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HAVE TOUR OPERATORS CREATED A GAP IN THE RESORT PRODUCT MARKET?

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June 20, 2014 - Categories: [Blogs](#),

The mainstream resort market is still operating based on product concepts designed decades ago. Especially in Latin America and EMEA, 3- and 4-star resorts are only developed in a particular destination if tour operators commit the necessary volumes and airlift frequency.

As a result, resorts remain the industry sector segment with the highest dependency on intermediaries. This is a comfortable position for property owners to be in — until properties turn into commodities and profit margins are displaced upstream in the distribution value chain.

As a consequence of this reliance on tour operators for holiday bookings, resort product concepts have stayed away, in terms of design creativity, from the more dynamic changes affecting urban hotel products. Mainstream resorts' formulas have not evolved much in the last years. This is because resort product standards are not customer-driven, like in city hotels, where Internet distribution allows guests to interact directly and shape the products. Mainstream resort designs have been conceived essentially as distribution-driven concepts. In EMEA and Latin America, tour operators have the last word on how seaside products should be configured, what amenities and services should be offered to guests, etc. After all, tour operators are the ones bringing in the clients.

In 2000 Motel One was launched. In 2007 Yotel opened its first property. In 2008 CitizenM and Mama Shelter came into the market. The question is, then, which resort brand should the guests at Yotel, CitizenM, Motel One and Mama Shelter book when they wish to travel to a seaside destination for their summer holidays? Are there any resort brands addressing these customer segments?

In my view, the moment resort concepts' design becomes customer-led, seaside destinations will gradually stop depending on discretionary airlift negotiated by tour operators.

It seems Melia is the first resort global player to take a step towards filling in this market gap with the creation of the new brands Sol House and Sol Beach House that have just been [announced](#). I am sure others will follow.

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