

Group Travel World

Inspirational Days Out and Holidays

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HALLOWE'EN HORRORS

The most frightful places to visit for Hallowe'en **p22**

READY FOR CHRISTMAS

More destinations for seasonal group fun **p26**

FINEST GROUP-FRIENDLY

England's best welcomes for group visitors **p36**

5 OF THE BEST JOURNALS

GTO Grapevine chooses five travel journals **p62**

LONDON'S LASTING

Twelve months on, the impact of the Olympic Games on the capital's tourism trade and how to guard it for the future **p14**



Life Guard, London

© The Household Cavalry Museum

HOW TO... MAXIMISE HOTEL AND RESORT OCCUPANCY AND REVENUE THROUGHOUT THE WHOLE YEAR



Julian Houchin is the Director of iO Adria, owners of the Sun Gardens resort in Dubrovnik. Julian has worked in the tourism industry for 28 years and prior to joining iO Adria in 2007, Julian was with Cendant Corporation (now Wyndham Worldwide) where he held the roles of Managing Director and Business Development for NorthCourse Leisure Real Estate Solutions.

Seasonal demand is a fact of life for any resort operator and increasing business throughout the whole year is the secret to success. Resorts by their very nature have periods of low and high occupancy, and established resort operators will know their demand patterns so that they can maximize their yield during the relatively limited peak period. Typically, resorts generate up to 80-90% of their annual rooms revenue in a rather short period, which begs the question, what can resorts do to sustain occupancy levels and generate revenue during the rest of the year? In many instances, hotels prefer to close out of season, as operating for a full 12 months does not make commercial sense.

TAKE A PROACTIVE APPROACH

This is quite a common case in Dubrovnik, as the opportunity to drive occupancy is typically hindered by reduced airlift outside peak season. Other resorts face similar external factors (such as lack of snow), but it is encouraging to see that many have evolved and taken a proactive stance, such as the



Sun Gardens resort in Dubrovnik successfully attracts out-of-season business

ski resorts of Europe and North America, many of whom now offer a variety of activities. Mountain biking, snowboard hybrids, open air concerts, hiking and yoga at 11,000 feet enable these resorts to increase spring and summer business.

As developers and operators of the luxury five star Sun Gardens resort in Dubrovnik, we adopted a similar proactive approach to our business model. We set about creating Croatia's premier destination resort, located 11km from Dubrovnik's old town, that would compete with similar resorts across Europe. We took a simple view that if we developed a luxury waterfront resort in one of Europe's fastest growing tourism destinations, and developed an extensive resort amenity range, we would attract guests during peak season, keep their wallets in-resort during their stay and also attract business out of season.

ADAPT YOUR DESIGN ACCORDINGLY

Subsequently, a lot of thought and planning went into the design of the resort, which comprises a 201 room five star Radisson Blu Hotel, 207 one, two and three bedroom residences with gardens and sea views, three outdoor swimming pools, up to 16 different food and beverage options, an award-winning spa by OCCO, and a comprehensive sports facility

including tennis, squash, a climbing wall and a five-a-side floodlit football pitch. We also boast an in-resort grocery shop and retail promenade, a beach with a variety of watersports, a small transit marina for ferrying guests to and from the old town of Dubrovnik and the Elafiti Islands, a kids club and one of southeastern Europe's largest and most flexible conference facilities, all of which is enclosed within a mature landscaped environment.

Such an extensive amenity range strengthens our peak periods, so we operate at full capacity from June - September, but it also means we can extend our season by targeting different market segments. This has led to us capturing and exceeding our fair off-peak market share. Our award-winning spa, for example, is popular with both spa break operators and spa enthusiasts, and having listened to demand, we introduced detoxification and winter short breaks. We now have guests who visit our resort solely to enjoy the spa in winter. Furthermore, we now have spa and sports membership for local residents who use the facilities out of season.

Having one of the largest conference venues in the region has enabled Sun Gardens to become one of Europe's leading conference resort destinations. We have hosted conferences

and incentives for some of Europe's leading companies, working closely with the MICE sector, which has extended our shoulder and low seasons. We have also hosted product launches, including a car launch for a top German car brand. This took place in January, which is very much our low season.

LISTEN TO FEEDBACK

Over and above the ability to capitalise on the resort infrastructure in order to promote low and shoulder season business, we also listen carefully to customers so that we discover what might attract them to the resort during other periods. Such feedback has resulted in the creation of packages such as school half term holidays in February and October, tennis clinics with our in-resort tennis pro in shoulder season and gourmet cooking lessons with our head chef in October. We also target local and regional markets for short breaks and weekend getaways.

Having launched whole-ownership sales of residences at Sun Gardens Dubrovnik 18 months ago, we now have nearly 50 owners, many of whom visit the resort during quieter months. This naturally results in extra food, drink and room revenue as owners bring groups of friends with them. Furthermore, we typically use the low and shoulder periods to invite real estate prospects on special promotional offers, thus further generating room and revenue opportunities.

For all resorts, good inventory and yield controls will ensure a strong peak season performance. The challenge for all resort operators is to be creative, listen to feedback and react accordingly to grow the shoulder and low seasons which, with a proactive approach, will steadily increase occupancy during the quieter months.



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