

Hospitality Boosting Its Offering with World-Class ‘Resortainment’ Packages



In a new move for the recovering hospitality sector, some larger hotels and resorts are adding new entertainment options to their offering, including theme parks, virtual-reality games and circus performances.

The trend, dubbed ‘resortainment’, is aimed at bringing in higher revenue from prolonged stays and more spending according to a recent Wall Street Journal (WSJ) article.

Global Reach

WSJ notes that some big players have entered the space, including Spanish hospitality chain Meliá Hotels International. The hoteliers have launched a joint venture with Falcon’s Beyond Global LLC to bring mini-golf, interactive theatres and other attractions to their 380 global locations.

It’s a continuation of a longer standing trend for Meliá, which saw a boost in room rentals and rates after merging its property in Mallorca with a theme park back in 2012.

‘Entertainment Destinations’

The idea of adding entertainment options, especially in a resort context, is certainly not a new one. What’s changed, however, is the type and extent of entertainment on offer. Whereas in the past we’ve seen destinations that offer activities, like scuba diving or golf, the goal now is to create extended, immersive offerings.

Hospitality Boosting Its Offering with World-Class ‘Resortainment’ Packages

Earlier this year, for example, Business Wire reported on the development of ‘Reveler’s Resort’ hotels by entertainment company Two Bit Circus. With these destination hotels, the company aims to mix digital and amusement park-style entertainment for a complete experiential package.

In April, we also saw the announcement of VAI Resort in Arizona, which plans to offer the US’s largest man-made ‘party island’, and a unique concert experience where guests can watch performances from their hotel balcony.

Market Confidence

The fact that hoteliers feel comfortable making these kinds of moves speaks to growing confidence in the hospitality sector. WSJ notes that hotels are “finding that guests are willing to pay premium room rates” adding: “The average daily rate in the first seven months of the year topped \$147, according to hospitality data and analytics company STR.”

The most recent data from STR in July shows that the Average Daily Rate (the average amount paid for rooms in a given time period) is up 17.5% compared to 2019, while RevPAR was up 11.2% for the same period. NAI Realvest also noted in August this year that things are looking up both in the US and in Europe as the hospitality sector heads into 2023.

Long-Term Outlook

With all of that said, it’s hard to predict to what extent the move towards “resortainment” will boost hospitality revenue in the coming months and years. And as always, what works for one market or area won’t necessarily translate into a solid strategy elsewhere.

As with any commercial real estate (CRE) trend, however, it’s something worth keeping a practiced eye on as opportunities in the space, and new ideas, continue to unfold.

