

Resort Definition & Classifications

A Summary Report to Research Participants

The purpose of this research was to establish a definitive definition and classification system for resorts. This was achieved by identifying and defining the various components that constitute a resort, and establishing categories under which all resorts can be effectively classified across structural, geographic and consumer segments.

After more than 18-months of research and over 120 interviews conducted with resort executives and professionals from around the world, a resort definition & classification scheme have been established. As a thank you for your assistance in reaching these important outcomes, results of this study are presented in this report . This report is broken into two primary sections. The first discusses the specifics of the definition while the second provides insight into the classification of properties.

A special thank you goes to the Resort Marketing Special Interest Group and the Hospitality Sales and Marketing Association International Foundation in support for this research. Without their help, this study would not have been successfully completed.

If you have any questions or comments concerning the contents of this paper or would like to know more about the methods used, please feel free to contact Dr. Eric T. Brey of the Center for Resort and Hospitality Business in the Kemmons Wilson School of Hospitality and Resort Management at the University of Memphis.

Executive Summary

After conducting interviews with more than 50 executives from three continents, a comprehensive definition and classification system for resorts was established. The definition focused on bringing established aspects of the resort industry to current realities of conducting business. The classification system, which places resorts into four separate categories, also takes into account the current state of the industry. This summary describes the specifics of the established definition and classifications along with secondary outcomes of the project.

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A resort is a full-service lodging facility that provides access to or offers a range of amenities and recreation facilities to emphasize a leisure experience. Resorts serve as the primary provider of the guests' experience, often provides services for business and meetings and are characteristically located in vacation-oriented settings.

-The New Definition of Resort

Resort Definition

Based upon input from resort executives and professionals, an appropriate definition for the term resort as related to lodging was determined to be:

A resort is a full-service lodging facility that provides access to or offers a range of amenities and recreation facilities to emphasize a leisure experience. Resorts serve as the primary provider of the guests' experience, often provide services for business or meetings, and are characteristically located in vacation-oriented settings.

For a lodging property to be considered a resort, certain minimum qualifications must also be met. These include:

- Provide one signature amenity or anchor attribute
- Provide five secondary recreation/leisure/entertainment experiences
- Provide one full-service food & beverage outlet
- Bed-base must include short-term or overnight lodging
- Minimum of 25 rooms or other accommodations (exception to minimum for properties with two signature amenity/anchor attributes)
- Emphasize a leisure or retreat-environment experience

While minimums provide guidance as to the type and scope of property that warrants inclusion as a resort, new terminologies are also presented. These are new terms associated with this definition and in determining property inclusion. These key terminology include:

Signature Amenity

Signature amenities are amenities/attractions/geographically significant attributes that a resort is required to provide access to in order to be considered a resort. These include, for example: golf, ski/mountain, beach/ocean, lakeside, casino/gaming, all-inclusiveness, spa/health/wellness, marina, tennis and water park. For property-generated or man-made amenities, they need to be considered full-service to be a signature amenity.



Minimum Qualifications

- One signature amenity
- Five secondary experiences
- One full service food & beverage outlet
- Short-term lodging
- Minimum accommodations
- Leisure or retreat environment

Anchor Attribute

An anchor attribute is a non-typical theme linking tertiary or secondary resort amenities and attributes to provide a signature amenity. To be identified as an anchor attribute, a minimum of five recreation/leisure/entertainment experiences linking to a common theme must be provided. Examples include: couples, family, educational, tropical, and dude ranch.

Recreation/leisure/entertainment experiences (RLE-E)

A recreation/leisure/entertainment experience is a secondary amenity that adds to the resort experience. Any leisure or recreation activities, which can range from croquet to beach volleyball or organized kids activities, are considered RLE-E. While RLE-E is not considered primary resort features, they are important in creating the appropriate atmosphere and providing a range of activities for guests to participate in. These attributes are important, along with food & beverage outlets, in determining whether properties should be included as resorts once the signature amenity/anchor amenity minimums are met.

Full-Service

For the purposes of this definition, full-service shall be defined as a property that provides a range of amenities and services to address customer wants and needs. This includes offering a variety of amenities and activities, a restaurant offering two or more meal services daily, and enhanced service levels (ex. concierge or room service).

Full-service is a term that has been applied in a variety of ways within the hospitality and lodging industries. Because of this confusion, it was important to outline specifics of what full-service meant for classification purposes.

Resort Classification

Once the criteria for considering a lodging property a resort were established, participants identified categories under which properties could be classified. These four categories can be described as, with minimum qualifications of each property, as:

Destination Resort

These properties are seen as resorts in the truest sense. They serve as the primary motivation to visit a destination and have characteristically high levels of service. Properties provide most or all amenities throughout a guests' visit and provide access to substantial recreation or leisure space. Properties frequently have capabilities for meetings/business and meet the minimum resort requirements plus:

- Four signature/anchor amenities
- Fifteen or more unique secondary RLE-E
- Three or more food & beverage outlets
- Spa/health/wellness amenities
- Multiple shopping outlets
- Variety of lodging options

Intermediate Resort

These properties can serve as the primary reason to visit a destination but guests can have additional motivations for visiting the resort. Properties frequently provide access to substantial recreation and leisure space and are removed from major population centers. They are very similar to destination resort properties except for their limited scope of signature or anchor amenities. These properties meet the minimum resort requirements plus provide:

- Two signature/anchor amenities
- Ten or more unique secondary RLE-E
- Two or more food & beverage outlets

Intermediate-Access Resort

These properties are typically located in vacation destinations or densely populated areas. They are frequently clustered together and provide access to geographically-significant signature amenities (ex. ski, beach). Properties may not serve as the primary attraction for guests but provide adequate recreation/leisure/entertainment experiences to engage guests throughout their stay. These properties must meet the minimum resort requirements plus provide:

- Two signature/anchor amenities
- Ten or more unique secondary RLE-E
- Two or more food & beverage outlets
- Provide direct access to external recreation or leisure experiences

Specialized Resort

These properties can be found in any location and provide a focused experience around one signature amenity or anchor attribute. Properties generally tailor the guest experience around the primary amenity or attribute and are typically smaller in size. These properties can serve as the primary attraction for guests or as a complement to the destination. These properties must meet the minimum resort requirements of:

- Provide one signature amenity or anchor attribute
- Provide five secondary RLE-E
- Provide one full-service food & beverage outlet
- Bed-base must include short-term or overnight lodging
- Minimum of 25 rooms or other accommodations (exception to minimum for properties with two signature amenity/anchor attributes)
- Emphasize a leisure or retreat-environment experience



Resort Typology

- Destination Resort
- Intermediate Resort
- Intermediate-Access Resort
- Specialized Resort

Results of this study also established categories for those properties that have been incorrectly viewed as resorts, identified as faux or false-positive, either by proprietors to increase property value or by consumers because of their resort qualities.

-The New Definition of Resort

Faux Resort Properties

These are established strictly for providing a category where properties can be located that have been traditionally viewed as resorts but fail to meet established requirements. These properties are not resorts by definition but have been identified by proprietors as resorts to increase value or for their resort qualities by consumers.

Vacation Retreat

These properties have been traditionally identified as resorts by consumers for their escapism qualities but don't meet the minimum resort requirements. They are small in size and located on or have direct access to a geographically signature amenity, such as a lake or beach. These properties have multiple buildings, such as multiple cabins with a main lodge, and a couple of minor amenities that differentiate them from other types of lodging properties.

False-Positive

These are properties that have been incorrectly identified as resorts, either through deliberate self-appointed methods or by general consumer and industry misconceptions. These properties may have resort attributes but do not meet the base requirement of having a signature amenity or anchor attraction. Example of false-positive resorts include: roadside highway resorts, cruise ships as floating resorts and beach/ski hotels that don't meet minimum requirements for an intermediate-access resort.

Integrated Destination Development (Mega Resort)

These properties are identified for their immense size, extensive amenity offerings and the presence of multiple lodging facilities within one self-contained community or destination. These developments often have a residential component, provide resort-oriented amenities and can contain one or more resorts or other lodging facilities. These are not to be confused with resort destinations, such as ski or seaside cities, with a key example being City Center, Las Vegas.



Faux Resort Properties

- Vacation Retreat
- False-Positive
- Integrated Destination Development

Taxonomy Rules

To appropriately categorize resorts given the differentiation of product offerings, additional rules were needed to clarify classifications. These rules included:

1. Time-consumption rule. Given that properties must provide enough amenities to keep guests engaged, properties located in densely populated locations are assessed a one signature amenity and three RLE-E penalty. This correction provides separation from intermediate-access resorts and false-positive properties.
2. Gaming-only correction. This rule limits the inclusion of gaming-only properties that do not offer additional amenities. This removes any gaming-only property and provides that gaming only counts as a signature amenity if accompanied by an additional signature amenity.
3. Destination amenity rider. This provides an outline where amenities that are most closely associated with resorts (golf, ski, beach, spa) can be valued as two signature amenities or anchor attributes. A destination amenity can be described as: These amenities serve as a focal point of the resort experience and as a primary driver for a guest's visit. Destination amenities are often indicated in the title of a resort to specify the type of experience and count as two signature amenities because of their size and scope. In general, for an amenity to be considered a destination amenity it must be a focal point of the resort experience, be a quality product, and have a range of secondary items relating to and supplementing the amenity.

For each of the four amenities most closely associated to the resort product, specific rules were created to identify their destination amenity status. These included:

Golf

To be considered a destination amenity, there must be 27 holes of golf on property with one signature course, practice facility, a range of golf-amenities to indicate golf as an anchor attribute, and educational or training content relating to golf. The resort must also be in a golf-destination where additional courses are available for play. For a resort with 36 holes or more, the property does not need additional holes available but must adhere to remaining minimums.

Taxonomy Rules

- Time-consumption rule
- Gaming only correction
- Destination amenity rider
- Destination amenity standards address golf, ski, beach and spa

The destination amenity rule outlines four amenities that have been most closely associated with resorts. Additional amenities can be considered destination amenities but must be considered the focus of the resort and produce significant revenue relating to that activity.

In order to test the applicability of these classifications, future research will look at the potential differences between these established segments from operational and consumer perspectives. This study only represents the first step in the applying the new definition of resorts.

Ski

To be considered a destination amenity for a property located in a ski destination (ex. Vail), the property must have one dedicated lift for their guests, direct access to multiple runs, and a range of amenities and activities to indicate skiing as an anchor attribute. For resorts outside of ski destinations, they must have access to a private hill, multiple lifts, five or more runs, and a range of amenities and activities to indicate skiing as an anchor attribute.

Beach

To be considered a destination amenity, the resort must be located on the beach (not just access to), have guest-only amenities on the beach, and amenities and activities to indicate the beach as an anchor attribute.

Spa

To be considered a destination amenity, a resort must offer a range of activities that include both wet & dry treatments. The spa must offer services that address the areas of health, fitness, and beauty. Properties must also exhibit the 'sanctuary effect' for spa goers and provide a secluded area specifically for guests (i.e., lobby, locker room, garden).



To learn more about this topic and how the Center for Resort and Hospitality Business in the Kemmons Wilson School of Hospitality and Resort Management at the University of Memphis can help you, please contact:

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