

Deloitte.



The hotel of the future

Resort design trends in the Mediterranean

June 2022

Forewords

Historically many investors, brands and operators have struggled with the concept of resorts and how to run them profitably – due to seasonality, operational cost structures, workforce challenges, CAPEX requirements, limited airlift options, etc. But in recent years we have seen the resurgence and evolution of resorts, globally and in the Mediterranean region, with a variety of investors taking the plunge into a sector they previously considered too risky. Some of these investors have brought much needed expertise and insights to the operations of these assets, as well as innovating the architecture and designs of many dated products to make them fit for purpose for the needs of today’s guests.

There is prevailing uncertainty as to the exact trends that will shape the hotel of the future, but we may assume that hotel design is set to continue prioritizing sustainability, technology, authenticity and personalization. In addition, the latest trends, innovations and changes in the tourism industry are challenging hotels to move beyond brand identity and extend and deepen their relationships with travelers. So, all in all, these are exciting times for the Mediterranean resort market as we emerge from one of the most difficult periods for our industry.

Hotels and resorts in the Mediterranean are in a period of significant evolution and opportunity. The COVID-19 pandemic is creating a “new normal”, forcing hoteliers to re-examine their strategies, business & operating models and products offerings. Technology innovations, growing environmental and sustainability priorities, changing customer demands and preferences, and new competitive challenges are pushing hotels to offer increasingly personal, uniquely tailored experiences for every guest on every visit.

Hotel architecture and design can be a catalyst for creating memorable and authentic experiences tailored to the expectations of each guest. In addition, it can be a powerful tool for hoteliers to differentiate their properties and stand out from the competition. Towards this direction, hotel design is being revisited at existing and new resort projects, mainly focused on enhancing the guest experience and responding successfully to disruptive trends, challenges and opportunities.

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Introduction

Prior to the onset of the COVID-19 pandemic, global tourism had experienced a 10-year period of continuous growth fueled by the expansion of the global economy and the emergence of new tourism outflow markets in Asia, the Middle East and Africa. Despite the headwinds from geopolitical and trade tensions, the slowing of economic growth as well as the collapse of Thomas Cook and certain European low-cost carriers, international tourist arrivals and receipts showed growth in 2019. However, even before the outbreak of the COVID-19 pandemic, the tourism and hospitality sector was in a state of disruption and constant change driven by several secular trends impacting the business & operating models of industry players, consumer preferences and behaviors, and the ability of the hotels to attract and retain customers.

Changing consumer preferences

- New consumer generations, such as Millennials and Zoomers (Generation Z), are entering the workforce, gaining financial independence and increasing their travel spending. These generations have their own travel needs preferring constant connectivity, innovative technological solutions, the comforts of home away from home, authentic and highly personalized experiences, new accommodation concepts and interactions via social media and other digital channels.
- The global middle class has expanded over the last decade with growth primarily driven by emerging markets in Asia and Africa, resulting in changes in its geographical structure. These new travel markets have their own demands, preferences and behaviors.

Personalization

- Today's hyper-connected consumer landscape enables customers to choose and purchase a plethora of goods and services either at a physical location or via digital devices and have those delivered to them almost instantly. Within that context, the demand for personalized travel services and experiences is rising.
- According to a survey by Epsilon¹, 87% of respondents mention that they are much / somewhat more likely to do business with travel websites / apps offering personalized experiences, while 76% of consumers would be willing to pay a premium of 10% or more for personalized hotel services (7% would be willing to pay a premium of over 50%) as highlighted by Deloitte².

Digital transformation

- Based on a survey conducted by Deloitte³, more than 85% of guests used digital devices during at least some part of a hotel visit, highlighting that today's travelers are hyper-connected and becoming accustomed to innovative technological solutions and digital tools.

Design can be a catalyst in offering exceptional guest experiences, as it is a defining component of the identity, character and image of a hotel and influences the functionality, accessibility and operations of the property.

- Additionally, in the current tourism landscape hotels are competing not only with traditional hospitality players, but also with new lodging concepts and technology-powered market disruptors such as sharing economy platforms (e.g., Airbnb, HomeToGo).
- Hoteliers need to embrace digital transformation to deliver exceptional, highly personalized and seamless guest experiences. Providing such experiences along with authentic hospitality across the entirety of the customer journey and all customer touchpoints, physical and / or digital, is crucial in order to attract guests and retain their loyalty.

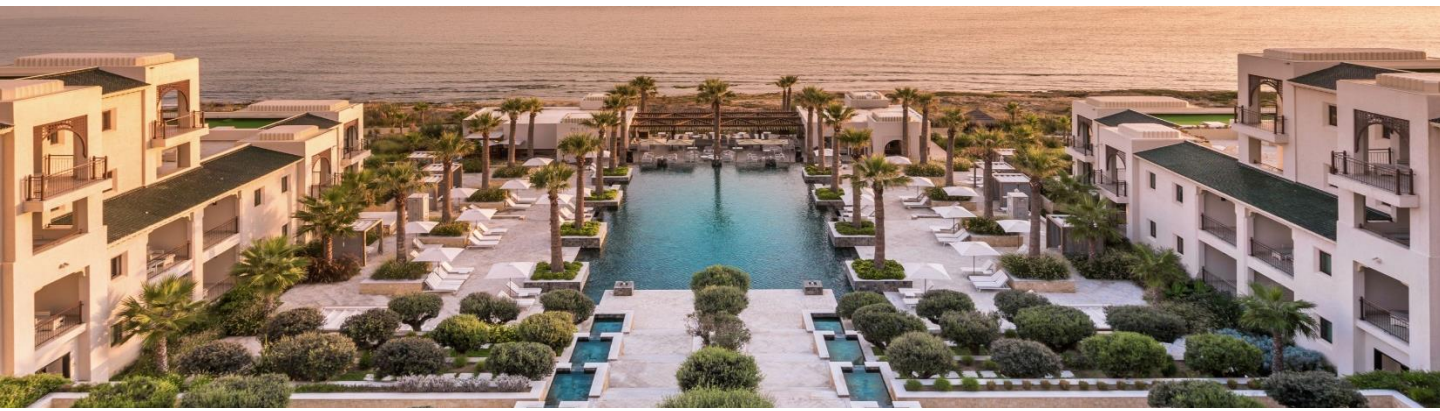
Sustainability

- All aspects of sustainability (environmental, economic, cultural, social & entrepreneurship), are becoming increasingly important for travelers.
- According to the "Sustainable Travel Report 2021" published by Booking.com, the effective implementation and communication of sustainability initiatives is going to be increasingly important for the tourism and hospitality industry as customers commit more to responsible travel practices. The study highlights that 81% of global travelers intend to stay in a sustainable accommodation at least once in the upcoming year, while 73% would be more likely to choose an accommodation that has implemented sustainability practices.

Within that context, design can be a catalyst for exceptional guest experiences, as it is a defining component of the identity, character and image of a hotel or resort, and influences the accessibility, functionality, and operations of the property. All elements of the guest's stay, functional and intangible, are impacted by hotel design. Therefore, as travel begins to recover from the shock of COVID-19, hospitality firms and hoteliers will need to reconsider the design of their properties in order to remain competitive in the wake of this unprecedented crisis and to tackle the disruptive forces affecting the tourism industry.



Resort design trends



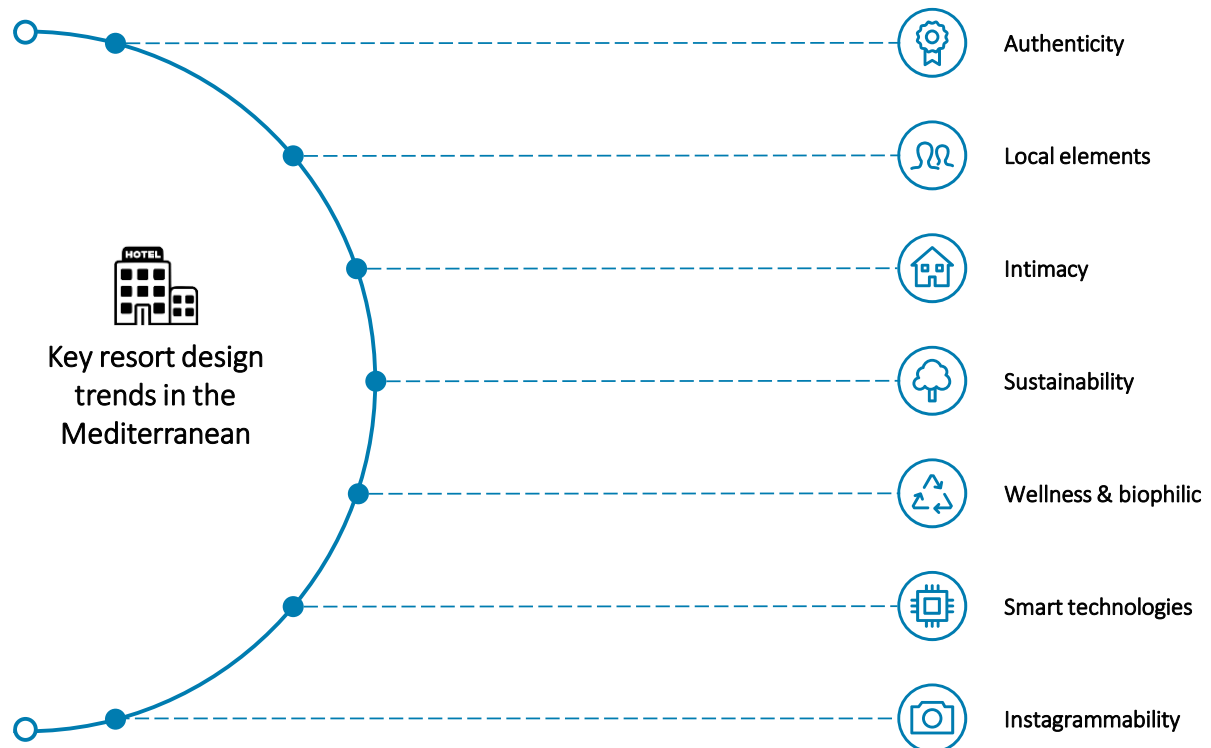
With that in mind, we developed an extensive analysis focused mainly on recently launched luxury 5-star resorts in the Mediterranean in order to identify key and prevailing resort design trends in the region. In addition, we have brought together leading voices from Deloitte's international network and expertise of SMEs to help us make sense of what is happening and what is likely to happen over the next years regarding the design of resorts.

The hotel industry is in a period of significant evolution and opportunity and the purpose of this report is to help hospitality firms and hoteliers understand how they can

offer exceptional guest experiences by reshaping the look, feel and appeal of their properties.

Based on our analysis, we have identified the below resort design trends in the Mediterranean (Exhibit 1). The future of the hospitality industry is expected to be more customer-centric with continuously evolving needs and expectations of hotel guests. Towards that direction, hospitality firms and hoteliers should examine how to incorporate the below trends in the design of their properties in order to enhance personalized customer experience and remain competitive in the ever-evolving landscape of hotel guests.

Exhibit 1: Key resort design trends in the Mediterranean



Methodology | Key steps

In order to identify key resort design trends in the Mediterranean, Deloitte has performed the following key steps:

- Received input from Deloitte's international network and SMEs expertise
- Reviewed design trends of select architecture firms, luxury travel advisors and luxury hospitality online platforms
- Analyzed recently launched (new and/or totally refurbished) luxury resorts in the Mediterranean region and leading luxury hotel chains & brands

Resort design trends | Authenticity

Global travelers belonging in the upper and middle classes are increasingly searching for authenticity and a sense of place, giving birth to a global market for hotels and resorts that reflect regional culture and vernacular design.

Architectural authenticity is closely related to the concept of “unity” – all design aspects should embody the same “character”. Authentic designs have a unique sense of purpose, an attractive backstory and storyline and reflect not only the local neighborhood and environment, but also the broader cultural context of the destination. In such instances, all design elements are in perfect alignment and do not feel like a mix & match of randomly selected pieces.

Therefore, the design of resort concepts should focus on the complete connection of the interior areas with the outside environment to promote a feeling of authenticity.

Developing a resort which captivates the imagination of travelers and attracts guests requires more than simply designing a reproduction of past architecture. To that end, resorts should focus on vernacular design which thoughtfully combines historical and present elements.

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As an indicative example, the design concept of Nobu Chain is based on a minimal Japanese style (i.e. strictly geometrical, elegant, with clean lines) with distinctive design elements such as tatami mats, sand-colored limestone walls and hand-crafted teak soaking tubs. Moreover, throughout the Nobu resorts, interior spaces are defined by a neutral color palette, earthy materials and an overall design concept that "balances the flow of energy".

Indicative cases

SANI DUNES

- Sani Dunes is a brand-new concept: a sophisticated, private beachfront hotel exclusively for adults and children over the age of 12. The hotel achieved international acclaim by being awarded the “Best Design Hotel 2019” award at the Connoisseur Circle Hospitality Awards in the leading trade show ITB Berlin.
- The resort features an elegant water’s edge ambience, providing guests a combination of relaxed beach life and chic interiors of high aesthetics in all accommodation types. A minimalist mood with clean lines and geometrical volumes, along with an emphasis on the creation of views and vistas to the sea and the swimming pools, were the basic design guidelines.
- The harmonious incorporation to the natural environment and the successful connection and interrelation of interior and exterior spaces, were equally important design objectives. Additionally, the resort combines contemporary style with elements of Mediterranean elegance such as handcrafted furniture, high quality fabrics and natural woods.
- The lobby boasts a state-of-the-art installation by Greek sculptor Costas Varotsos.



7 Pines KEMPINSKI IBIZA

- 7 pines Kempinski Ibiza is built on the foundations of an existing facility which was inspired from local villages. Typical Ibicenco design is evident across the resort and the cubic shapes with rounded edges and white washed walls reference classic local design.
- The architecture and design are purposefully clean-lined and awash in neutral tones, placing the emphasis squarely on the jaw-dropping views outside. Both the element of water, local materials and colors in their original meaning constitute essential design principles.
- The gardens abound with local plants such as fragrant pine trees, junipers, palm trees, cacti and rhododendron bushes, creating an air of unspoiled nature.
- The interior design pays tribute to the White Isle’s colors with rich furnishings, light wooden accents and natural stone panels and flooring. Gold ceramic tiles and marble add a touch of luxury in the bathrooms, with traditional Ibizan furniture-some of which has been handcrafted exclusively for the resort. The walls of Pure Seven Spa are decorated with floor-to-ceiling ornaments made of Bisazza mosaics.



Resort design trends | Local elements

Immersion in the local culture is becoming a key element of the traveler experience when visiting a destination as travelers are choosing to completely immerse themselves in the local culture. Moreover, more than 70% of millennials enjoy local neighborhood and community events during their travel.

In an increasingly competitive and complex travel market, resorts can benefit from integrating local elements from the outside environment and reflecting their surroundings in their design. Hospitality design, which reflects a broader meaning, creates an authentic, immersive and local feeling and enables travelers to live meaningful experiences, can be

Resorts can benefit from integrating local elements from the outside environment and reflecting their surroundings in their design.



Indicative cases

NOBU HOTEL IBIZA BAY

- The design and brand identity use a color palette of white, with turquoise and aqua for the Balearic sea and hints of gold for the Ibiza sunshine, whilst the architecture resembles an Asian resort, with a series of spaces organized to frame the sea and sky beyond.
- Nobu Hotel Ibiza is characterized by elements of traditional Balearic architecture colors and natural materials indigenous to the island which are utilized both indoors and outdoors, creating a relaxed and natural environment (e.g. light colored wooden beams, piedra laja stone cut walls, whitewashed biriba cane ceilings alongside raffia lamps, macramé hanging chairs and rattan sofas).
- In the rooms, hand-painted headboards, adorned on each side with hand-blown colored glass pendant lamps, made on Mallorca, or macramé pendants, made from recycled paper, complement woven-rope oversized armchairs from B&B Italia. Andalusian sculptress Anna Ortiz has created wall-hangings of one-off plates, paired with the work of artist William Pauer who uses the Japanese art of Raku to make pots and dishes, home to succulent plants in the rooms, while textured rugs were made in Valencia.



ANANTARA VILAMOURA ALGARVE RESORT

- Anantara Vilamoura Algarve Resort is designed to reflect a mixture of authentic indigenous Portuguese elements and international flair.
- Meticulously detailed in fine stonework, solid wood and handmade ceramics, the building echoes the spirit of grand hotels, as it aspires to a contemporary rethinking of that classical splendor.
- Revealing a journey of local artistry, the hotel's sculptures, artwork, paintings and installations create a contemporary Portuguese gallery.
- The facade system is a stereotomic composition of massive yellow limestone blocks, white precast concrete lintels and light-gold anodized aluminum frames.
- All the resort's guest rooms feature elements reflecting the natural woods and fibers of the Vilamoura region which create an elegant and comforting space for relaxation.
- The resort has collaborated with local artisans, where guests can appreciate the hand-woven pool bags, locally sourced cork coasters and signature Algarvian ceramic fruit bowls.



Resort design trends | Intimacy

Places that feel more like home are becoming increasingly important factors of guest experience. When hotel guests describe their experience, the alignment of interaction and physical space features, is an important driving factor in how they will perceive the entirety of their experience.

Therefore, for resorts which seek to exceed customer expectations providing an experience that feels intimate and comfortable is a powerful differentiator. Designing and building spaces which feel more welcoming and homelike can support the creation of an experience which feels more personalized. Additionally, factors such as music, lighting, artwork and spacing could be combined to create comfort and intimacy.

The primary design elements which can be utilized by luxury resorts in order to build a “home away from home” concept are:

- modern, yet intimate room design (e.g. atmospheric automated mood lighting, motorized curtains, a lighting control system via personal wireless devices, a smart TV which can be paired with personal devices)

- simple and elegant design and décor
- warm wood finishes and airy fabrics
- stone floors, marble baths and oversized windows with breathtaking views (e.g. iconic garden, sea views)
- home-style facilities and amenities (e.g. coffee machines and home-style kitchenettes to serve their long-term guests)

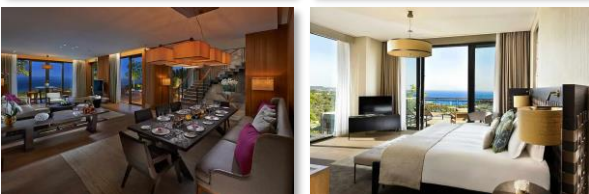
For resorts which seek to exceed customer expectations, providing an experience that feels intimate and comfortable is a powerful differentiator.



Indicative cases



- The Residences at Mandarin Oriental Bodrum offer a unique lifestyle which combines the comforts of a private home with the unsurpassed amenities and high-quality service of Mandarin Oriental.
- The villas have L-shaped floor plan layouts which enhance guest privacy and high ceiling entrance galleries.
- The residences feature modern architecture with large glass facades that allow homeowners and guests to enjoy unique views and an exquisite natural environment.
- Outdoor areas include infinity pools and expansive terraces with natural wood decking, providing true outdoor pleasure with panoramic views.



- Grand Park Hotel Rovinj features large windows which fill the rooms with an abundance of natural light and offer one of the most fascinating views in the Adriatic.
- A relaxing and intimate atmosphere is created by water surfaces, carefully selected paving and greenery, which frame content zones and make the whole area both attractive and accessible. Once a guest enters the resort, the feeling of familiarity and calm takes over.
- In order to blend into the existing forest, the floors offset to follow the slope of the site and form large terraces, Mediterranean gardens, pools and sundecks.
- Great significance in the hotels’ view was given to five pine trees that have been growing on the site for over half a century.



Resort design trends | Sustainability

Going green is becoming more and more important to travelers and based on data from Booking.com⁴ the percentage of global travelers which expressed their intention to stay at least once in a sustainable accommodation increased from 73% in 2019 to 81% in 2021. Additionally, 73% would be more likely to choose an accommodation in case it has adopted sustainable practices and 72% believe that travel companies should offer more sustainable choices.

Sustainability is one of the most important trends in luxury resort design and major hotel brands are increasing their commitment to implementing sustainable practices and effectively communicating these practices to the public.

Sustainability in hotel design seeks to minimize the negative environmental impacts and support the health and comfort of the guests by improving the performance of the building. The primary principles of sustainable design include the ability to:

- optimize and fully utilize the potential of the hotel site (e.g. benefit from the prevailing breezes and natural shading, offsetting energy consumption with higher levels of insulation, etc.)
- minimize non-renewable energy consumption
- use environmentally preferable products
- protect and conserve water
- enhance indoor environmental quality

Indicative cases



- At Regnum Carya Golf & Spa Resort, there is strong emphasis on green and sustainable practices - its innovative eco-friendly programs and initiatives are designed to protect its surroundings and minimize the resort's impact on the vital natural resources.
- The exterior façade of the resort consists mostly of natural materials in order to not disturb the harmony of the environment.
- It is the first European golf resort to be awarded LEED Gold Certification and has been designed as a progressive perspective on green building and TURKECO counselling given by the Association of the US Green Building.
- The resort's sustainability initiatives include energy, waste, water, air quality protection, noise control, chemical and garden management programs.



- Maxx Royal Kemer Resort has been conceived with a particular attention to the environment, at the very heart of which lies an environmentally sustainable program where a Green roof system creates an ecological haven for birds, insects and plants to flourish.
- Wood and stone are the consistent materials used throughout the building structure which complement the natural theme of the resort. The built environment offers an additional reference to the location's hues and colors. Thanks to the thick flora covering the slopes and the terraces, the construction continues the relationship that is established with the existing topography and "becomes one" with this topography instead of standing out.
- In addition, various recycling practices, energy-saving systems and other sustainable practices are in place to ensure the resort runs as ecologically as possible.



- implement an interactive Reforestation Program
- optimize operational and maintenance practices
- use local supply chains (sustainable management)

Exhibit 2: Key findings of Bouteco sustainability report⁵

- 90%** of Europeans consider sustainability for choosing a hotel. Older, wealthier guests are interested in environmental issues while younger travelers in social and community issues.
- 42%** of travelers would pay more for a sustainable hotel but would not compromise on comfort or luxury.
- 64%** of travelers consider environmental and green issues the most important when choosing a sustainable hotel.
- 63%** of travelers look for a dedicated or prominent section on a hotel website when considering the integrity of a hotel's sustainability.
- 46%** of travelers consider an international certification to be important, and these tend to be the more mature travelers.

Resort design trends | Wellness & biophilic

Wellness design involves lighting, materials, air and sound quality, neutral color palettes, biophilic design (connecting architecture and nature), greenery, and outdoor-indoor space integration. Both architecture and interior design for wellness resorts and spas has leaned towards the simple and uncomplicated, with regional influences.

Biophilic design is a nature-inspired design to foster wellness including indicatively:

- Direct views to nature / rooms with a view
- Natural architectural patterns
- Use of sustainably sourced, natural and local materials
- Living green walls & vertical gardens
- Direct and indirect exposure and connections to nature
- Acoustics & sensory experiences
- Exposure to natural lighting
- Scattered & clustered vegetation
- Water features
- Natural scents & odors
- Refuge or shelter

Exhibit 3: Benefits of wellness & biophilic design



56 % of hoteliers believe guests would be more likely to return to a property with biophilic elements - with plants being the primary driver⁶



36%

higher dwell rate
in biophilic hotel lobbies⁷



up to 12%
price premium

for rooms with view to famous landmarks or nature⁹



11% - 18%
higher ADR

for rooms with water views¹⁰



53% more

wellness tourists spending
than the average⁸



unique & memorable
guest experience

biophilic hotel
design & décor



100% more guests mention
"experience"

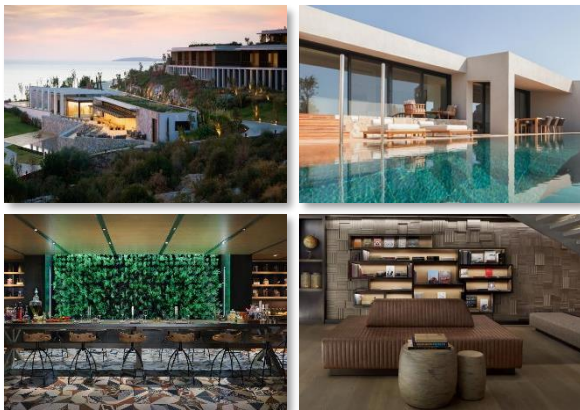
2x more in their website reviews
of biophilic hotels¹¹



Indicative cases

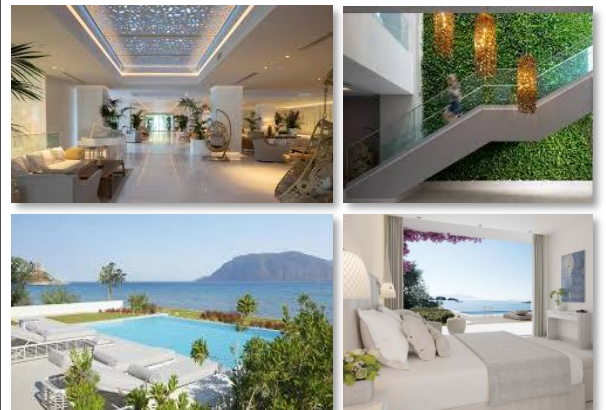


- Six Senses Kaplankaya combines architectural excellence, five-star hospitality and best-in-class wellbeing, with a focus on offering guests the opportunity to unplug, explore, socialize and recharge. With villas designed by Foster & Partners and the first Six Senses resort in the Mediterranean, the company strives to create a premium living environment.
- The distinctive architecture affords views over the sea from every room. Deep window seats have been built into each bathroom to overlook greenery while green roofed structures carved into giant rock formations cascade down towards the shore, ensuring all guestrooms face the sea.
- Living walls soften the faces of the stone walls, and a stone rug functions as a welcome mat for guests entering the skylit lobby through substantial wooden doors. Inside, the four-story space offers heady views of the sea, while a "caravanserai" of ancient kilim and leather-clad ottomans, a stone check-in desk, and olive wood tables further enforce a refined sense of place.



IKOS ARIA

- In a wonderfully serene setting, Ikos Aria overflows with style and touches of unique brilliance, all complemented by their award-winning Infinite Lifestyle.
- The functional, timeless design that is based on a holistic approach, the use of the abundant local natural materials and the special attention to details generate that sense of harmony and peace the guests relish in
- Panoramic windows offer relaxing sea views whilst the suite's fully furnished balcony offers ample room for sunbathing and al fresco relaxation.
- Cooling dove-grey tones give a respite to the Greek heat outside. Soft linens, fabric headboards and sleek bathrooms add a luxury feel, while pared-back artwork and statement pendant lights bring a chic ambiance.
- The huge lobby-lounge is airy and bright – with glass walls drenching the area with light, and a mix-match of textures. Oversized white-washed pots sit on woven rugs, metal light installations droop over pools of water, hanging eggs chairs, and a living-wall adds a nice touch of greenery to the white-on-white décor.



Resort design trends | Smart technologies

Hospitality companies are increasingly implementing innovative and emerging technologies to enhance the guest experience, meet the needs of tech-savvy customers, optimize the operation of their properties, increase the revenue generated per room and differentiate their assets from their competitors. The design of the hotel of the future must evolve beyond the built environment and incorporate smart technologies such as artificial intelligence, robotics, the internet of things (IoT), advanced audio-visual technology, gesture and voice-activated controls.

The successful implementation of smart technologies requires careful consideration of the potential return of investment, the alignment between the technology and the overall strategic positioning and design of the hotel, as well as the capacity of the technology to reshape and personalize the guest experience.

Smart technologies can provide guests with a higher degree of control over their stay, while features such as mobile bookings, check-ins and payments and keyless access to rooms are increasingly being demanded by hotel guests. The capacity of smart technologies to save in-room preferences

can enable the customization of the guest experience, create a unique sense of place and improve overall customer satisfaction. High-tech elements such as sophisticated room lighting options, projection video, aroma features, temperature and ventilation control, smart windows that control the amount of ambient light and music over Bluetooth speakers could all be managed from guests' smartphones or in-room control panels.

Hospitality companies are implementing innovative technologies to enhance the guest experience, meet the needs of tech-savvy customers, optimize the operation of their properties, increase the revenue generated per room and differentiate their assets from their competitors.



Indicative case



- Since its opening, the Ushuaia Ibiza Beach Hotel has been regarded as one of the most technologically advanced hotels in the world thanks to its commitment to offering groundbreaking services to its discerning guests.
- The hotel lives up to its status as “The Unexpected Hotel” through its unparalleled entertainment offering, events production and technology initiatives within the hotel itself as well as through its pioneering partnerships with global brands, including Facebook, Microsoft and PayPal.



Resort design trends | Instagrammability

Resorts are increasingly designing their exteriors and interiors with Instagrammability in mind by making the resort design suitable for Instagram, other social media and online platforms, to encourage photos and high ratings on online review sites for effective (and free) advertising. This trend targets new consumer generations, Millennials and Zoomers (Generation Z) who are active on social media and travel to other countries seeking new experiences.

Luxury resorts and elements such as infinity pools are more likely to rack up the likes on everyone's favorite picture-sharing platform. Therefore, such resorts should focus on providing complete instagrammable moments and experiences that begin with setting a mood through lighting, décor, customer service, music and other scenographic

elements that inspire positive big reactions in guests. Resorts which excel in Instagrammability have been designed to provide guest with inspiring visual moments during the development and design phases.

Indicatively and based on our analysis, some of the main instagrammable elements are the following:

- Lobby
- Selfie in room / residence
- Pools and jacuzzi
- Luxury cabanas & sunbeds
- Breakfast
- Sunsets
- Famous guests

Exhibit 4: Instagrammability

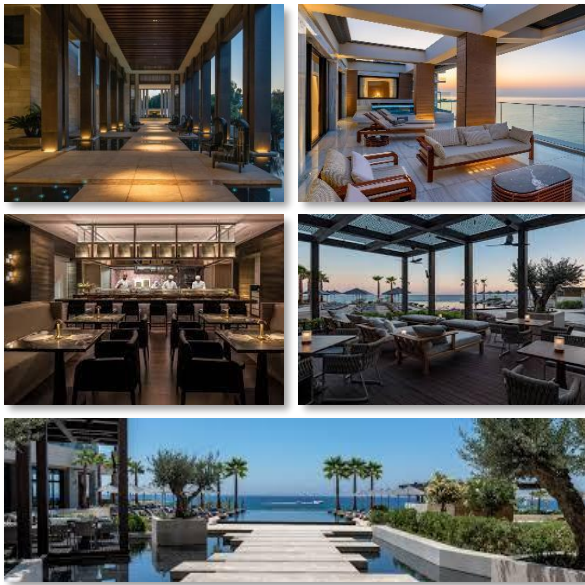
90% of millennials' inspiration for travel plan comes from social networks (i.e. Facebook, Instagram, Snapchat, etc.)¹².

83% of millennials said they would be more likely to book a hotel / resort after seeing images from someone they follow on social media¹⁴.

Indicative cases

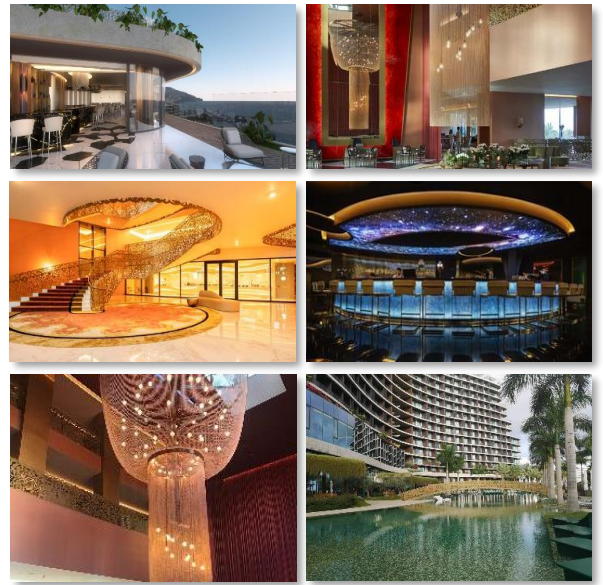
A M A R A

- Amara's grand entrance with its towering height, timber and marble décor, symmetrical ponds, tropical plants and quirky custom-made seating sets the scene.
- The resort offers great spots for Instagrammers including spectacular views of the Mediterranean sea, multiple infinity pools and elegant dining set up.
- There are three restaurants at the hotel by renowned chefs, including Locatelli from Giorgio Locatelli and Matsuhisa from Nobu Matsuhisa.
- The design concept of Matsuhisa Limassol is based on a minimal Japanese style while the space, designed by David Rockwell, includes one-off signature pieces, combining rich hues and soft lighting to create an intimate and elegant atmosphere.



SAVOY PALACE

- The design of Savoy Palace Madeira combines elements from the region's volcanic landscape, wickerwork, wine and man-made environment with influences from Belle Epoque. This combination reveals an element of pure luxury that every Instagrammer seeks. The main entrance features an impressive chandelier combined with sets of huge mirrors, red curtains and pink shades giving an impression of space and grandeur.
- The resort features ocean views, floor-to-ceiling windows and several rooftop spaces, including lounging areas and infinity pools. Galaxia restaurant on the top floor has been designed to encompass the entire galaxy with lights on the ceiling, blinking and simulating the constellations, like the stars in the night sky.



The impact of COVID-19 in resort design

The global COVID-19 pandemic halted travel in the short term, but its effects will arguably last into the foreseeable future - and possibly forever. Apart from the challenges related to operating during a time of crisis (e.g., interruption of operations during COVID-19 lockdowns, disruptions in operating model, service levels and processes, limited cash-flows), COVID-19 is expected to amplify and accelerate the secular trends affecting the tourism and hospitality industry (i.e., changing consumer preferences, personalization, digital transformation, sustainability).

More specifically, as life and international tourism demand enter the “new normal” and we emerge from the intensity of the COVID-19 pandemic, consumer preferences will alter. It is expected that hotel guests will demand from accommodation providers to implement social distancing policies, adhere to strict health and hygiene protocols, minimize person-to-person interaction by utilizing touchless technologies (such as digital keys, app-based check-in and contactless payments) and offer secure, private and flexible guest experiences

(e.g., in-room and outdoor activities, multifunctional spaces providing privacy and security).

The increased penetration of digital technologies in the daily life of consumers during the pandemic has resulted in increased usage of digital tools across all stages of the traveler journey, while a flexible and remote working is expected to be the new mindset moving forward (e.g., digital nomads, extended stay travel). Viewing this shift from a hotel lens, there is a great opportunity to accommodate and attract the growing remote workforce.

Finally, COVID-19 has cast a spotlight on the impacts of travel on the environment and on local communities and has raised the awareness of travelers regarding sustainability. According to Booking.com¹⁶, 61% and 49% of global travelers state that the COVID-19 pandemic has made them want to travel more sustainably in the future and has shifted their attitude to make positive changes in their everyday lives, respectively.

Exhibit 5: Impact of the COVID-19 pandemic in resort design

The impact of COVID-19 in resort design | Indicative trends & recent developments



Flexibility is “the name of the game” - spaces that can evolve with the realities of public health as well as with the needs and preferences of guests (e.g., reconfigure communal spaces to better accommodate working needs)



Safety & hygiene - new and increased cleaning standards and new health regulations, while hand sanitizer and anti-bacterial wipe stations are likely to become permanent fixtures throughout hotels



Redesigned key facilities / areas with a focus on **social distancing & multi-functionality** (e.g., multiple and smaller F&B facilities, conference areas able to host hybrid events, private spa treatment rooms, saunas, lockers and other areas)



Increased personal space in public areas / spaces



Check-in areas: optimized for a no-contact experience (e.g., electronic kiosks, app-based check-ins and controls, digital keys powered by mobile applications)



Guest room design focused on creating **hygiene and cleanliness perceptions**



Emphasis placed on the provision of rich **in-room activities and experiences**



Innovative & more touchless technology, which can also help hotels keep constant communication with their guests



Natural ventilation, increased airflow and enhanced HVAC systems as a “new luxury”



Sustainability at the forefront, with an increased demand for **wellness & biophilic design**



Guests seeking **more outdoor spaces and experiences** where they feel psychologically safer



A **modernist and minimal aesthetic** is likely to prevail in interior design



A new aesthetic of cleanliness regarding FF&E (i.e., features such as hard flooring, easily-cleanable bathrooms, anti-bacterial materials), while all FF&E items should be re-specified to ensure they are **durable under the revised cleaning protocols**



New developments in lighting design (e.g., ultraviolet disinfection technologies)

Conclusion

As the global travel and tourism industry recovers from the COVID-19 pandemic and enters the post-COVID-19 “new normal”, luxury resorts need to be prepared to address the constantly evolving customer needs, accommodate and attract new customer segments and patterns (e.g. Millennials / Gen Z, digital nomads, extended stay travel, bleisure), personalize the guest experience and adopt digital solutions and sustainability practices in order to remain competitive in light of the disruptive forces impacting the industry. In addition, resort design will need to focus on social distancing, safety, enhanced hygiene and cleanliness and flexibility without compromising the guest experience.

Nevertheless, customer experience and human connection will always be the center of hospitality, even as the industry undergoes structural changes. According to Deloitte, the hotel of the future will have to offer memorable experiences tailored to the expectations of every guest.

During the transition to the hotel of the future, luxury resorts will need to reconsider the required resources (space, people, brand, services) and capabilities (technology, human capital, user experience, operations, business models) as well as the optimal way to utilize them.

Within that context, design is a fundamental component and at the core of the identity, character and brand of luxury resorts. Resort design entails not only the choice of colors, fabrics and other materials, but also elements such as the functionality, accessibility and operational requirements of the property as well as its adherence to brand standards.

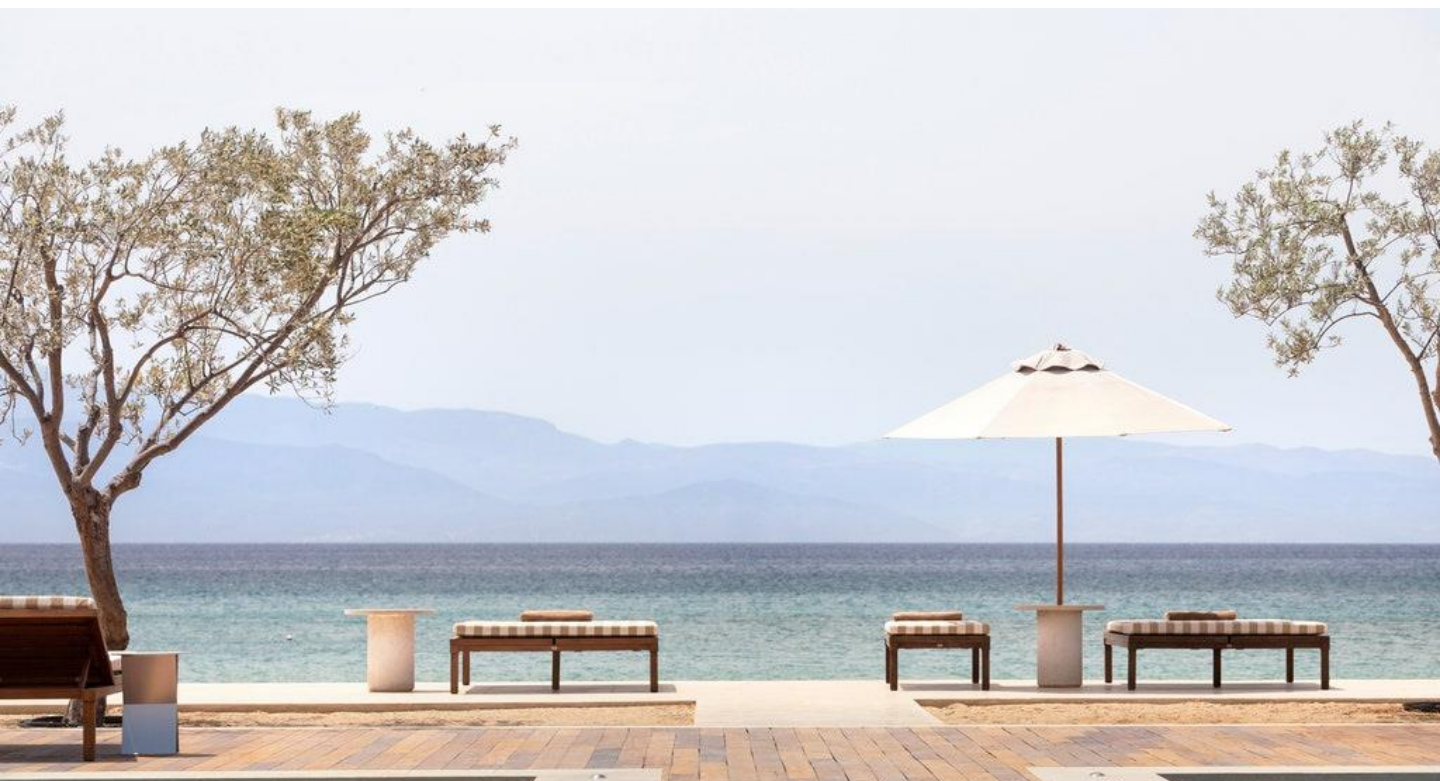
A luxury resort with first-rate operations and customer service which lacks a visually appealing, striking and functional design will fail to deliver an exceptional customer experience and differentiate itself from the competition.

The decision of implementing specific design elements either during the initial development or during the next scheduled renovation could be what differentiates a resort from the competition and a key aspect in providing exceptional guest experience in the future.

This is especially important, given that resort design in the coming years, might begin to focus more on the unique storyline and narrative of each property rather than brand standards.

Hence, investors, hotel brands, hotel owners, hotel operators and hospitality companies in the luxury segment need to closely monitor, evaluate and understand the latest resort design trends in order to identify the key elements necessary to increase the consumer appeal and the value of their properties. This will ensure that the design of their resort will be a key asset in delivering guest experiences fit for a hotel of the future.

The decision of implementing specific design elements during either the initial development or the next scheduled renovation could be what differentiates a resort from the competition and a key aspect in providing exceptional guest experience in the future.



Endnotes

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“Despite the fact that the COVID-19 pandemic has not been fully eliminated, international travel and tourism began its recovery in 2021 driven by the effective vaccines and widespread vaccination campaigns in leading tourism outflow markets.

Consequently, hospitality firms and hoteliers need to be prepared for the “new normal” in the industry and ready to implement necessary changes in the design of their hotels to accommodate shifts in traveler behavior and preferences. We recognize the role and importance of design in providing a high-end and exceptional hospitality experience and our insights can help you take advantage of emerging trends.”



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