing the resort as a completely child-free property: Marketing and promoting the resort in this manner would allow Sam and Lisa to give a blanket response on the subject. The strength of this option is that Sam and Lisa consider it the best environment in which to provide a relaxing adult getaway. In addition, opening the resort to children would change the demographic that they have planned to serve, and would require the reevaluation of the pet policy to ensure safety for all parties.
3. Marketing the resort as an adult getaway that allow children over age 16 to stay overnight and maintain programs during the day that all ages are welcome to attend: The final option would provide events that would be open to children of all ages during the day, but restrict overnight stays to those over the age of 16. Sam and Lisa have already worked to establish themselves as important members of the community by hosting a variety of nonprofit and themed events, about half of which are open to people of all ages. In addition to these, Lisa could develop "Children's Yoga" and "Mommy and Me" classes for the Yoga Barn.

## Theoretical Concepts

### *Goal Setting Theory*

According to Locke and Latham (2002), "a goal is the purpose of an action within a specific time period." In this situation, the goal of Sam and Lisa Bracken is to expand their existing business in rural Wagoner, OK. However, they do not want to be perceived as anti-child, thereby damaging their reputation and image. Locke and Latham (2002) indicated that goals have the ability to affect action through four mechanisms:

- Goals direct attention and effort toward activities relevant for achievement, rather than irrelevant activities.
- Goals have the ability to energize those who set them or seek to attain them.
- Goals affect persistence, and more difficult goals in particular are likely to prolong efforts.
- Goals indirectly affect action by leading to the discovery and use of relevant knowledge and strategies to complete the task at hand.

In order for Sam and Lisa Bracken to successfully facilitate commitment to their goal(s), they must make decisions that will positively affect the image of their business. The decisions should be good enough to prevent any form of negative perceptions that could hinder

the success of their business. Their stakeholders (both internal and external) that are integral in achieving the goal of their business must also believe that their goal can be achieved (Locke & Latham, 2002). With these theoretical concepts in mind, Sam and Lisa Bracken wanted to make the best decision possible to enhance the purpose of their business without damaging their reputation and image. In addition to the goal setting ideas, Sam and Lisa Bracken are both aware that in order to tackle this problem while maintaining the integrity of their purpose in opening The Canebrake, they will need a public relations plan that supports their venture and establishes their company as one of good character, regardless of the child policy employed.

### **Preparing a Public Relations Program**

Michaelson, Wright, and Stacks (2012) provide a model of the Communications Lifecycle to prepare and disseminate information that is broken down into five phases. This model could serve the Brackens well as they begin to promote their business.

### **Stages of the Communications Lifecycle**

1. Build Awareness
2. Advance Knowledge
3. Sustain Relevance
4. Initiate Action
5. Create Advocacy

1. *Build Awareness: Thanks to the Yoga Barn, the first stage of the Brackens' public relations program was already underway. Some local residents who practiced yoga with Lisa were already aware of the resort's location and offerings. To move beyond this core group without breaking the bank, Sam and Lisa are going to begin by building an informative website, developing a presence on social media platforms, sponsoring events, and volunteering their location and services to be used during fundraisers for local nonprofit organizations.*
2. *Advance Knowledge: With an initial strategy in place, Sam and Lisa will move toward deepening public knowledge about The Canebrake, its available services, and what the company stands for. Lisa is committed to publishing a twice-weekly blog as part of their website describing upcoming events, resort amenities, and specifics of their foundational philosophy (i.e. the importance of fair trade in the resort's purchasing decisions). Sam is researching regional and national conferences in which they might participate and learn about becoming a vendor at expositions and conventions.*
3. *Sustain Relevance: Sam and Lisa are working with several guest chefs, musicians, and nonprofit organizations to build a year-long agenda of frequent activities. One of the offerings will be cooking classes with the resident chef. For each holiday, Lisa has contacted a different nonprofit organization to schedule a fundraiser. For example, she is currently planning a doggie Easter egg hunt that*

*will take place on the grounds and support the local humane society. To promote their conference rooms, Sam and Lisa are sending informational packets to companies within driving distance. The packets detail the conference room offerings, the ropes course that is available for team building activities, and details about "office yoga" breaks led by Lisa or the spa manager for an added touch.*

4. *Initiate Action: After drawing guests with frequent activities and business offerings, Sam and Lisa will expand the involvement of their customer base by offering special packages and discounts on lodging for those who have joined them at other events. There are a total of 16 suites available at The Canebrake, so achieving maximum occupancy should happen quickly and create a "supply and demand" situation in which guests know to book early to secure their space.*
5. *Create Advocacy: After the first of the year, past guests will have the opportunity to travel with a friend to The Canebrake to combat the winter blues. All past guests who bring a friend will receive the price of their lodging at 50% off and a free, locally bottled wine.*

Sam and Lisa Bracken know that they are about to embark on the long journey to establishing the reputation of their resort. Will they be able to achieve the perfect balance of atmosphere and guest satisfaction? Will they have to compromise their purpose in order to fill their rooms? Sam and Lisa know that it is incredibly important that they make the correct decision and back it up from the beginning, because inconsistency could damage their resort's chances of success.

### **Decision Making**

The decision of whether to integrate children into the plan for having a relaxing resort is one that could potentially make or break this business venture. If children are included, there is a very real chance that the atmosphere will become one of rowdy celebration instead of smooth getaway relaxation for adults. On the other hand, potential guests may be forced to find lodging elsewhere if they are unable or unwilling to leave their children behind.

### **Discussion Questions**

- What marketing plan would be most appropriate for Sam and Lisa Bracken's boutique resort? Why?
- What are the potential consequences of this decision? How would their business change based on this decision?
- Is the lifecycle communication model an appropriate tool to meet Lisa and Sam's needs? If not, what might they do differently?
- Are there any factors that the Brackens have not considered? What issues may arise as plans move forward, and how might they be resolved?