



Club Med®

THE MARKET

In a holiday market dominated by cut-throat price promotions and fierce competition it is increasingly difficult to please the consumer.

Once, not long ago, the world was big and full of unknown corners. Today, thanks largely to media exposure, the world has shrunk and its most intimate, exotic and exclusive spots have become familiar to all of us.



Consumers, gearing up for the next millennium, insist upon value for money, new experiences, beautiful surroundings, good food. In short, they demand a quality escape from everyday life. At the same time, social and demographic changes play an increasingly important role in the type of holiday consumers choose and the level of service they demand. For example, the number of single parents and lone travellers is growing, as is the number of affluent mature travellers. There is also a growing trend towards late booking. Only those companies able to adapt their marketing, products and destinations will survive and flourish in this environment.

ACHIEVEMENTS

Club Med is the only truly global organisation of its kind. It is dedicated to giving people a chance to escape the pressures of everyday life by taking them to carefully maintained Utopian com-

munities, in which people and interaction are the most important elements. Club Med's unique philosophy makes it much more than just another tour operator or hotel organisation. It gives its members - and its customers are all 'members' - a chance to recharge their batteries and to start living again. Club Med is the original, the largest and most comprehensive of the world's all-inclusive holiday organisations.

In 1997 Club Med ranked as the world's 13th largest hotel chain, and employed over 25,000 people worldwide. Of these, 9000 from different nationalities work as GOs - hosts - in the Club Med village resorts. In 1997, Club Med organised holidays for more than 1.6 million people of whom more than 250,000 were children. Club Med is the world's largest and most cosmopolitan club in the world. As long ago as 1994, Club Med welcomed its 20 millionth member.

HISTORY

The Club Med concept was born in 1950 when Belgian diamond cutter, water polo champion and ex-resistance fighter Gerard Blitz advertised the first all-inclusive holidays. The response was overwhelming and marked the beginning of Club Med Mediterranee. The very first village consisted of a number of army surplus tents, supplied by the Trignano family, in Alcudia, on the Balearic Island of Mallorca. The first of Club Med's famous straw hut villages opened in 1954 on the island of Corfu.

Although Blitz had the idea, it was Gilbert Trignano who had the vision, business sense and drive to develop the company over the following 40 years until his retirement in 1994.

THE PRODUCT

The Club Med product has grown up with its

members. Much loved elements like bar beads and straw huts are still around, but nowadays they exist alongside smartcards, luxury accommodation, cruise ships, and well appointed bungalows. These cater for a clientele varying in age from babes-in-arms to nonagenarians. The average age of a Club Med member is in the 35-40 bracket and around 65% come as part of a family.



A very high proportion of club members, around 70%, return year after year to soak up the sun, meet like-minded people, indulge in golf, tennis or watersports or simply relax on the beach. Many of them come back to take part in the life of the surrounding countryside, using their Club Med village as a base from which to explore. Club Med villages are self sufficient, but not in any way isolated.

Club Med holidays are all-inclusive and one price covers return flights and transfers, sports facilities, fine cuisine, qualified instruction, children's clubs, evening entertainment as well as fully comprehensive travel insurance.

The key to Club Med's success, and its particular strength, is the complete dedication of its famous GOs, or hosts. The commitment of these very special people differentiates Club Med from anything else. Club Med's 9000 GOs form a team of multi-lingual, multi-talented and multi-national hosts and hostesses who are responsible for everything that happens in the village, from food to accommodation, from sports to entertainment, from happiness to health. The GOs participate in all aspects of village life and might be sports instructors by day, table companions at meal times and entertainers in evening shows.

RECENT DEVELOPMENTS

Club Med's corporate development plan is targeting ambitious growth over the next few years.





The 1990s have been difficult for Club Med, especially with high unemployment in France, still one of its major markets. However, with a new management team the group has re-focused on its core business, streamlined its expenditure, invested in quality and pushed through a more aggressive marketing plan.

In 1992 the group opened the first Club Med in Australia, at Lindeman Island in the idyllic Whitsundays off the tropical Queensland coast. With its unspoiled beaches and national park wilderness areas, Lindeman is perhaps the most scenic of all Great Barrier Reef islands. The village itself is set amphitheatre style into the hillside above a gently curving bay, which gives visitors one of the finest views in the world. Every room looks out across the blue-green waters of the Whitsunday Passage.

The resort is especially popular with families and couples, and in 1994 took out the prestigious Australian Hotel/Resort of the Year award.

The group made another investment in Australia when it bought the Byron Bay Beach Club in 1992. Development plans proved controversial with some local residents, but Club Med is working to resolve these difficulties and meanwhile is running and improving the Club, which is set on the magnificent north coast of New South Wales. It boasts a fine beach, a garden set-



ting with rainforest bushwalks, wildlife and a scenic golf course.

Club Med sees Asia as its principal growth area, and that has major implications for the Australian operation. A new village has just opened at Bintan near Singapore, and three more are planned in the region before the year 2000 - a second village in Japan and new villages in China and Vietnam. Club Med has already started an extensive \$800 million renovation program for vari-

ous villages.

Its corporate and conference facilities, available in about 30 villages worldwide, are continually upgraded and most sales offices now have dedicated Corporate Departments. Some 15% of total Club Med sales are now in the corporate area. Extensive growth and development of corporate facilities is planned in the Asia-Pacific region.



In the year 2000, Club Med turns 50 and there are many exciting plans for the club in the new millennium.

PROMOTION

Club Med's strategy of globalisation and segmentation will continue and is reflected in a changing customer split and profile. Worldwide, French customers (GMs as they are known at Club Med) now only account for 30% of the total, as opposed to 45% in 1985. American GMs now make up around 20% while the Asian share stands presently at 16%, and is growing steadily.

The Club Med brochure is translated into ten languages and has a circulation of around three million in Europe alone.

New technologies have been welcomed and the Club Med brochure can now be found on the Internet (<http://www.clubmed.com/>) and is also available on CD-ROM.

Club Med has invested over \$100 million in a new worldwide reservation and information system which, apart from handling the business, allows sales staff to respond immediately to customers' requests.

The major recent worldwide marketing campaign for Club Med addresses the hectic lifestyle of today. Called 'Re-New', it focuses on the values offered by every Club Med around the world to Re-lax; Re-juvenate; Re-play; Re-discover; and Re-new. The campaign is intended to tap into everyone's inner frustrations with day to day life, to show there is a place for some

'down time', a place to re-discover the joy of life, to re-lax, to re-juvenate... to re-new oneself.

BRAND VALUES

Club Med is not something people go to, it is something they are part of, and it becomes part of them too. Club Med - Re-New is about rediscovering emotions and feelings that have fallen by the wayside.

The key images evolve from the stimulating environment of Club Med village life, an environment where people can live life to the full and recharge their batteries without any worries.

THINGS YOU DIDN'T KNOW ABOUT CLUB MED

- Club Med runs a thriving corporate business at many of its villages. Attracted by all-inclusive costs and specialist facilities, many companies bring together their sales or executive teams, or their clients, for Club Med style meetings.
- Club Med Lindeman Island is protected by World Heritage listing and is in the Great Barrier Reef Marine Park. The Aboriginal name for Lindeman Island, Yara-Kimba, means 'snapper-bream fish'.
- Club Med runs the largest watersports club in the world with 1600 windsurfers, 1500 sailing boats, 85 waterski boats, 250 kayaks, 1200 diving tanks and 2000 pairs of flippers.
- Club Med runs the largest Tennis Club in the world with over 800 tennis courts, 8000 racquets, 44,000 balls and around 300 qualified tennis instructors worldwide.
- With 36 village resorts featuring golf facilities in 16 different time zones, Club Med is the largest Golf Club in the world using 9000 golf clubs, 84,000 golf balls and over 150 golf professionals. In 1996, some 76,000 Club Med guests played golf for at least one hour per day during their holiday.
- Club Med guests are served over 25 million meals each year during which some of the following items are consumed: 21 million croissants, 4.1million baguettes, 23 million eggs, 2.7 million kgs of meat, 500 tons of seafood and over 3.5 million litres of wine.
- 1994 saw the opening of Club Med's first ecology reserve and the 'Gilbert Trigano Research Laboratory' in Rio das Padras, Brazil. The nature reserve is some 12km square.
- Club Med Cherating in Malaysia jointly operates a Giant Turtle egg hatchery program increasing each turtle's chances of surviving to become a 900kg adult.