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HY8



Bringing it All Together: How All-Inclusive Resorts Changed the Narrative

Hybrid hospitality

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As all inclusive resorts shed their old value only reputation and reemerge as serious players in the upscale leisure space, Ricardo Orozco Arce of The Villa Group shows how the category's revival is powered by "hybrid by design" thinking. He maps the unlikely pairings redefining the model luxury and explains how blending these forces can broaden appeal, deepen loyalty and keep the guest experience feeling effortless and worth it at every step.

There's no question that a "hybrid by design" approach is key to a strong future for the hospitality industry. Need a proof point? Look no further than the resurgence of the all-inclusive category.

Since their inception, all-inclusive resorts have been a favorite of travelers seeking to maximize their vacation dollar; yet for decades, these properties often have been unfairly maligned by those who stubbornly insist that value and luxury are mutually exclusive.

That perception has shifted in recent years, as all-inclusives have adapted (and invested) to refine their offerings and redefine the model. They've achieved this monumental shift largely by embracing the notion that bringing seemingly contradictory elements together can attract new audiences while still delivering for longtime loyalists.

Here are a few of the unlikely "pairings" that have driven, and will continue to drive, that success—and thoughts on how your property can use them, too.

LUXURY + VALUE

Over two decades in the industry, I've seen a gradual evolution in the all-inclusive space: a growing number of travelers are seeking elevated experiences, and they're more than willing to spend on them, as long as they feel the splurge is worth it.

Worth it.

That's the definition of "value" we need to reinforce, because it's focused as much on the experience as on the cost. If you want to reach the magic Luxury + Value combination, you absolutely need to make "worth it" your mantra.

So how do you get there? Offerings and amenities such as high-end dining, unique adventures, and upscale wellness experiences can go a long way—for travelers who aren't familiar with all-inclusives, they can feel almost like bonuses versus traditional luxury properties where everything is a la carte. (Speaking of which, more of those resorts are beginning to add more inclusive offerings as well, which only reinforces the shifting perception.)

Providing variety matters as well—after all, having a wealth of choices is a luxury all its own. I've seen resorts create food halls with multiple dining concepts in one place, making it convenient to try different cuisines and enjoy different experiences. This approach is particularly attractive for families and groups, allowing them to spend time together even as individuals indulge their own tastes and desires.

But remember, what you *don't* do is important, too: For instance, providing a robust menu of activities without charging additional fees means your guests will truly feel that they're getting value. It also means they likely won't bat an eye at a few premium experiences that do carry an upcharge—and they might even spring for one.

INDULGENCE + WELLNESS

Many of today's travelers don't treat vacations as a "free pass" any longer—even if they reward themselves with a lazy afternoon by the pool and an indulgent dinner, the next day might be focused on restoring balance with a workout in the fitness center, a hike on a nearby trail, or a treatment at the spa.

In order to attract these audiences, resorts can and should promote the dual nature of their offerings. "Go ahead, savor that decadent dinner and sumptuous dessert—along with a seasonal hand-crafted cocktail for a nightcap. Your custom "Revel + Replenish" itinerary includes a host of wellbeing opportunities that allow you to live it up while honoring your healthy lifestyle."

It's important to blend these into a narrative. Sure, you've got a fitness center, spa, and wellness programming; most top properties do. But you need to craft stories around those offerings—one example might be a spa experience centered around Mexican traditions, utilizing local ingredients such as agave and showcasing ancient healing methods.

CONVENIENCE + CULTURE

Authentic cultural experiences are driving destination choices for an increasing number of guests—particularly international travelers—but even the ones who likely will remain on-property for the bulk of their stay often want local flair and flavor.

Discovering different cultures is a big reason why people travel, after all—and it's why we must be unafraid when guests wish to explore away from the resort (although naturally, we don't want them to spend too much time away). Build up a roster of trusted vendors such as tour providers, perhaps even creating guides full of local knowledge. Your guests will return, and they'll be appreciative of your willingness to share.

Better yet, entice them to stay on property as much as possible with culturally rewarding experiences of your own. Think evening shows with local performers, or perhaps a weekly in-house artisan marketplace with opportunities to sample homegrown foods and purchase handmade goods. Ensure your guests can easily forge a connection with the greater destination without venturing away from the resort. That builds loyalty as well.

TECHNOLOGY + TOUCH

Resorts must walk a fine line when using technology. Too little, and guests can feel like it's a hassle to make reservations, plan activities, and so on. Too much, however, might make guests feel that you're trying to actively avoid interacting with them.

Modern yet non-intrusive innovations such as mobile keys and special bracelets that allow you to open your room complement the resort experience, versus dominating it. A custom smartphone app is in the same vein—guests will find it useful to have an easy tool where they reserve activities and meals, learn about the property, and get other information. It also can reduce the reliance on your staff.

Another welcome use of technology—assuming that you don't bombard guests—is utilizing data from mobile devices and other sources to deliver more personalized experiences. A guest who books a spa treatment or round of golf might get an email or text the next day with a special offer for a return visit before their stay ends. That data could trigger a phone call from a staffer instead, the perfect marriage of tech and touch. Either way, it's anticipatory. It feels personal. It's almost always appreciated, even if it ultimately doesn't result in a sale.

One word of warning: Whatever technology you use, don't forget about (or skimp on) data security. You don't want your guests' most memorable experience at your resort to be the hack that exposed their personal information.

TRAVEL + RESPONSIBILITY

As we all know, sustainable travel has been a trend for many years now—resorts that *don't* promote things like recycling efforts and responsible water usage are the outliers these days. Energy-efficient and environmentally friendly practices are the expectation, which means they're not really differentiators any longer, but they're still important to travelers.

Also popular, but providing perhaps a greater opportunity to stand out, are community-focused initiatives. I've seen resorts that offer scholarships to the children of their employees, donate to a rotating selection of local causes, and participate in events such as park and beach cleanups. Some even provide paid time off for volunteering.

This is good for the community, certainly, but it's also good for your property. People like to give their business to companies and organizations that treat their people well—and those that are a true part of the community. Employees like working for those companies as well, which makes it easier to attract and retain top talent. In turn, guests benefit from those engaged, invested employees. It's a cycle that benefits everyone.

THE POWER OF 'HYBRID' THINKING

This powerful hybrid approach isn't only about the future, at least for all-inclusive resorts. It's what enabled them to reach the new heights they're enjoying today.

Of course, guests might not ever think about the reasoning behind our choices, the thought that goes into every aspect of what we do. What's important is that they *feel* it at every step, before they arrive, during their stay, even following their departure.

After all, when a master vintner skillfully creates a red blend, most tasters don't pick out the individual components—they simply savor the overall experience. Properties that can deliver a similar feeling for their guests are positioned to thrive for years to come.

