

Resort complexes

Key concepts

The main concepts covered in the chapter are:

- The relationship between resorts and destinations or attractions
- The integrated nature of the resort product
- The distinctive benefits which are sought by resort customers
- The marketing of resorts by other organisations.

Introduction

As we saw earlier in the book, the distinction between destinations and attractions is being blurred in Europe by the growth of resort complexes. These resorts offer both the attractions that motivate people to travel to visit them and the services and facilities they require. However, these resorts tend to be larger in size and area than most traditional attractions while they also differ from normal destinations in that they are in the ownership of just one organisation and are managed as a single entity.

The idea of resorts is not particularly new, with Club Méditerranée or the UK's Butlins complexes both being well over forty years old. Such resort complexes also have a relatively long history in the USA. Many American resorts are based on recreational activities such as golf, skiing or gambling. However, the Disney Organisation also pioneered the idea of theme park-based resorts through its complexes in Florida and California.

Resorts have also become increasingly common in other parts of the world, notably Sun City in Southern Africa and the Pacific Rim.

Nevertheless, Europe has, in recent years, witnessed the growth of resorts. Indeed, they have been one of the fastest growing sectors of leisure. They have been the basis of Club Méditerranée's development as one of the world's largest accommodation chains, for example. At the same time, the Center Parcs brand has expanded from its country of origin, the Netherlands, to France and the UK.

From a marketing point of view, it is important to note that the vast majority of European resorts are privately owned and their main *marketing objective* is the optimisation of profits.

We should also note that while some resorts are owned by independent companies that just own one resort, the vast majority of those found in Europe are part of chains.

The elements of the resort *product* can perhaps best be illustrated through the example of Disneyland Paris in France. This is particularly interesting as it is a resort conceived by an organisation based in the USA but located in Europe.

The main components of the Disneyland® Paris complex are:

- The main theme park, Disneyland® Paris, which is split into five different areas or 'lands', each with a different theme. There are in total thirty-nine major different rides and attractions. This has recently been expanded by the addition of a studios tour.
- An entertainment programme featuring stage shows, outdoor parades and frequent displays.
- The Disneyland® Resort, Paris. Walt Disney Studios which is next to Disneyland® Paris, allowing visitors to go behind the scenes of Cinema Animation and TV.
- Special events at certain times of the year, such as Christmas.
- A selection of on-site accommodation establishments, aimed at different market segments, all of which are themed. They range from the 'Ranch Davy Crocket' which offers log cabins and a caravan and camping site, to the luxury Disneyland® Hotel.
- There are themed catering outlets on both sites, offering sit-down meals, fast-food and take-away meal services.
- On site, there are themed shops for selling exclusive Disney merchandise.
- Leisure facilities, although these are generally located within the individual accommodation units.
- Organised activities such as the 'Character Breakfasts'.
- The brand image and reputation of Disney.
- The high quality of service for which the Disney Organisation is famed.
- Easy accessibility via specially purpose-developed road and rail systems, and coach services from Paris and the local airport.
- Opportunities for trips to the nearby city of Paris.
- Guest services like wheelchair and pushchair hire, pet-care centres and currency-exchange facilities.
- The opening days and times – Disneyland® Paris, for instance, is open every day of the year at different times according to the season.

The precise nature of the resort product depends on the type of resort it is, in other words, the Center Parcs product lays a greater emphasis on leisure facilities and recreational activities than does Disneyland® Paris.

Furthermore, we must also recognise that Disneyland® Paris is Europe's largest resort. Most others are smaller, although they offer a similar range of product elements. Whilst most resorts gear their product to the leisure user, some also offer facilities to attract the business user, namely conference rooms, in particular.

Lastly, we should recognise that some European resorts are based on the timeshare principle. Here guests buy the right to use the resort for one or two weeks every year, for as long as they want. In these cases, the marketing challenge is the sale of the weeks in the first place rather than in needing to find new customers for them each year. However, it is important that the complex is self-contained as it must function as a 'home from home' for those customers who are committed to visiting the resort year after year.

There are different approaches to resort *pricing* as follows:

- What we might term, the 'Club Med' approach of 'all-inclusive' prices where guests pay one price and that includes all or almost all of the elements of the product.
- The item-by-item approach, favoured by Disneyland® Paris, for example, where each element of the product is a separate price, and visitors buy only those elements they wish to, or can afford to, purchase.

Generally, resorts are relatively high priced to reflect the costs incurred in their development and maintenance, and their exclusivity value. However, discounts are used to attract business at the less busy times of the year.

Consumers do not always know what price they are paying for the use of the resort, as it may be part of a package holiday for which they have paid a single price.

Place or the distribution of the resort product tends to be either by direct sale or via marketing intermediaries, such as travel agents. Club Méditerranée, Center Parcs and Disneyland® Paris all offer opportunities for clients to book directly but they are also available through travel agents. Some resort operators use specialist representatives in foreign countries from which they wish to attract tourists, to help potential customers buy the product.

As far as *promotion* is concerned, most of the major resort operators have large budgets and make use of television advertising as well as widespread printed-media advertisements. Their brochures tend to be large and glossy and they make considerable use of sales promotions. Personal selling is used particularly to gain bookings from coach and tour operators, and conference organisers, in other words, those who control high value business.

Many resorts also use direct mail, based on their databases, to either attract new customers or persuade previous users to make a repeat purchase.

The resort *market* can be segmented in a number of ways, including:

- Where customers live which determines whether their catchment areas are local, regional, national and international. This obviously influences where the resort operator will concentrate most of their advertising effort.
- Where consumers are in terms of the family life cycle, including young couples, families and so-called 'empty nesters' or people aged around the early fifties whose children have left home.
- Day visitors who are simply using the nonresidential attractions on the site and those staying visitors who are also using the on-site accommodation units.
- Those visitors who want to relax and the customers who want to spend most of their holiday indulging in active pursuits.
- People who use the resort in the peak season and those who visit in the off-peak season.
- Gregarious people and those who prefer to be on their own, likewise extroverts and introverts, as some resorts suit one of these types of people while others appeal to the other types.
- Leisure visitors and business users.

The *benefits sought* by resort users vary depending on the nature of the resort in question and the personality of the particular guest. They can include the following:

- privacy or companionship;
- complete relaxation or the chance to practice a number of sports and recreational activities;
- the opportunity to enjoy a complete holiday without the need to leave the site, in other words, convenience;
- value for money at those resorts where the price is all-inclusive.

There is *competition* in the resort sector, but as the product they offer is often very different and their target markets vary, much of the competition is between resorts and other types of holiday, rather than between resorts.

For example, Club Robinson is aimed at German tourists and is for those who prefer a much more individual type of holiday than Club Méditerranée which is aimed more at French and English-speaking consumers and is based on a more communal approach to holiday-making.

As far as the nonresort competition is concerned, it depends on the type of resort, but can include the following:

- the destinations which offer a similar range of attractions and services, whether that is a seaside resort, a place with a local theme park or a skiing centre, for instance;
- attractions which offer on-site accommodation such as Futuroscope in France;
- package holidays that offer inclusive packages that include the elements that might otherwise be available at a resort such as accommodation, entertainment and activities.

In the case of theme park-based attractions, such as Disneyland® Paris, the competition may be in terms of hotels outside the resort, where customers use the theme park but not its accommodation. Clearly, this dramatically reduces the resorts' income from that which it would receive if the visitor chose to stay in one of the resort's accommodation establishments.

Many resorts are *marketed by other* organisations as well as by themselves, including:

- Tour operators for whom they are the core product in particular packages that they offer. Thus, UK tour operators promote Disneyland® Paris through their brochures purely on holidays they sell to Disneyland® Paris while the French State Railways, SNCF, also offer combined rail-resort stay packages to the French market.
- Destination-marketing agencies who use the resort as a way of attracting particular market segments to their area. Hence the local council in Nottinghamshire in the UK promotes the fact that there is a Center Parcs complex in their area.
- Accommodation establishments which include an entrance ticket to the resort, where such tickets are available as part of the package it offers to its clients, particularly in the weekend short-break market.

However, some resort operators, such as Disney, while happy to enjoy the benefits of joint marketing with other organisations, maintain strict control on the ways in which their product is packaged by these organisations. For example, they may insist on their logo being used and particular wording being used to describe aspects of the resort.

In addition to the resort chains like Club Méditerranée and Center Parcs, and the Disney Corporation, there are also many *individual, independently owned resorts* in Europe.

In the case of these resorts, it is difficult to draw a clear line between resorts and other sectors of leisure. Two examples of where the boundary can be blurred include:

- The so-called 'health farms' or health clubs, usually located in country houses or chateaux, which combine leisure facilities, recreational activities, accommodation and specialised healthy eating. There are many examples of such places in the UK including Champneys.
- Hotels which offer a wide range of leisure facilities are located in isolated localities and are largely self-contained.

It must also be recognised that not every complex that could justify the term 'resort' is run by a private-sector organisation. Some are owned by *voluntary-sector* bodies and a few are in *public ownership*.

Conclusion

Overall, resort marketing tends to be a function of both the size of organisation involved and the precise nature of the resort in question, in terms of its core product and its target market. Given the growth of resorts in Europe, it is clearly a form of marketing with which we will become even more familiar in the future.

Discussion points and essay questions

1. Choose *one* of the following resorts or resort companies and examine the nature of its product:
 - Disneyland® Paris
 - Center Parcs
 - Club Med
 - Sandals.
2. Discuss the main factors that may have contributed to the growth of resort complexes around the world in recent years.
3. Evaluate the ways in which the resort market might be segmented.

Exercise

You have been engaged as a consultant for a European-based organisation which wishes to develop a major new resort complex in Europe.

Your brief is as follows:

- (i) to identify the optimum location in Europe for such a new resort complex and provide a rationale for your choice of location;
- (ii) to develop an overall concept for the complex;
- (iii) to create a two-dimensional plan of the proposed complex;
- (iv) to suggest who would be the main target market or markets for the new complex.

Your report should be presented to your client in the form of both a verbal presentation and a written report.