

Executive Summary

As competitiveness in global tourism has grown, so has consumer demand for more memorable experiences. However, the Sri Lankan tourism industry has remained mostly conventional and mass market driven. Parallely, awareness about negative social and environmental impacts of tourism has grown to create a global trend in responsible travellers seeking out sustainable tourism. Thus, there was opportunity to capitalize on this niche market. Concurrently, sustainability supporter Charitha Hettiarachchi, had been looking for ways to contribute to uplifting rural communities in the country.

As founder / CEO of independent start-up venture Saraii Village, Charitha conceptualized a business model that catered to all the above. Over the past five years (2012-2017) she has grown a business in partnership with the Wirawila community based on eco-tourism and experiential tourism. This case study was written to document the successful journey of Saraii Village from origin to present-day operations of the eco-lodge, expanding from two to eleven units with significant growth in no. of visitors, resources and capital assets and its differentiated concept which won multiple recognitions for pioneering an entrepreneurial concept in sustainable tourism and empowering rural communities.

A qualitative primary data collection from site visits for ten in depth interviews and two focus group discussions with company representatives, five short interviews with other stakeholders, accompanied with a review of available literature through secondary data gathering were used to compose this case study.

Five key drivers of the sustained growth of Saraii Village were identified to be the founder's entrepreneurial behaviour, strategy of differentiated experiential product, building and managing relationships, focus on delivering socio and eco-friendly practices and high performance through engaged employees. The moderator for sustained growth was distinguished as the growing positive trend for experiential and eco-tourism.

It was concluded that Saraii Village is an example to other Sri Lankan entrepreneurs in mainly two ways; Firstly, how an entrepreneur can successfully use focused differentiation strategy to deliver customer value while capitalizing on opportunities to carve out a niche for itself in a competitive industry. Secondly, that even small businesses' can fruitfully grow while contributing to make an impact in sustainable development by maintaining a triple bottom line.